



Soneri Bank

ASCENDING HEIGHTS

ANNUAL REPORT 2023

Registered Office: 2nd Floor, 307 - Upper Mall
Scheme, Lahore-54000, Pakistan.
Phone No.: (021) 32444401-05
UAN: (021) 111-567-890

Central Office: 10th Floor, PNSC Building,
M.T. Khan Road, Karachi-74000, Pakistan.
UAN: (021) 111-567-890

☎ 24/7 Phone Banking: 021-111-SONERI (766374)

🏠 440+ Branches and ATMs

🌐 www.soneribank.com

📱 Soneri Digital 📘 SoneriBankPK

✉ SoneriBank_Pk @soneribankltd

📺 SoneriBankOfficial in soneribankltd

REACHING NEW HEIGHTS

GEOGRAPHICAL PRESENCE

Across every corner of the nation, Soneri Bank extends its reach, working towards banking excellence in diverse regions. We are committed to connecting communities, leaving no one untouched by our financial services.

Great Trango, in Pakistan's Baltoro Glacier region, is the tallest formation in Trango Valley, offering a formidable 4,396 vertical feet of granite and hosting one of the world's most challenging rock climbing routes.

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Located in the Karakoram Mountain range in Shigar district of Pakistan, the Biafo Glacier is home to some of the world's highest peaks with elevations exceeding 8,000 meters.

CHARTING OUR PATH

ABOUT US

Amidst the towering peaks of Pakistan's financial terrain, Soneri Bank has forged a legacy built on trust, innovation, and unparalleled service. Our unwavering dedication to customers, shareholders and communities propels us to ascend even greater heights in the world of banking. Explore the narrative behind our summits, our vision for the future, and the values that guide our ascent.

Mitre Peak 6010m is a mountain in the Karakoram mountain range near Concordia camp in Gilgit-Baltistan, Pakistan.

CLIMBING TOWARD SUCCESS

Our Vision and Mission serve as the compass guiding our endeavors. Just as mountaineers seek new summits, our Vision propels us to reach for boundless opportunities. Our Mission, in harmony with our Vision, leads us to uncharted territories, applying our expertise and unwavering dedication to enhance the lives of our clients and communities, ensuring financial prosperity for all.

VISION

To better serve customers to help them and society grow.

MISSION

We provide innovative and efficient financial solutions to our customers.

Angel Peak, towering at an altitude of 6858 meters, is situated in the Central Karakoram region of Gilgit-Baltistan, Northern Pakistan.

PEAK PRINCIPLES

Much like the majestic peaks of a mountain range, our Core Values soar to great heights. These values, resembling the grand summits, inspire us to relentlessly seek new pinnacles. Guided by our Core Values, we venture into uncharted territories, utilizing our expertise to ensure success.

CORE VALUES

- We are Customer-centric
- We take Ownership
- We have High moral standards
- We are Proactive
- We Collaborate

Located in Pakistan's Baltistan region, Gondogoro Pass rises to an elevation of 5585 meters.



SCALING THE SUMMITS OF INNOVATION

TECHNOLOGY

As we scale the peaks of technological advancements, our aim is to provide customers with the tools and knowledge to reach their own summits. We believe that possibilities are ever-expanding, and we're dedicated to assisting them in exploring and conquering these opportunities.

Nanga Parbat, referred to locally as Diamer, ranks as the world's ninth-tallest mountain, with its summit reaching 8,126 meters. This awe-inspiring peak is nestled in Pakistan's Gilgit-Baltistan region.

HEIGHTS OF POSITIVE IMPACT

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In the world of CSR, we are dedicated to reaching the apex of responsibility. We believe in community partnerships and sustainable giving, with the ultimate aim of creating a better future for all.

Standing as the 12th highest peak in the world at 8051 meters, the Broad Peak is located in the Karakoram range spanning Gilgit-Baltistan – Pakistan.

CORPORATE SOCIAL RESPONSIBILITY

(CSR) ACTIVITIES

EMPOWERING EDUCATION:

The Citizen Foundation (TCF)

Soneri Bank collaborated with TCF, a non-profit organization in Pakistan devoted to providing quality education to underprivileged children. This partnership reflects Soneri Bank's commitment to social impact and demonstrates a shared dedication to education and development. In alignment with this vision, the school fees, uniforms, and books for two classrooms, benefiting 64 children, was sponsored for an entire year at Captain Karim's Campus, TCF Secondary School in Karachi.

SOCIAL WELFARE

Ration Distribution Drive

Soneri Bank conducted a ration distribution drive in which ration bags and essential food items were distributed amongst our entire non-clerical staff (NCS) to provide them relief during the holy month of Ramadan. Soneri Bank branches also took the initiative of distributing food in their respective neighborhoods to help the less fortunate. Soneri Bank believes in working diligently towards promoting a supportive and inclusive workplace culture and creating value in the lives of others by giving back to society and fostering a sense of community within the workplace.

Attock Sahara Foundation Exhibition - Meena Bazaar – 2023

Attock Sahara Foundation (ASF), a non-profit NGO that works to uplift the marginalized segment of the community, ASF provides scholarships, financial assistance, a marriage support fund, funds to the deprived, and Zakat to the underprivileged. To support ASF in generating funds for these objectives, Soneri Bank Limited sponsored the "ASF Annual Meena Bazaar" in March 2023 to promote the well-being of society.

Disabled Welfare Association

Soneri Bank is honored to contribute to disability empowerment, where we sponsored the International Day of Persons with Disabilities event, organized by the Disabled Welfare Association in Karachi. Our commitment to inclusivity is unwavering, as we strive to support and empower people with disabilities, fostering a culture of understanding and compassion.

Patient's Aid Foundation

Soneri Bank was honored to support the Patient's Aid Foundation's initiative to provide quality and free health care to the thousands of patients that walk through its gates every day. While contributing to this noble cause, Soneri Bank secured the Diamond Lodge, a private lounge accommodating 10 VIP guests during the JPMC Patients Aid Foundation event.

The Layton Rahmatulla Benevolent Trust

The Layton Rehmatullah Benevolent Trust (LRBT) did a fundraiser to raise awareness about blindness and vision on October 13, 2023. Soneri Bank supported LRBT for this initiative in the form of table booking. The table accommodated 10 people and has given access to an important platform to advocate for the right to sight and the elimination of avoidable blindness.



COMMUNITY DEVELOPMENT

Pakistan Hindu Council Job Fair

Soneri Bank participated in the job fair hosted by the Pakistan Hindu Council, a non-profit organization working for the welfare of the deprived communities in Pakistan since 2005. The event aimed to provide an excellent opportunity for talented individuals to explore exiting career prospects, bringing together employers and job seekers, possibly providing resources for career development, and, hence, contributing to the welfare of the employee.

Rotary Club program

The Rotary Club of Karachi has taken up numerous projects to serve the community over the years. In 2023, Soneri Bank continuously collaborated on multiple fundraising projects related to literacy, peace, health, scholarship, and humanitarian services for the betterment of the community.

Vatan Gujrati Navroz Mubarak Supplement

Soneri Bank remains dedicated to supporting regional publications and communities. In a recent endeavor, Soneri Bank celebrated Navroz through a special supplement in partnership with Vatan Gujrati, focusing on sustainability and social impact. This commitment underscores Soneri Bank's mission to contribute meaningfully to the communities we serve.

CELEBRATING CULTURE & HERITAGE

Sindh Rural Support Organization Exhibition

Sindh Rural Support Organization is a non-profit organization operating with the mission to alleviate poverty, empower rural communities, improve socio-economic conditions, and promote sustainability through various programs. SRSO organized the “12th Sartyoon Sang Crafts Exhibition,” which was sponsored by Soneri Bank and held on February 20, 2023, at Ocean Mall, Karachi. The exhibition had a wide mixture of Sindh’s handicrafts made by rural women, including home textiles, baskets, jewelry, dresses, dupattas, and shawls embellished with traditional embroidery and cutwork. The event was an initiative to provide market links to rural women and artisans.

ENVIRONMENTAL CARE

Rung Do Pakistan

Soneri Bank collaborated with WWF, one of the world’s largest and most recognized nature conservation organizations, to conduct a tree plantation drive called “Rung Do Pakistan,” exemplifying Soneri Bank's commitment to sustainable initiatives. This initiative aligns with Soneri Bank's dedication to making a positive impact on the environment and reflects its ongoing efforts to contribute to a greener, more sustainable future.

Beach Cleanup Drive

Soneri Bank is at the forefront of environmental responsibility, engaging in impactful activities to contribute to a sustainable future for the community. To support this, an employee-driven beach cleanup drive was organized at Sea View Beach Karachi, where employees from all departments participated to declutter the seashore, collect debris, and remove pollutants from the beach to promote environmental awareness, environmental sustainability, and eco-friendly practices for societal welfare.

VENTURING BEYOND LIMITS

PRODUCTS AND SERVICES

In the ever-evolving landscape of financial solutions, Soneri Bank paves the way with a comprehensive range of products and services. Much like our climb in the world of banking, our offerings are designed to meet the diverse needs of our customers. From innovative banking solutions to the nurturing of financial well-being, explore the array of services we provide.

Paiyu Peak 6610m stands near the Trango Towers, which are a group of rock towers that stand in Gilgit-Baltistan.

PRODUCTS & SERVICES

At Soneri Bank, we strive to offer the most vibrant range of products and services to exceed our customers' expectations. Our commitment to the customers is to leverage our brand promise "Roshan Har Qadam" by constantly innovating our products suite to best match the personal and business needs of our customers, including Commercial, Retail & Corporate and Islamic segments. With our corporate vision "To better serve the customers to help them and the society grow", and our mission "To provide innovative and efficient financial solutions to our customers", we serve them with excellent solutions and constantly raise our performance standards.



Soneri Ikhtiar Account

Soneri Ikhtiar is the flagship Current account which is ideally suited for clients searching for a convenient and feature-rich bank account to fulfil their daily banking needs. This account offers numerous complimentary facilities, including Banker's Cheque Issuance, Online Banking, Cheque Books, Debit Cards, and more. In addition, Soneri Ikhtiar Account offers free Worldwide Accidental Insurance and ATM Cash Withdrawal Insurance coverage to help protect customers and their loved ones.

Soneri Current Account

Soneri Current Account lets the customers enjoy a host of free Banking services with no restriction on the number of transactions. It also provides complete peace of mind with free Worldwide Accidental Insurance and ATM Cash Withdrawal Insurance Coverage.

Soneri Ladies First Account

An exclusive Banking platform, Soneri Ladies First Account, is a current account targeted at females who are eligible to open a Bank account. As women comprise half of the adult population in Pakistan, it is imperative for Soneri Bank Limited, being an inclusive financial services provider to offer financial services and an exclusive Bank account truly accessible to all Pakistani Ladies.



Soneri Asaan Account

Soneri Asaan Account offers a simple and convenient way to fulfil all Banking needs with minimum documentation requirements. It is offered in both Current and PLS Savings Account types and is suitable for self-employed individuals, students, housewives, and daily wagers.

Soneri Pensioners Account

Soneri Bank branch network across Pakistan facilitates in the opening of Pensioners Account. Branches effectively coordinate with various pension disbursing departments to ensure hassle-free disbursement of pension in the respective pensioner's account.



PLS Savings Account

Basic deposit account with no minimum balance requirement. It can be opened with an initial deposit of just PKR 100/-. The complete range of ADC services is offered on this account, including Debit Cards, Digital Banking Services, Online Banking and SMS Alerts.



Soneri Savings Account

Flexible and fast-growing cumulative monthly profit account. Customers can enjoy high profits, while keeping their funds easily accessible at all times. The complete range of ADC services is offered on this account.

Soneri Sahara Account

A savings account for senior citizens to meet their Banking needs. The account can be opened singly or jointly (husband & wife) provided either of them is of 60 years or above. They can enjoy high returns on their savings every month with the flexibility of withdrawing profits anytime.



Soneri Youngsters Minor Savings Account

Every parent wants to teach their children the value of saving, sensible spending patterns and giving. Soneri Bank Ltd. is pleased to offer the children Soneri Youngsters Minor Savings Account, a savings account that enhances their financial outlook while teaching the basics of Banking. The account is available to young people from birth until their 18th birthday. Soneri Youngsters Minor Savings Account supports children to get off to a good start.

Soneri Rupee Term Deposits

Soneri Term Deposits are for customers who intend to retain their savings for a fixed period and earn a higher rate of profit. Term Deposits allow customers to save a fixed amount in Rupees for a set period ranging from 1 month to 3 years at attractive profit rates.



Soneri Nigehban Term Deposit

Soneri Nigehban Term Deposit is an "investment-for-profit" product for customers with a vision to provide free life insurance equivalent to their investments, up to PKR 5 million (subject to terms and conditions) along with a high return on their investment. Profit pay-out on this term deposit is made on monthly basis in a linked Current or Savings Account.

Soneri Ladies First Term Deposit (TDR)

Soneri Bank with its aim to empower the women of Pakistan now offers Ladies First Term Deposit (TDR). Any Ladies First Current Account customer can also opt for Soneri Ladies First Term Deposit and enjoy the benefit of free Pink Ribbon Insurance of up to PKR 500,000.



FCY Term Deposits

Soneri Bank's Foreign Currency Term Deposit offers competitive profit rates for any selected term of up to 1 year. It is an ideal investment to help customers save in a foreign currency and see their deposits grow over time.

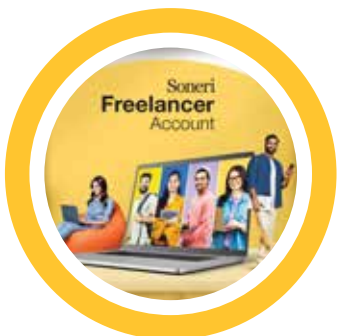


Soneri Forex Plus Account

Soneri Bank's star product that is designed to facilitate customers who want to deposit foreign currencies in USD, GBP and EUR in either current or savings account type. This account lets customers enjoy high monthly profits in Forex Plus Savings Account. A host of free services and facilities are offered to both current and savings Forex Plus account

Soneri Foreign Currency Accounts

Dealing with foreign currencies is no more a hassle. Soneri Bank offers FCY Current, Savings and Term Deposit accounts to cater to the foreign currency transactional and saving needs of the customers, with a host of attractive features.



Soneri Freelancers Accounts

Soneri Bank offers new earning venues for those engaged in the field of IT, IT enabled services or as freelancer! The new Soneri Freelancer Account facilitates Resident Pakistani Freelancer in smooth operations of their business activities including receipt of commercial remittances in their personal accounts and retention in Foreign Currency.

Accounts for Non-Resident Pakistanis

Soneri offers a variety of bank accounts for Non Resident Pakistanis under the guidelines of State Bank of Pakistan. Customers can visit and Soneri Bank branch to open an NRP account that best suits their banking needs.

Account Opening offered via Digital medium

We take online banking to next level by offering digital account opening to our customers. At the moment customers can easily open Asaan Account, Asaan Remittance Account, Freelancers, Soneri Current, PLS Saving and Ladies First Account digitally. Digital Account opening incorporates all the familiar features of online banking such as checking account balances or transferring money and integrates even more tools and services.



Financing Products for SME & Commercial Banking

Soneri Bank ensures meeting all banking needs of its customers by offering variety of financing products to facilitate them to grow their businesses and also contribute their share towards industrial growth of the country. The Bank is also committed to play its role towards strengthening the SME sector by encouraging quality players to avail credit facilities through our nationwide branches, empowering them to grow beyond financial limitations. In addition to our conventional financing products including Running Finance, Cash Finance, Term/Demand Finance, Letter of Credits (LCs), Finance against Imported Merchandise (FIM), Finance against Trust Receipts (FATR), Export Finance and Bank Guarantees (BGs) etc., the Bank also offers the following specific financing products to help its customers to operate their businesses without worrying about funding requirements.

Soneri Speed Finance

Soneri Speed Finance is focused towards providing quick and flexible financing solutions to its customers while keeping their savings secure. This product is offered to Individuals, Small & Medium Enterprises, Commercial and Corporate businesses for meeting their business needs. It has been designed to provide hassle-free and swift financing solutions to meet both the short and long term financing needs of the customer. It is primarily secured against liquid security including Soneri Bank's deposits (LCY & FCY Term Deposits, Cash Margin, Lien on Account); Naya Pakistan Certificates (PKR & USD denominated certificates) and Government Securities (DSC/SSC/RIC).

SBP's Incentive Schemes

In line with the initiatives of the State Bank of Pakistan to support exports and industrial growth with the ultimate objective of promoting the overall economic development of the country, Soneri Bank is offering a wide range of SBP's refinancing schemes through our designated branches: (subject to availability of scheme & limit)

- Refinance and Credit Guarantee Scheme for Women Entrepreneurs
- SE Financing and Credit Guarantee Scheme for Special Persons
- Credit Guarantee Scheme for Small and Rural Enterprises
- Refinancing Facility for Modernisation of SMEs
- Mark-up Subsidy and Guarantee Facility for the Rice Husking Mills in Sindh
- Financing Facility for Storage of Agricultural Produce
- Export Refinance Scheme
- SBP's Financing Scheme for Renewable Energy
- Refinancing Scheme for Working Capital Financing
- Long-Term Financing Facility for Plant and Machinery

Consumer Financing

Soneri Bank Limited offers various consumer financing options to its customers depending on their needs. Our range of consumer financing products includes Soneri Car Finance, Soneri Ghar Finance, Soneri Personal Finance, and Soneri Renewable Energy Financing.

Soneri Car Finance

Soneri Car Finance offers financing for locally assembled/manufactured vehicles, new or used, at competitive mark-up rates. The Car Finance facility is available for up to Rs. 3 million with a repayment plan of up to 3 years in equal monthly instalments for vehicles that are above 1000cc engine capacity. For locally assembled/manufactured vehicles that are 1000cc and below, the repayment plan of up to 5 years in equal monthly instalments is available. Processing of applications is fast and hassle-free. Partial payment and early settlement options are also available. Moreover, comprehensive insurance coverage along with tracker assures the vehicle's safety and facility's security. All these features provide the customers with an attractive product



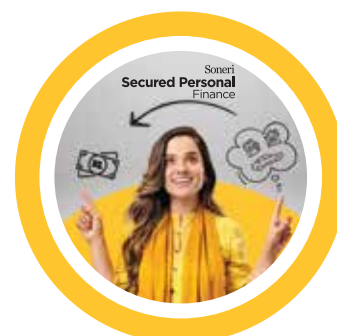


Soneri Ghar Finance

With comfort, peace and security, now the dream of owning a beautiful house can become a reality with Soneri Ghar Finance. Be it acquiring a new house or an apartment, building a house or redesigning/renovating an existing house, this facility is tailored to suit the customers' needs where a maximum financing limit of up to Rs. 75 million with flexible tenor for repayment of up to 20 years, can be taken.

Soneri Personal Finance

Soneri Personal Finance includes attractive plans, simple reimbursement alternatives, and market competitive rates. It is a hassle-free way for customers' monetary needs with a maximum limit of up to Rs. 2 million under unsecured lending and up to Rs. 5 million under secured lending against collateral such as locally manufactured motor vehicle, residential property, SSC/DSC and deposits. With flexible repayment tenors of up to 4 years. It is an easy solution to the customers' cash/liquid requirement for emergency funds, debt consolidation, to plan their children's higher education, make their children's wedding the talk of the town, or take that dream vacation.



Soneri Renewable Energy Finance

Soneri Bank offers a variety of financing options to help its customers hitch onto the solar bandwagon and start increasing the energy and value of their home through Renewable Energy Financing product. This product is specifically for domestic energy needs of an individual to combat the prevailing energy crisis and to optimize the increasing energy bills. Financing under this product is extended against solar system with a power generation capacity of maximum up to 1 megawatt and placed on the residential property of the customer. Maximum financing limit offered is up to Rs. 3 million without collateral and up to Rs. 5 million with tangible collateral. This product is an equal monthly instalment based term loan with financing options of 3, 5, 7, and 10 years, offered under SBP refinancing scheme (fixed rate) and on variable rate as well which is renewed annually. Further, quick processing, competitive rates and the option of partial prepayment and early settlement make this product a "go solar & go green" for customers.

Agriculture Financing

Agriculture Economy contributes a handsome share of the GDP of our country and the livelihood of a large number of rural populations is based on this. Soneri Bank's wide range of Agri Products is available to support the Agri Economy and to grow Agriculture Produce as well as the livelihood of the Farming Community. The Farming Community may avail any facility to fulfil their needs out of the below given Agriculture Financing Products:

- Farm Production Loans –Revolving Credit
- Farm Development Loans for Farm Machinery
 - Tractor and Implements Loans
- Non-Farm Working Capital Loan- Dairy Farming
 - Non-Farm Development Loan- Dairy Farming
- Non-Farm Working Capital Loan- Poultry Farming
 - Non-Farm Development Loan- Poultry Farming
- Non-Farm Working Capital Loan- Fish Farming
 - Non-Farm Development Loan- Fish Farming
- Non-Farm Working Capital Loan- Cattle Farming
 - Non-Farm Development Loan- Cattle Farming
 - Value Chain – Contract Farmer Financing
 - Financing against Warehouse Receipts





Home Remittance

Soneri Bank Limited (SNBL) under the guidance of the Pakistan Remittance Initiative (PRI) (a joint venture of the State Bank of Pakistan, Ministry of Finance, and Ministry of Overseas Pakistanis) started the Home Remittance Payments' Disbursement Initiative in July 2012. With exceptional customer support and meeting the service delivery standards, the Bank managed to make a significant contribution towards the Home Remittance business. Soneri Bank recognised the potential in the Home Remittance business and thereby brands this business with the service name "Soneri Mehnat Wasool Remittance".



Soneri Mehnat Wasool Remittance rendered unmatched facilities for overseas Pakistanis who are sending money to their family members across Pakistan by providing value added services for receiving remittances through the bank's extensive network of 440+ branches across Pakistan.

To facilitate overseas Pakistanis, Soneri Bank has tie-ups with renowned money service providers including MoneyGram, RIA Money Transfer, Alpine Exchange, Golden Money Transfer (GMT), IME, Al Ansari Exchange, Small World, Ebixcash, World Wide Cash Express, and Trans-Fast, covering Middle East, GCC, UK / Europe and North American regions including Canada.

In a further step towards this initiative, the Bank has also launched deposit products to cater the needs of beneficiaries of Home Remittances. These account(s) can be opened with utmost ease through a simplified account opening process and are designed as a secure and reliable means for the purpose of receiving home remittance directly into the account.

Soneri Remit Direct Account

Soneri Remit Direct Account enables our customer to not only receive home remittance from their loved ones living abroad, but also provides a sense of security through a free of cost Life Insurance cover.

- Available in both Current, as well as, PLS Savings account
 - Monthly profit disbursement on PLS Savings account
 - Home Remittances, as well as Local Credits allowed
 - No initial deposit or minimum balance requirement
 - No limit on credit and debit transactions
 - Free e-statements
 - Free Soneri Digital Banking (Internet/Mobile)
- Free SMS Alerts on all Digital Banking channels
 - Soneri PayPak and Master Debit Card

Additional Benefits with Current Account

- Free Issuance of PayPak debit Card
- Free First Cheque Book of 10 leaves



Soneri Asaan Remittance Account

Soneri Asaan Remittance Account is a current account for receiving home remittances with a host of benefits including:

- Free Issuance of PayPak Debit Card
- Free First Cheque Book of 25 leaves
- Free SMS Alerts on all Digital Banking channels and e-statements
- Free Soneri Digital Banking (Internet/Mobile)
- No Withholding tax on cash withdrawal
- No service charges
- ATM Cash Withdrawal Insurance - Soneri Tahaffuz

This account has a maximum credit balance limit of Rs. 3,000,000/= with a cash withdrawal limit of Rs. 500,000/= per day. A customer also has a fund transfer limit of Rs. 500,000/= per day to any other account. Local credits are also allowed with a limit of Rs. 1,000,000/= per month. No commercial remittances are allowed in this account.

Alternate Delivery Channel

ATMs

With the growing number of 446+ ATMs across the country, withdraw cash with convenience, transfer funds to a Bank account, pay your bills and much more.

Soneri Debit Card

With Soneri Bank Mastercard Debit Card, your Bank account is accessible at more than 3 million ATMs and 66 million Points of Sale around the world.

Soneri Bank PayPak Debit Card is accepted at all ATMs and Points of Sale across Pakistan.



Internet Banking

We offer a wide range of services including Account Balances, Debit Card Activation, Bill Payments, Mobile Top-Ups, Zakat, Donations, Fund Transfers to Soneri and other Bank account, Raast P2P funds transfer, QR based Funds transfers, Account Limit management, Account Statement, Account maintenance Certificate, Withholding Tax Certificate, SMS alert subscription, e-statement subscription, International transactions activation, Local payment channels activation, Debit Card PIN & Mini Statement and many more at your desktop.

Mobile Banking

Talk about convenience at your fingertips, Soneri Mobile App is the right choice. Manage your account, transfer funds to any domestic Bank account, Debit Card Activation, Mobile Top-Ups, Bill Payment, School Fees, Govt. Payments, Zakat, Donations, Raast P2P funds transfer, QR based Funds transfers, Account Limit management, Account Statement, Account maintenance Certificate, Withholding Tax Certificate, SMS alert subscription, e-statement subscription, International transactions activation, Local payment channels activation, Debit Card PIN & Mini Statement and lot more.



SMS Alerts

Stay secure and keep up to date with your transactional activities by getting Free of Cost instant alerts on your registered cell phone.

Phone Banking

Customers can access their accounts 24/7 with distinctive services with Soneri Phone Banking, including ATM Debit Card Replacement, Stop Cheque Requests, Banker's Cheque, ATM Debit Card Account Linking/De-Linking, Cheque Book Requests and E-Statement Requests. Simply dial + 92-21-111-SONERI (766374) to avail easy access to your account-based services.



Wealth Management

Soneri Bank is constantly innovating its products suite to best match the personal and business needs of its customers. To ensure all the Banking needs are met, we offer a variety of investment products to facilitate our customers. The role of Wealth Management is to provide tailored investment solutions and help the client develop, implement, and monitor an entire investment portfolio which will enable the client to manage present and future financial needs.

Our product menu comprises a range of Mutual Funds, Voluntary Pension Schemes, and Separately Managed Accounts, available in Conventional as well as Shari'ah Compliant variants.

Benefits of Investing in Mutual Funds

- Tax Credit (Only in pension fund)
- Diversification
- Liquidity
- Transparent and Highly Regulated
- Small Investment Size
- Professional Management

Types of Funds Offered:

Equity Scheme

An equity scheme or equity fund is a fund that invests in equities more commonly known as stocks. The objective of an equity fund is long-term growth through capital appreciation, although dividends and capital gain realised are also sources of revenue.

Balanced Scheme

These funds provide investors with a single mutual fund that invests in both stocks and debt instruments and this diversification is aimed at providing investors with a balance of growth through investment in stocks and of income from investments in debt instruments.

Asset Allocation Scheme

These Funds may invest their assets in any type of securities at any time in order to diversify their assets across multiple types of securities and investment styles available in the market.



Fund of Funds Scheme

The Fund of Funds are those funds, which invest in other mutual funds. These funds operate a diverse portfolio of equity, balanced, fixed-income, and money market funds (both open- and closed-ended).

Shari'ah Compliant (Islamic) Scheme

Islamic funds are those funds which invest in Shari'ah-compliant securities i.e., shares, Sukuk, Ijara Sukuks, etc., as may be approved by the Shari'ah Advisor of such funds. These funds can be offered under the same categories as those of conventional funds.

Money Market Scheme

Money Market Funds are among the safest and most stable of all the different types of mutual funds. These funds invest in short-term debt instruments such as treasury bills and Bank deposits.



Income Scheme

These funds focus on providing investors with a steady stream of fixed income. They invest in short-term and long-term debt instruments like TFCs, government securities like T-bills/PIBs, or preference shares.

Pension Fund

These funds focus on providing a secure source of savings and regular income after retirement to the investor.

Soneri Bank Wealth Management – Product Menu

In partnership with a reliable Asset Management Company, we offer you a range of Investments products

MCB Arif Habib Investment & Savings Mutual Funds

- MCB Cash Management Optimizer
- Pakistan Cash Management Fund
- Pakistan Income Fund
- MCB Pakistan Sovereign Fund
- MCB DCF Income Fund
- Pakistan Income Enhancement Fund
- MCB Pakistan Asset Allocation Fund
- MCB Pakistan Frequent Payout Fund
- Pakistan Capital Market Fund
- MCB Pakistan Stock Market Fund
- Alhamra Islamic Income Fund
- Alhamra Islamic Asset Allocation Fund

Voluntary Pension Schemes (VPS)

- Pakistan Pension Fund
- Alhamra Islamic Pension Fund

HBL Asset Management Company Mutual Funds

- HBL Money Market Fund
- HBL Income Fund
- HBL Government Securities Fund
- HBL Cash Fund
- HBL Multi Asset Fund
- HBL Equity Fund
- HBL Islamic Income Fund
- HBL Islamic Asset Allocation Fund
- HBL Islamic Money Market Fund

Voluntary Pension Schemes (VPS)

- HBL Pension Fund
- HBL Islamic Pension Fund

ABL Funds

- ABL Income Fund
- ABL Islamic Income Fund
- ABL Government Securities Fund
- ABL Cash Fund
- ABL Islamic Cash Fund
- ABL Stock Fund
- ABL Islamic Stock Fund
- Allied Finergy Fund
- ABL Islamic Asset Allocation Fund
- ABL Financial Planning Fund (all Plans under this umbrella Fund)
- ABL Islamic Financial Planning Fund (all Plans under this umbrella Fund)
- ABL Special Savings Fund (all Plans under this umbrella Fund)



Voluntary Pension Schemes (VPS)

- ABL Mustaqbil Pension Fund
- ABL Mustaqbil Islamic Pension Fund

Disclaimer: The returns of mutual funds are not guaranteed, mutual funds returns are subject to market risk and the price of units may go up and down based on market conditions, past performance should not be taken as a guarantee of future performance. As disclosed in the offering document available on AMC's website the fund manager and Soneri Bank Limited is only the Distributor of these funds in Pakistan.

Soneri Mustaqeem Islamic Banking

Soneri Mustaqeem Islamic Banking offers a broad range of 100% Shari'ah-compliant financial solutions for customers. Our Islamic Portfolio includes:

Deposit Products:

Soneri Mustaqeem - Jari Account

Soneri Mustaqeem - Jari Account is a No profit and Loss account that provides the convenience of putting your money in an account and accessing it without any restrictions on withdrawals, and at the same time enjoying a host of professional conveniences from our Bank.



Soneri Mustaqeem - Rahat Account

Soneri Mustaqeem – Rahat Account is a flagship remunerative-current account on the basis of Mudarabah which is ideally suited for businesses in search of a convenient and feature-rich Bank account to fulfil their daily Banking needs. This account offers numerous free facilities.

Soneri Mustaqeem - Jari Foreign Currency Accounts

Soneri Mustaqeem Jari offers Foreign Currency Current account to cater to the foreign currency transactional needs of the customers with a host of attractive features.

Soneri Mustaqeem - Bachat Account

Bachat Account is a remunerative account offered to customers with small savings and looking for a halal return on their deposits. It is based on the concept of Mudarabah where the depositor acts as an Investor (Rab-ul-Maal) and the Bank acts as the Manager (Mudarib) of the funds deposited by the customer. It also offers a wide range of services to cater to Banking needs.

Soneri Mustaqeem - Munafa Account

Soneri Mustaqeem - Munafa Account provides a regular stream of monthly income with the same convenience and service as a regular Saving Account based on the Islamic principle of Mudarabah. Through this, our valued customers can manage their short-term as well as long-term savings without any transactional restrictions.

Soneri Mustaqeem - Meaadi Account

Soneri Mustaqeem - Meaadi Account is an alternative to Term Deposits for those customers who intend to retain their savings for a fixed period and earn a higher rate of profit. Term Deposits allow customers to save a fixed amount in Rupees for a set period ranging from 1 month to 3 years at attractive expected profit rates. The depositor has the option to reinvest the deposit automatically with or without profit.

The product has been structured on the Islamic principles of Mudarabah.

Soneri Mustaqeem - Asaan Account

Soneri Asaan Account offers a simple and convenient way to fulfil all Banking needs with minimum documentation requirements. It is offered in both Current and Savings Account types and is suitable for self-employed individuals, students, housewives and daily wagers.



Consumer Products:



Soneri Mustaqeem - Car Ijarah

Soneri Mustaqeem Car Ijarah is an excellent auto financing facility that enables our valuable customers to get a car not only quickly and conveniently, but also in a Shari'ah-compliant manner.

Soneri Mustaqeem – Car Ijarah is an interest-free car financing product, which is based on the Islamic financing mode of Ijarah (leasing). This product is ideal for individuals who want to get interest-free financing for acquiring a car.

Soneri Mustaqeem - Ghar Finance

Soneri Mustaqeem – Ghar Finance is a Shari'ah-compliant home finance facility enabling our valuable customers to get the house of their dreams. Soneri Mustaqeem – Ghar Finance is based on the concept of Diminishing Musharakah where the customer participates with Soneri Bank in the joint ownership of the property. The Bank's ownership share of the house /flat /land is divided into a number of units. The Customer undertakes to purchase the Bank's share in the property periodically until the ownership of the property is completely transferred to the customer. Till the complete ownership is transferred, the customer is required to pay agreed rentals for using the Bank's share in the house /flat /land plus constructions.



Soneri Mustaqeem Employee Banking

All individuals classified as "Employees" will be eligible to opt for Soneri Mustaqeem Employee Banking. Joint account can also be opened if requested by the customer.

Soneri Mustaqeem Employee Banking has been designed to compete with the existing payroll products available in the market. The account focuses on the existing needs of the Employees and to convert payroll customers into potential customers for cross-sell of asset and other liability products.



Soneri Mustaqeem Ladies Account

Ladies Account is a simple product that gives free services to women with easy accessibility to their deposit. It is offered in both current and savings account types and is suitable for salaried professional, self-employed, Entrepreneurs, housewives Pensioners and students. Soneri Mustaqeem Ladies Current Account is based on Qard while Soneri Mustaqeem Ladies Saving Account based on the Mudarabah.

Corporate & Investment Banking

Soneri Bank's Corporate & Investment Banking is well equipped to meet the requirements of our Corporate clients. We have regional offices in Karachi, Lahore and Islamabad which offer extensive coverage.

Our team of Relationship Managers and Team Leaders is fully geared to establish meaningful relationships with our Corporate & Institutional clients including public sector entities to become partners in their growth by acting as financial advisors, effectively catering to their financial needs and offering financial solutions through the following suite of products:



Working Capital & Trade Finance Facilities

Our corporate Banking team is equipped with the required knowledge to contribute towards the sustainable growth of our clients by offering innovative, diverse and flexible solutions to meet their working capital needs, trade related solutions and expansion support.

Investment Banking

The Investment Banking Wing offers structured financial solutions and aims to establish strategic long term relationships with our clients. This segment is well equipped to offer Advisory services catering to various requirements such as Financial, M&A, Equity / Debt Capital Markets, Project Financing and Debt Syndication. Building upon Soneri Bank's established relationships within the local market, the Investment Banking Wing identifies and helps unlock greater value for the Bank's customers.

Supply Chain Management

Being a provider of financial services, we offer end-to-end supply chain financing solutions to dealers & vendors of our corporate customers to meet their business requirements.

Cash Management

SNBL's Cash Management services coupled with our web-based Cash Management System 'Soneri Trans@ct', provides our valued customers with comprehensive, one stop solution for cash flow management, i.e. Receivables and Payables Management, in the most effective and efficient manner.

Our Cash Management services, comprise of a full array of products & services, designed and tailored to enable our Corporate, Commercial and SE / ME customers to securely exchange funds and financial information in real-time with their trading partners, for optimal management of working capital





China Desk



China-Pakistan Economic Corridor (CPEC) is a framework of regional connectivity and a journey towards economic regionalization in the globalized world. CPEC has generated a new frame of cooperation based on economic connectivity. Within the framework of CPEC, infrastructure development projects are being built and power plants to address energy shortages are being constructed. Solar as well as renewable energy generation plants are also being set up. With enhanced energy flows and adequate infrastructure, industrialization will progress. The industrial collaboration, in particular, the Pakistani workforce interaction with entrepreneurs of diverse backgrounds will help develop the technical expertise needed for the successful execution of CPEC. The enhancement of geographical linkages having improved road, rail and air transportation system with frequent and free exchanges of growth and people to people contact, enhancing understanding through academic, cultural and regional knowledge and culture, activity of higher volume of flow of trade and businesses, producing and moving energy to have more optimal businesses and enhancement of co-operation by win-win model will result in well connected, integrated region of shared destiny, harmony and development.

The bank's Chinese Business Unit is equipped to cater the banking desires of Chinese customers such as depository requirements, cash management solutions, handling import & export business and Bank to Bank guarantees.

CUSTOMER COMPLAINTS

At Soneri Bank, we are steadfast in our commitment to consistently enhance the customer experience through concerted efforts across all touchpoints. Ensuring equitable and transparent conduct between the bank and its customers is paramount to us. Effectively managing and addressing customer grievances in a professional and timely manner is our primary responsibility. We are dedicated to upholding fairness and delivering exceptional services to all our customers. We actively provide awareness of complaint lodgement channels to our customers, and to further enhance internal awareness of complaint processes, we have conducted training sessions bank-wide. Our Complaint Management Unit maintains seamless synchronization with our core departments to expedite the resolution of customers' complaints. This collaborative approach ensures prompt and efficient resolution. We are fully dedicated to adhering to all regulatory directives pertaining to complaints handling

Below are the key complaint statistics of Soneri Bank for the year 2023:.

Total Complaint Received: **41,088**

Average Complaint Resolution Time: **4.3 days**

GREEN BANKING



Initiatives of Green Banking Office

The Green Banking Office, under the ambit of the Risk Management Division, was established on the directive of the State Bank of Pakistan and it is working towards the Bank's transformation for Green Change. The Green Banking Office has developed a green banking policy and taken several initiatives for the implementation of the Green Banking guidelines, and Environmental and Social Risk Management (ESRM) for Soneri Bank Limited.

Environmental and Social awareness to the Bank Staff and Customers

The Green Banking Office in coordination with marketing department has circulated awareness messages for International Environmental and Social awareness days to all Bank's staff and on various social media platforms to reach public to promote environmental and social impacts on the society.

Yellow is the New Green

The Green Banking Office has developed and rolled out 'Yellow is the New Green' initiative as theme of the year for 2024 to promote Green Banking awareness. GBO uses multiple communication channels for staff and customers to learn about Green Banking.

Green Banking Awareness Session to The Management Committee (MANCOM)

Green Banking awareness session presented to MANCOM to create awareness amongst the top leadership of the Bank along with suggestions for initiatives to implement various requirements of Green Banking in their respective Groups. It also stressed on including green banking into departmental strategy, financial planning, key performance indicators and goals to ensure requirements of own impact reduction, business facilitation and ESRM are delivered.

Own Impact Reduction and Business Facilitation

Under own impact reduction and business facilitation initiatives, Bank has worked on various process management automations to cut down time, conserve paper and improve procedural efficiency. Bank has worked on digitization of various business processes like digital account opening, customer onboarding, payments and cash management as part of their business innovation strategy that promotes Green Change.

Environmental and Social – Green Banking Trainings for Staff

Green Banking Office has developed new green banking training program for awareness, which includes ESRM, and it has conducted various trainings to build capacity of Bank's staff. A virtual training e- module on Learning Management System (LMS) for Green Banking has developed with HR-L&D as a mandatory training for all new Bank's staff. Learning Bytes, Theme of the Month and Quizzes have also been developed and circulated on monthly basis ensuring staff's capacity building.

Environmental and Social Risk Rating (ESRR) System

For assessment of the environmental and social risks associated with the client's business/ industry an Environmental and Social Risk Rating (ESRR) module has been deployed by BenchMatrix© in Loan Originating System namely CAPS. This module also includes Environmental Exclusion/ Avoidance checklist for screening the non-consumer credit proposals as a precursor to the Environmental and Social Due Diligence (ESDD) process with a view to safeguard against environmental risks emerging from Bank's businesses and operations.

Environmental and Social Risk Covenants

For incorporating environmental and social risks clauses into legal agreements with Bank's borrowers/ customers requiring them to comply with the Environmental & Social (E&S) Terms and Conditions along with transaction specific time-bound environmental and social corrective action plans. Bank has acquired legal advisory services from "M/s. Mohsin Tayebaly & Co. (MTC)" for drafting the appropriate environmental, social and climate related risk representations, warranties and covenants in financing contracts.

A PASSAGE THROUGH THE YEAR

JOURNEY THROUGH THE YEAR

In our financial expedition, we've established an extensive network of over 440 branches that serve as anchor points on the path to your financial success. And just like a seasoned mountaineer's toolkit, we provide a cutting-edge digital app that streamlines your banking experience, reaching the pinnacle of convenience and innovation.

Rakaposhi, within the Karakoram range holds the distinction of being the Earth's only mountain that descends continuously, without interruption, for nearly 6,000 meters from its summit to its base.

JOURNEY THROUGH THE YEAR 2023



Celebrating Women's Day and Embracing Equality:

Soneri Bank celebrated Women's Day with a heartwarming ceremony, symbolizing its commitment to fostering a safe working environment for all genders. The event, attended by the CEO, DCEO, COO, and senior management, emphasized diversity and inclusion. Social media posts throughout the month recognized inspiring women in various professions, reinforcing Soneri Bank's belief in promoting and appreciating women's contributions, ensuring gender equality in the workplace.



Hajj Campaign 2023:

Soneri Bank actively participated in the Government of Pakistan's inaugural Hajj Sponsorship scheme, directed by the State Bank of Pakistan. As one of the 14 authorized banks, Soneri Bank played a pivotal role in its success. A comprehensive Hajj Awareness Media Campaign was launched by Soneri Bank across various platforms, surpassing the government's regular scheme quota. This accomplishment underscores Soneri Bank's efficiency and commitment to facilitating and empowering pilgrims.



Soneri Bank's Strategic Alliances- Exclusive Discounts in 2023:

In 2023, Soneri Bank collaborated with leading food and lifestyle brands, offering exclusive discounts on Soneri Bank debit cards. Occasions like Ramadan, Eid, and Women's Day were celebrated, enhancing users' lives with a "Roshan lifestyle." Partnerships with CIP Lounge, Majestic Lounge, and Purple Pink day-care facility provided cardholders with additional benefits, contributing to a seamless work-life balance.

Soneri Bank extended its commitment to community well-being through a notable collaboration with Qurbani Express for Eid-ul-Adha. This partnership offered an exclusive 15% discount on Qurbani services, underscoring Soneri Bank's proactive approach in building meaningful collaborations and contributing to the overall welfare of the community.



Soneri Bank's Green Initiatives: Nurturing the Environment through WWF Partnership:

Soneri Bank partnered with World Wide Fund for Nature for its Green Banking initiative, actively engaging in the 'Rung Do Pakistan' tree plantation drive in Islamabad. This collaboration reflects Soneri Bank's dedication to responsible banking practices, emphasizing the harmonious coexistence of financial progress and environmental sustainability.



Town Hall Meetings 2023:

In 2023, Soneri Bank organized Town Hall Meetings in Karachi, Lahore, and Islamabad – the first staff engagement initiatives post-Covid-19. These meetings aimed at aligning staff and senior management, discussing past performance and future strategies. Recognition and awards were given to top performers, reinforcing unity and ownership within the organization.



Social Media Campaign For Customer Engagement:

In 2023, Soneri Bank orchestrated a series of strategic social media campaigns aimed at enhancing customer engagement. The first campaign rewarded a participant from Mingora, Swat, with Samsung Galaxy Buds for generating the most tags in their posts. The subsequent campaign encouraged participants to capture compelling images of Soneri Bank branches, with the photographer of the most-liked image earning a Samsung Galaxy A14.

Reflecting on the past year's journey, Soneri Bank remains steadfast in its commitment to exploring innovative avenues for customer engagement. These campaigns have played a pivotal role in creating meaningful and exciting experiences for the bank's valued clientele, reinforcing its position as a trusted financial partner.



Ikhtiar Account campaign:

In fiscal year 2023, Soneri Bank launched a strategic media campaign for its flagship current account, the "Soneri Ikhtiar Account." The comprehensive strategy, spanning print, radio, and social media channels, resulted in significant growth in the deposit portfolio, with over 1500 leads generated.



Digital Milestone: Unveiling Soneri Bank's New Website:

Soneri Bank achieved a significant milestone in 2023 with the unveiling of its new website. The ceremonial launch was conducted by our esteemed Chairman, Mr. Alaudin J. Feerasta, with the participation of the senior management team. The streamlined website architecture ensures a hassle-free experience, aligning with the bank's vision to embrace digital transformation and empower customers with enhanced digital experiences.



Soneri Bank's Journey of Excellence: Khayaban-e-Shahbaz Branch Inauguration:

Soneri Bank marked a significant milestone with the inauguration of the "Khayaban-e-Shahbaz" branch in Karachi. This state-of-the-art branch, graced by the presence of Chairman Alaudin J. Feerasta, exemplifies Soneri Bank's dedication to providing unparalleled banking experiences.



Win Gold with PayPak 2022' campaign:

Recognizing the triumph of the "Win Gold with PayPak 2022" campaign facilitated by Soneri Bank, its customers received Gold Awards from the 1LINK Management team. The prestigious accolade was conferred during a significant ceremony attended by Soneri Bank's Chief Operating Officer, Chief Digital and Innovation Officer (CDO), and the CEO of 1LINK. The award specifically acknowledges Soneri Bank cardholders who successfully secured gold prizes in the campaign, highlighting the effectiveness of the initiative.



Soneri Bank observed Breast Cancer Awareness Month:

Soneri Bank actively raised awareness during Breast Cancer Awareness Month, organizing informative sessions in collaboration with Shaukat Khanum Memorial Hospital. Strategic partnerships with healthcare providers extended exclusive discounts on mammography for cardholders, contributing to early detection and prevention.



First Aid and Hands-On CPR Training: Soneri Bank's Commitment to Community Safety:

Soneri Bank organized first aid and hands-on CPR training in collaboration with Med-Aid, emphasizing community well-being. Employee participation highlighted the bank's commitment to fostering a safer and healthier community.



Soneri Bank's Disability Sensitization Initiatives:

Soneri Bank initiated a disability sensitization session, challenging stereotypes surrounding individuals with disabilities. Sponsorship of the International Day of Persons with Disabilities event in Karachi further reaffirms the bank's commitment to inclusivity. Furthermore, the bank proudly sponsored the International Day of Persons with Disabilities event, organized by the Disabled Welfare Association in Karachi, reaffirming its commitment to supporting and celebrating the abilities of all members of society.



GDEIB Awards Win

In 2023, Soneri Bank distinguished itself by securing 8 prestigious Global Diversity, Equity & Inclusion Benchmark (GDEIB) Awards across various categories, including Vision, Strategy and Business Impact; Leadership and Accountability; DEI Learning and Development; and Services and Products Development. This achievement reaffirms Soneri Bank Limited's commitment to excellence and its leadership in promoting diversity, equity, and inclusion in the banking sector.



ELEVATING LEADERSHIP

BOARD OF DIRECTORS

At the pinnacle of Soneri Bank's leadership structure, our Board of Directors embodies a commitment to excellence. Comprising a diverse team of industry veterans and seasoned visionaries, they bring extensive expertise to guide our institution. Their resolute dedication and strategic foresight steers Soneri Bank towards new horizons of accomplishment. Explore the architects of our success, diligently working to ensure our institution's sustained growth and leadership in the financial landscape.

K2, also referred to as Mount Godwin Austen, is the world's second-highest peak, rising to an impressive height of 28,251 meters and situated in the Karakoram Range.

BOARD OF DIRECTORS



Mr. Alauddin J. Feerasta

Chairman/Non-Executive Director

Mr. Alauddin Feerasta is the Chairman and Sponsor Director of Soneri Bank Limited. He is also the Chairman of Spintex Limited and Rupali Foods (Pvt.) Limited. He is a renowned industrialist having diverse experience of over 40 years in manufacturing and marketing of Polyester Staple Fibre, Polyester Yarn, Trading of Cotton Yarn, and Commercial Banking. His expertise includes setting up of large-scale industrial plants, evaluating project feasibilities, bid evaluations, and contract negotiations. Rupali Foods (Private) Limited, a state-of-the-art confectionery manufacturing unit was set up to meet the ever-growing demand for confectionery in the country.

He has attended various international and local seminars and training courses conducted by professional institutions, regulatory bodies from time to time. He is also a certified Director from the Pakistan Institute of Corporate Governance.



Mr. Muhtashim Ahmad Ashai

President & Chief Executive Officer

Mr. Muhtashim Ahmad Ashai joined Soneri Bank Limited on 01 April 2020, as President & Chief Executive Officer. Before joining Soneri Bank, he was the President & Chief Executive Officer of MCB Islamic Bank Limited. He is a seasoned Banker with an overall experience of more than 31 years in the financial industry, both local and international. He started his career with Fidelity Investment Bank Limited and later joined ABN AMRO Bank, where he was associated with their operations in Pakistan, Japan and China. Subsequently, Mr. Ashai joined MCB Bank Limited, where he served in the capacity of Group Head Corporate Finance and International Banking for more than 11 years. He has vast experience in the field of Corporate Banking, Transaction, and Investment Banking.

He graduated with a BSc degree from the University of Engineering & Technology and completed his MBA from LUMS. He has also attended Directors' training program conducted by Institute of Chartered Accountants of Pakistan, and an International Management Program from McGill University.



Mr. Nooruddin Feerasta

Non-Executive Director

Mr. Nooruddin Feerasta is the Sponsor Director of the Bank. He is also managing Rupali Polyester Limited, Rupafil Limited, Rupali Nylon (Pvt.) Limited and Rupafil PowerGen (Pvt.) Limited as the Chairman and Chief Executive Officer. He obtained his MBA degree from the USA in 1986. He has also participated in various international and local seminars on industrial developments, marketing strategies, laws, and taxation. He is a reputable industrialist with diversified experience of more than 30 years in managing the industry's operational activities, such as marketing, finance, manufacturing, plant operations, and legal and corporate management. He is the Chairman of the Board's Credit Committee and a member of the Audit Committee.



Mr. Ahmed A. Feerasta

Non-Executive Director

A young, energetic entrepreneur with a lot of ambition and sound business acumen, Mr. Ahmed A. Feerasta is the driving force behind Rupali Foods' business setup. After completion of his graduation in the Bachelors of Arts from the University of Texas at Austin, USA, he joined Rupali Polyester Limited in 2006, where he looked after corporate procurement and planning. Before being appointed as the Chief Executive Officer of Rupali Foods, Mr. Ahmed was engaged in the business of manufacturing and the sale of Polyester Yarn with an annual turnover of about Rs. 5 billion. Apart from his rich experience in corporate operations, including procurement, finance, imports, and marketing, he also has extensive exposure in dealing with commercial Banks/DFIs.

Under his dynamic leadership, Rupali Foods sets its eye on becoming one of the leading food brands in the country. He has attended various courses conducted by professional intuitions. He is also a certified Director from the Pakistan Institute of Corporate Governance.



Mr. Manzoor Ahmed

Non-Executive Director (NIT Nominee)

Mr. Manzoor Ahmed is the Chief Operating Officer (COO) of National Investment Trust Limited (NIT). As COO, he has been successfully managing the operations and investment portfolio worth over Rs. 100 billion. He has experience of over 32 years of the Mutual Fund industry and has been placed at many key positions within NIT that includes capital market operations, investment management, research and liaising with the regulatory authorities. He has also served NIT as its Managing Director (Acting) twice from May 2013 to May 2014 and September 2017 to February 2019. He is M.B.A. and also holds D.A.I.B.P. He has also been the Council Member of The Institute of Bankers Pakistan. Presently, he is pursuing Chartered Financial Analyst (CFA) level III.

Mr. Manzoor Ahmed has vast experience of serving on the Boards of various top-ranking companies of Pakistan belonging to the diverse sectors of economy.

Mr. Ahmed has also attended various training courses organized by institutions of international repute like London Business School (LBS) UK, Institute of Directors, London and Financial Markets World, New York (USA).

Currently, he represents NIT as Nominee Director on the Board of Directors of many leading national and multinational companies of Pakistan. Mr. Ahmed is also a Certified Director from Pakistan Institute of Corporate Governance.

Mr. Manzoor Ahmed is also member of the Defence Authority Country and Golf Club – Karachi.



Mr. Jamil Hassan Hamdani

Independent Director

Mr. Hamdani is an Independent Director of the Bank. He has vast Banking experience that dates back to 1973 and had worked with various foreign Banks. He received his Bachelor's degree in Economics from Government College University, Lahore. In 2016, he retired as Managing Director of Credit Agricole Indosuez (Suisse) SA, where he was responsible for overseeing functions pertaining to Pakistan, Bangladesh, Sri Lanka, and Nepal. He also remained the Chairman/CEO of Pakistan France Business Alliance till September, 2023.

At Soneri, he is Chairing the Board's Audit Committee as well as Member of the Board's Risk & Compliance Committee, Human Resource and Remuneration Committee and Independent Directors Committee.

He has attended various international and local seminars and training courses conducted by professional institutions, regulatory bodies from time to time. He is also a certified Director from the Pakistan Institute of Corporate Governance.



Ms. Navin Salim Merchant

Independent Director

Ms. Navin Merchant is an Advocate of the Supreme Court of Pakistan with over twenty-five years of experience in the practice of law. She has also worked internationally for 7 years as an Alternative Dispute Resolution (ADR) Expert at International Finance Corporation (Member of the World Bank Group) and successfully undertook the task of establishing effective dispute resolutions systems in the Middle East and North Africa (MENA).

Navin is the Chair of the ICC ADR Commission Pakistan. She is also leading the "Institute of Business Administration Dispute Resolution Forum" (IBA DRF). She is a regular faculty and a trainer at Sindh Judicial Academy – trained several batches of judges and lawyers in ADR/ mediation; Trained several participants as certified / accredited mediators. She is also a member of Chartered Institute of Arbitrators.

Navin serves as an Independent Director on the Board of Otsuka Pakistan Limited, Soneri Bank Limited and Exide Pakistan Limited.



Mr. Tariq Hafeez Malik

Independent Director

Mr. Tariq has experience of over 35 years in the fields of Information and Communication Technology, Internet (Cyber Space), Financial – Banking Sector, Education and Security (Cyber and LEA). He was Partner and Chief Technology Officer at Interactive Group of Companies - Islamabad (2004-2014). He also served as an Independent Director on Askari Bank's Board from 2013 to 2017. Currently, he is Chief Technology Officer at Techaccess Pakistan, a Company providing consulting services to both local and international customers on Information Technology, Security, Artificial Intelligence and LEA matters.

He has completed his Bachelor of Commerce degree from the University of Karachi in 1987. He also did his Bachelors of Applied Science in Information Science from Edith Cowan University, Western Australia (1985-1987). He also possessed degree of Honors of Applied Science in Information Science from Edith Cowan University in the year 1993.

Mr. Tariq has represented Global Enterprise Security Services Group for MENA of Sun Microsystems and performed Enterprise Security Assessments of several large regional Banks, Defence and Telco operations. He had been honored to deliver lecture in accredited national institutions namely National Defence University, Pakistan Air Force War College, National School of Public Policy Lahore, National University of Science and Technology, Academy of Public Administration under the Aegis of the President of the Republic of Belarus, American University of Emirates, and other Universities and think tanks.

He is also a certified Director from Institute of Directors, UK.

GUIDING THE ASCENT

SENIOR MANAGEMENT

As we journey to higher peaks, Soneri Bank's Management Committee assumes the role of pathfinders. Comprising a versatile team of seasoned leaders, they chart the course for our strategic direction. With unwavering commitment and a forward-looking approach, they navigate the bank through a dynamic financial landscape, ensuring that we remain at the forefront of innovation and success. Explore the team that shapes our climb to even greater heights in the banking industry.

Gasherbrum II is the world's 13th highest peak and the fifth 8000 meter peak in Pakistan, located in the neighborhood of K2 and Broad Peak in the Karakoram mountain range.

SENIOR MANAGEMENT



Muhtashim Ahmad Ashai
President & Chief Executive Officer



Amin A. Feerasta
Deputy Chief Executive Officer



Ahsan Mushahid Siddiqui
Chief Operating Officer



Muhammad Merajuddin Ahmed
Head of HR, Legal & General Services



Mubarik Ali
Chief Risk Officer



Syed Fahim Raza Zaidi
Head of Commercial &
Retail Banking Group



Muhammad Qaisar
Head of Corporate &
Investment Banking Group



Aamir Nawaz Ali Karim
Head of Audit



Amin Sajid
Head of Operations



Shahid Abdullah
Head of Treasury,
FI & Capital Markets



Mohammad Amin Tejani
Head of Islamic Banking



Mirza Zafar Baig
Chief Financial Officer



Muhammad Salman Ali
Chief Information Officer



Tariq Yar Khan
Chief Compliance Officer

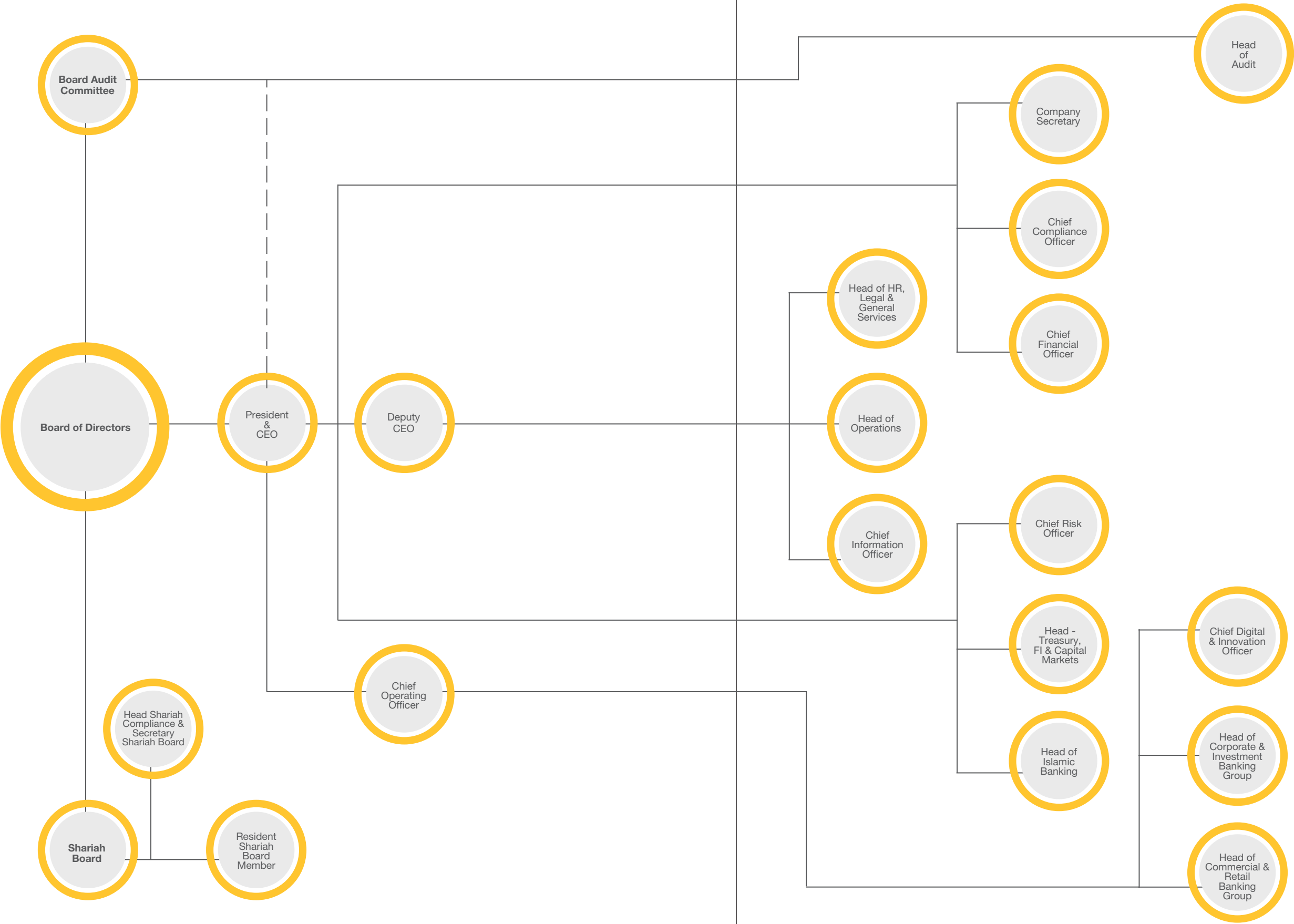
UPHOLDING FINANCIAL FOOTHOLDS

ORGANISATIONAL CHART

Much like the tallest peaks shape the mountain landscape, our organizational hierarchy stands as the bedrock of our success, charting the path to new summits. The leadership team, like skilled mountaineers, directs our long-term growth and stability, serving as beacons of confidence in unpredictable terrains, providing the essential support that fuels our journey to the summit of achievement.

Extending into northwestern Pakistan, the Hindu Kush Range converges with the Karakoram Range, reaching its zenith at Tirich Mir, which stands at an elevation of 7,708 meters.

ORGANISATIONAL STRUCTURE



ELEVATING THE FINANCIAL LANDSCAPE

ORGANISATIONAL OVERVIEW

Nestled amidst the breathtaking terrain of Pakistan's financial landscape, Soneri Bank rises as a prominent peak, offering unparalleled convenience through a range of financial and digital solutions. Soneri Bank embodies a growth mindset, where diversity and inclusion are not just values but the very bedrock of our corporate culture. With these values etched in our essence, we envision a prosperous Pakistan, where every financial need is scaled with ease and every dream summit is reached.

Masherbrum with an elevation of 7821 meters is located in the Ghanche District in the Gilgit Baltistan region of Pakistan. It ranks as the 22nd highest mountain globally and the 9th highest in Pakistan.

CORPORATE INFORMATION



CHAIRMAN

MR. ALAUDDIN J. FEERASTA

PRESIDENT & CHIEF EXECUTIVE OFFICER

MR. MUHTASHIM AHMAD ASHAI

DIRECTORS

MR. NOORUDDIN FEERASTA

MR. AHMED A. FEERASTA

MR. MANZOOR AHMED (NIT NOMINEE)

MR. JAMIL HASSAN HAMDANI

MS. NAVIN SALIM MERCHANT

MR. TARIQ HAFEEZ MALIK

CHIEF FINANCIAL OFFICER

MR. MIRZA ZAFAR BAIG

COMPANY SECRETARY

MR. MUHAMMAD ALTAF BUTT

AUDITORS

KPMG TASEER HADI & CO.

CHARTERED ACCOUNTANTS

SHARI'AH BOARD

MUFTI EHSAN WAQUAR AHMAD - CHAIRMAN

MUFTI MUHAMMAD ZAHID - RSBM

MUFTI BILAL AHMED QAZI

MUFTI SYED ABID SHAH

MUFTI SAMI ULLAH

LEGAL ADVISORS

M/S MANNAN LAW ASSOCIATES

REGISTERED OFFICE

2ND FLOOR, 307 – UPPER MALL SCHEME,
LAHORE, PUNJAB – 54000

CENTRAL OFFICE

10TH FLOOR, PNSC BUILDING,
M.T. KHAN ROAD, KARACHI-74000

SHARES REGISTRAR AND TRANSFER AGENT

THK ASSOCIATES (PRIVATE) LTD.,
PLOT NO. 32-C, JAMI COMMERCIAL
STREET 2, DHA PHASE 7,
KARACHI-75500

UAN: (021) 111-000-322

FAX: (021) 35310191

LIST OF COMMITTEES

OF THE BOARD OF DIRECTORS



Audit Committee of the Board

1. Mr. Jamil Hassan Hamdani	Chairman
2. Mr. Nooruddin Feerasta	Member
3. Mr. Tariq Hafeez Malik	Member
4. Ms. Navin Salim Merchant	Member
Mr. Muhammad Altaf Butt	Secretary

Credit Committee of the Board

1. Mr. Nooruddin Feerasta	Chairman
2. Mr. Alauddin J. Feerasta	Member
3. Mr. Muhtashim Ahmad Ashai	Member
4. Mr. Ahmed A. Feerasta	Member
5. Mr. Manzoor Ahmed	Member
Mr. Muhammad Altaf Butt	Secretary

Human Resource and Remuneration Committee of the Board

1. Mr. Manzoor Ahmed	Chairman
2. Mr. Jamil Hassan Hamdani	Member
3. Ms. Navin Salim Merchant	Member
Mr. Muhammad Altaf Butt	Secretary

Risk & Compliance Committee of the Board

1. Mr. Manzoor Ahmed	Chairman
2. Mr. Muhtashim Ahmad Ashai	Member
3. Mr. Ahmed A. Feerasta	Member
4. Mr. Jamil Hassan Hamdani	Member
Mr. Muhammad Altaf Butt	Secretary

Committee of Independent Directors of the Board

1. Ms. Navin Salim Merchant	Chairperson
2. Mr. Jamil Hassan Hamdani	Member
3. Mr. Tariq Hafeez Malik	Member
Mr. Muhammad Altaf Butt	Secretary

I.T. Committee of the Board

1. Mr. Ahmed A. Feerasta	Chairman
2. Mr. Muhtashim Ahmad Ashai	Member
3. Mr. Manzoor Ahmed	Member
4. Mr. Tariq Hafeez Malik	Member
Mr. Muhammad Salman Ali	Secretary

Cost Rationalization Committee of the Board

1. Mr. Jamil Hassan Hamdani	Chairman
2. Mr. Nooruddin Feerasta	Member
3. Mr. Ahmed A. Feerasta	Member
4. Mr. Manzoor Ahmed	Member
Mr. Muhammad Altaf Butt	Secretary

*Cost Rationalization Committee (CRC) was a specific purpose committee, which upon achieving its assigned task in line with their ToRs, had been dissolved by the Board in its 198th meeting held on 27.04.2023.

BOARD SUB-COMMITTEES

Audit Committee

Constitution:
Mr. Jamil Hassan Hamdani
Chairman

Mr. Nooruddin Feerasta
Member

Mr. Tariq Hafeez Malik
Member

Ms. Navin Salim Merchant
Member

Terms of Reference

Audit Committee has been mandated the responsibilities to determine appropriateness of measures taken by the management to safeguard Bank's assets, ensure consistency of accounting policies, review financial statements and recommend appointment of the external auditors, as well as to have close coordination with them so as to comply with the statutory and CCG requirements. The Committee is inter alia also responsible to ascertain the effectiveness of the Internal Control Systems including financial and operational controls, ensuring adequate and effective accounting and reporting structure and monitoring compliance with the best practices of the corporate governance. The other functions of the Committee include consideration of major findings of internal investigations and management's response thereto, as well as ensuring that an effective internal audit functions are in place.

Credit Committee

Constitution:
Mr. Nooruddin Feerasta
Chairman

Mr. Alauddin J. Feerasta
Member

Mr. Muhtashim Ahmad Ashai
Member

Mr. Ahmed A. Feerasta
Member

Mr. Manzoor Ahmed
Member

Terms of Reference

The primary functions of the Credit Committee of the Board are to ensure adherence to the lending policies, review the credit policies, systems, and controlling strategies for their further strengthening and monitoring the loan portfolios regularly on an overall basis including a periodical review of problem loans, including classified and stuck-up cases. The Committee is also required to ensure that there are adequate systems, procedures, and controls in the Bank for all the significant areas related to credit and that the laid down procedures/guidelines are effectively communicated down the line and put in place a reasonable setup to implement the same. The Committee is also assigned the responsibility to review the credit-related activities of the Executive Credit Committee (ECC) on a quarterly basis for threshold; fund-based Rs. 200.00 million and above, non-fund based Rs. 400.00 million and above, and total exposure Rs. 400.00 million and above.

Risk & Compliance Committee

Constitution:
Mr. Manzoor Ahmed
Chairman

Mr. Muhtashim Ahmad Ashai
Member

Mr. Ahmed A. Feerasta
Member

Mr. Jamil Hassan Hamdani
Member

Terms of Reference

The Board Risk & Compliance Committee is primarily accountable to provide oversight and advice to the BoD of Soneri Bank Limited in relation to current and potential future risk exposures of the Bank and future risk strategy, including approval of risk appetite and tolerance. The Committee maintains an oversight about the implementation of IFRS-9, as per the regulatory requirement. The Committee also ensures that an organisational culture that places a high priority required for effective risk management is established, by promoting a risk awareness culture within the Bank. It also validates that resources allocated to risk management are adequate, given the size, nature, and volume of the business and managers and staff that take, monitor, and control risk possess sufficient knowledge and expertise. The Committee also monitors the development of appropriate financial models and the system used to calculate each category of risk; ensuring that the Bank has clear, comprehensive, and well-documented policies and procedural guidelines relating to risk management, available at all times, and the relevant staff fully understands those policies. The Committee also ensures that the Bank's overall exposure to Credit, Market, Liquidity, and Operational Risk is maintained at prudent levels and it is consistent with the available capital under rigorous stress tests. The Committee ensures adequate coverage of information security and cyber security. The Committee also ensures the establishment of a robust Compliance Function 'CF' compatible with the Bank's overall risk management strategy, risk profile, and complexity of operations, with the required authority, independence, financial resources, and quality human resources. The Committee reviews and recommends the compliance-related policies (including any updates) for approval by the Board on an annual basis or more frequently, as the circumstances dictate. In addition, the Committee also reviews reports from the regulatory authorities, and the audit and risk management departments related to risk issues, and monitor the management's responses and implementation of corrective measures (including on AML/CFT/CPF). The Committee also confirms to the Board, at least annually, the adequacy of the management's resources, infrastructure, and internal control framework to implement the compliance-related policies and procedures including AML/TBML/CFT/CPF. The Committee at least annually evaluates the effectiveness of the Bank's overall management of compliance risk, keeping in view the regulatory observations in on-site examinations, regulatory enforcement actions, and internal assessments/feedback (including Internal audit reports) from internal audit, compliance reviews, as well as interactions with the Chief Compliance Officer (CCO). The committee also engage CCO on half yearly basis to provide him the opportunity to discuss issues faced by the compliance function in implementation of board approved compliance program.

Human Resource and Remuneration Committee

Constitution:
Mr. Manzoor Ahmed
Chairman

Mr. Jamil Hassan Hamdani
Member

Ms. Navin Salim Merchant
Member

Terms of Reference

The Board's Human Resource and Remuneration Committee is responsible for overseeing the Human Resources functions of the Bank by ensuring the development and implementation of HR strategies that include recruiting, retaining, and inspiring professional excellence in the employees of the Bank. It recommends human resource management policies to the Board that ensure equal opportunity, gender balance, and transparency. It also reviews the significant HR policies of the Bank and ensures that they are well-aligned with the market. The Committee also spearheads the Bank-wide programme for implementation of Guidelines on Remuneration Practices, including necessary awareness, and change management initiatives, reviews, and progress against the roadmap for implementation of the policy.



Committee of Independent Directors

Constitution:
Ms. Navin Salim Merchant
Chairperson

Mr. Jamil Hassan Hamdani
Member

Mr. Tariq Hafeez Malik
Member

Terms of Reference

The Committee of Independent Directors is responsible for providing an independent opinion on the state of affairs of the Bank and giving recommendations, if any, to the Board.

I.T. Committee

Constitution:
Mr. Ahmed A. Feerasta
Chairman

Mr. Manzoor Ahmed
Member

Mr. Muhtashim Ahmad Ashai
Member

Mr. Tariq Hafeez Malik
Member

Terms of Reference

The I.T. Committee is responsible for reviewing and overseeing the I.T. projects and for the development and implementation of I.T. policies. The Committee shall carry out its responsibilities by:

- Reviewing the I.T. and digital strategies and policies before submission to the Board;
- Ensuring that the risk management strategies are designed and implemented to achieve resilience;
- Acquiring regular updates from the I.T. Steering Committee, to monitor all the Board approved technology related projects;
- Ensuring that technology-related procurements are aligned with the I.T. Strategy as approved by the Board.

Cost Rationalization Committee

Constitution:
Mr. Jamil Hassan Hamdani
Chairman

Mr. Nooruddin Feerasta
Member

Mr. Ahmed A. Feerasta
Member

Mr. Manzoor Ahmed
Member

Terms of Reference

The Cost Rationalization Committee is responsible for reviewing the following:

- To review administrative cost lines in comparison with the Bank's budget, industry, and prior period numbers and recommend measures to the Board for the purposes of having operational efficiency that may lead to an improved bottom line.
- To review cost-saving initiatives presented by the management and recommend them to the Board for adoption.
- To review various cost analyses and recommend measures for rationalization.
- To review and recommend specific and distinct strategies for controllable and non-controllable costs with the objective of cost optimisations.

*Cost Rationalization Committee (CRC) was a specific purpose committee, which upon achieving its assigned task in line with their ToRs, had been dissolved by the Board in its 198th meeting held on 27.04.2023.

BOARD AND COMMITTEES' MEETINGS



Details of the meetings of the Board of Directors and its Committees held during the year 2023 and the attendance by each Director/Committee member is given as under:-

Sr. No.	Name of Director	Board of Directors Meetings		Board Audit Committee Meetings		Board Credit Committee Meetings		Board Human Resource and Remuneration Committee Meetings		Board Risk and Compliance Committee Meetings		Board Independent Directors' Committee Meetings		Board I.T Committee Meetings		Board Cost Rationalization Committee ****	
		Held during the tenure in the year	Attended**	Held during the tenure in the year	Attended**	Held during the tenure in the year	Attended**	Held during the tenure in the year	Attended**	Held during the tenure in the year	Attended**	Held during the tenure in the year	Attended**	Held during the tenure in the year	Attended**	Held during the tenure in the year	Attended**
1	Mr. Alauddin J. Feerasta	6	6	*	4	4	4	*	*	*	*	*	*	*	*	*	*
2	Mr. Muhtashim Ahmad Ashai	6	6	*	4	4	4	*	4	4	4	*	3	4	3	*	*
3	Mr. Nooruddin Feerasta	6	6	4	4	4	4	*	*	*	*	*	*	*	*	3	3
4	Mr. Ahmed A. Feerasta	6	6	*	3	3	3	*	4	4	4	*	4	4	3	3	3
5	Mr. Muhammad Rashid Zahir ***	1	1	1	1	1	1	*	*	*	*	*	*	*	*	*	*
6	Mr. Tariq Hafeez Malik ***	3	3	2	2	*	*	*	*	*	*	1	1	3	3	*	*
7	Mr. Manzoor Ahmed (NIT Nominee)	6	6	*	4	4	4	4	4	4	4	*	4	4	3	3	3
8	Mr. Jamil Hassan Hamdani	6	6	4	4	*	*	4	4	4	4	1	1	1	3	3	3
9	Ms. Navin Salim Merchant	6	6	4	4	*	*	4	4	*	*	1	1	*	*	*	*
Total Number of meetings held during the year		6	4	4	4	4	4	4	4	4	4	1	4	4	3	3	3

*Represents not a member of the Committee.

**Leave of absence was granted to those directors/members, by the Board/Committee, who could not attend some of the meetings.

***Mr. Tariq Hafeez Malik was elected as Director in place of retiring Director Mr. Muhammad Rashid Zahir in the elections conducted in 31st AGM of the Bank held on 27 March 2023.

****A special committee "Cost Rationalization Committee" was formed by the Board in its 194th meeting convened on 27 October 2022 with the mandate to rationalize cost lines. During the year, three meetings of the Committee were convened. Upon achieving its mandate, the Committee was dissolved by the Board in its 198th meeting held on 27 April 2023.

ROLES AND RESPONSIBILITIES



Board and its Committees

The Board has retained ultimate responsibility for the Strategic Direction and Control of the Bank. The Board has delegated the Senior Management team under the leadership of the Chief Executive Officer, to deliver the Strategic Direction and Goals determined by the Board. A key function of the Board is to monitor the performance of Senior Management in this function.

The Board from time-to-time establishes specialized Committees to share load of activities and streamline the discharge of its responsibilities except for Policy making. For each Board Committee, the Board adopts a formal Terms of Reference (ToRs) setting out the matters relevant to the objectives, composition, roles, functions, responsibilities, authorities and administration of such Committees. The Board has currently established the following specialized Committees:

1. Board Audit Committee
2. Board Credit Committee
3. Board Human Resource and Remuneration Committee
4. Board Risk & Compliance Committee
5. Board Information Technology Committee
6. Board Committee of Independent Directors
7. Board Cost Rationalization Committee*

*Cost Rationalization Committee (CRC) was a specific purpose committee, which upon achieving its assigned task in line with their ToRs, had been dissolved by the Board in its 198th meeting held on 27.04.2023.

The Committees' ToRs are reviewed as per their defined frequency or if any regulatory change occurs whichever is earlier. As a matter of principle, Committee Members have access to the appropriate external and professional advice needed to assist the Committee in fulfilling its role. Board reviews performance of these specialized Committees on a quarterly basis where respective Committees' Chairmen brief the Board about their activities, achievements as well as decisions taken, in compliance with the regulatory requirements.

Chairman and the Chief Executive Officer (CEO)

The Chairman and the Chief Executive Officer have separate and distinct roles.

The Chairman has all the powers vested under the Banking Laws, Companies Act and Listed Companies (Code of Corporate Governance) Regulations and presides over the Board meetings. The principal role of the Chairman is to manage and provide leadership to the Board of Directors of the Bank. He acts as a leading figure for both the Board of Directors as well as the management and is entrusted with numerous roles and responsibilities ranging from monitoring Board level decision-making activities to safeguarding the Bank's commercial interests.

Other responsibilities include:

- Serving as a leader and a driving agent of the Board of Directors (BOD), monitoring and managing all of its activities, aligning the Board's goals and decisions with that of the management. The Chairman also ensures that the Board stays in the right direction with respect to achieving its objectives;
- Presiding over the Board meetings and General meetings, ensuring that these meetings are executed productively and the key agenda is discussed along with a valuable conclusion/ decision. The Chairman also oversees the Board's key decision-making activities; and
- Exercising the powers and authorities that are vested in and conferred to him under enabling laws and promoting the highest standards of corporate governance.

The Chief Executive Officer at Soneri Bank Limited also plays a critical and significant role and is entrusted with numerous responsibilities, subject to the control and supervision of the Board of Directors.

Key responsibilities include:

- Managing and administrating the affairs of the Bank in accordance with the laws, rules, and regulations and the Memorandum and Articles of Association of the Bank;
- Complying with and arranging for implementation and compliance within the Bank, of all policies, procedures, and manuals approved by the Board of Directors and any directives given by the Board of Directors or Board Committee(s);
- Preparation of corporate strategy for growth and expansion of the Bank's operations and submitting the same for consideration and approval of the Board of Directors;
- To appoint, promote, transfer, suspend or dismiss employees of the Bank, and fix their remuneration and other entitlements in accordance with the policies and procedures approved by the Board of Directors; and
- To deal with, represent, and act on behalf of the Bank before the State Bank of Pakistan, Securities and Exchange Commission of Pakistan, Federal and Provincial Ministries, Government Departments, Courts, Stock Exchange, and any other competent authority.
- To evaluate asset utilisation and deployment in a prudent manner in line with the Board's approved strategy.
- To make sure strong compliance culture and internal control within the organisation.

MECHANISM ADOPTED FOR

THE BOARD'S PERFORMANCE EVALUATION



Soneri Bank Limited ("the Bank") has put in place a mechanism whereby the performance of the overall Board is evaluated annually. A quantitative technique is used where a scaled questionnaire is provided to each Director to obtain feedback. Assessment is carried out for the following categories:

- Overall Board
- Chairman of the Bank
- CEO of the Bank
- Sponsor Directors
- Independent Directors
- Individual Directors
- Board Committees

Scale from 1 to 5 (1 being "Strongly Disagree" and 5 being "Strongly Agree") is used to rate the assessment criteria given under each section. Accordingly, the Bank prepared an internal questionnaire also covering the challenging areas that attained lower rating in the last assessment by the Directors. Feedback, so received, from each director is then collated and analyzed to denote performance in percentage terms against each of the above mentioned section.

Final result of the Annual Evaluation of the Board's Performance is then presented to the Board of Directors which it accordingly reviews and identifies any issues, weaknesses or challenges along with how these can be adequately addressed. Accordingly, Board has reviewed its Performance Evaluation for the year 2023 in its 202nd meeting convened on 31st January 2024 and the challenges identified by them have been duly noted to be addressed.

This mechanism disclosure on the evaluation process adopted by the Bank, is being published for all the stakeholders in compliance with the BPRD Circular No.11 dated 22 August 2016 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 and shall form part of the Director's Report to the Shareholders.

MANAGING CONFLICT OF INTEREST



The Board of Directors recognize that they have been entrusted with fiduciary duties of loyalty towards the Bank and its shareholders, accordingly they demonstrate due care and skill while performing in their capacity as Directors of the Bank. One of the key aspects of their responsibilities includes managing potential or actual conflict of interests arising from personal relationships, external associations and interest in material matters, which may have a bearing on their independent judgment. In order to effectively manage conflict of interest, the Board regularly monitors whether or not they are placed in position of actual or potential conflicts through the following:

Disclosure of Interest by Director:

- Every Director (including spouse and minor children) of the Bank who is in any way, whether directly or indirectly, concerned or interested in any contract or arrangement entered into, or to be entered into, by or on behalf of the Bank shall disclose the nature of his concern or interest at a meeting of the directors.
- Directors are required to disclose existing or perceived conflicts of interest at the Board meeting as per the requirements of prevailing law. Where a conflict of interest or potential conflict of interest has been disclosed, the concerned Board member shall not take part in the Board discussion on that agenda item. The Member who has disclosed the conflict cannot vote on that agenda item.

Insider Trading:

- Board has approved Insider Trading Policy, where Directors are required not to deal directly or indirectly in the securities of the Bank; whether on their own account or their relative's account, if they are in possession of any unpublished price sensitive information concerning the Bank. Directors who are in possession of any unpublished price sensitive information shall not communicate directly or indirectly the said information to others who trade on such information.
- Where any Director or his spouse sells, buys or takes any beneficial position, whether directly or indirectly, in the shares of the Bank, he shall immediately notify the Company Secretary in writing. Such Director shall also deliver a written record of the price, number of shares, form of share certificates (i.e. whether physical or electronic within the Central Depository System) and nature of transaction to the Company Secretary. Further, no Director shall, directly or indirectly, deal in the shares of the Bank, in any manner, during the closed period as determined by the Board of Directors.

Related Party Transaction:

- The Board has approved the Related Party Transaction Policy, where the Bank has devised a mechanism for the identification of related parties and execution of related party transactions at arm's length, which are executed in the normal course of business. Based on the statutory requirements, complete transactional details of the related parties are presented before the Audit Committee for review and deliberations. The Audit Committee reviews and recommends the related party transactions to the Board and AGM, where required, for its approval.
- Moreover, as a statutory requirement, a comprehensively prepared return is submitted at a half-yearly interval to the State Bank of Pakistan that primarily covers every related party transaction executed during the said period.

Confidentiality:

- The Directors shall maintain the privacy and confidentiality of all the information acquired being a Member of the Board of Directors of the Bank or which has come into their knowledge and refrain from disclosing the same unless otherwise required by statutory authorities/law and the Bank's own policies. All such information will remain with them as a trust and will only be used for the purpose for which it is intended and will not be used for personal benefits. Inside information about the affairs of the Bank shall not be used for their own gains or for that of others, either directly or indirectly.
- Directors of the Bank are strictly prohibited to disclose the fact (that comes into their knowledge) to the customer or any other quarter that a suspicious transaction or related information is being or has been reported to any authority, except if required under the law.

Conflict of Interest:

- Avoid all such circumstances in which there is a personal conflict of interest, or which may appear to be in conflict with any of the stakeholders as prescribed by the statutes and in the probable case where their interest conflicts with any of the stakeholders, he would immediately declare such interest before the Board of Directors.
- No Director shall exploit for their own personal gain, opportunities that are discovered through the use of corporate property, information or position unless the opportunity is disclosed completely in writing to the Board of Directors of the Bank and the Board allows him to avail such opportunity.
- No interested person shall participate in the discussion or vote in the Board's proceedings or participate in any other manner in the conduct or supervision of such dealings.
- Avoid any dealing with contractors or suppliers of the Bank that compromises the ability to transact business on a professional, impartial and competitive basis or that may influence the discretionary decision to be made by the Board Members/Bank.
- No Director shall hold any position or job or engage in outside business or other interest that is prejudicial to the interests of the Bank.
- No Director shall make any statement, which has the effect of adverse criticism of any policy or action of the Bank or which is capable of embarrassing the relation between the Bank and the public including all the stakeholders; provided that nothing in this clause shall apply to any statement made or views expressed by a Board Member, which are purely factual in nature and are not considered as confidential, in his official capacity or in the due performance of the duties assigned to him.
- All Directors shall refrain from accepting gifts, personal favours or preferential treatment, that could, in any way, influence or appear to influence, business decisions in favour of any person or organisation with whom or with which the Bank has or is likely to have business dealings.



Steps to Encourage Minority Shareholders' Participation in AGMs

Apart from being an event for decision-making on important matters, Annual General Meeting also provides a forum for two-way engagement with the shareholders, particularly the minority shareholders. Therefore, the Bank takes the following measures to ensure the meaningful participation of minority shareholders in the AGM:

- We encouraged our minority shareholders who qualify for election to the office of a Director to file nomination papers. Minority shareholders shall be facilitated in terms of the requirements of Regulation 5 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.
- Minority shareholders are facilitated and apprised about the details of the documents required to be submitted vide our Notice of AGM.
- Notice of AGM is sent to every member of the Bank at least 21 days before the meeting. The notice is also published in newspapers (both English and Urdu) having nationwide circulation. Moreover, the notice is also circulated from the forum of Pakistan Stock Exchange Ltd.
- Annual Report of the Bank is sent to each member of the Bank before the AGM in electronic (CD/DVDs) or hard copy form (on request).
- The Shareholders are facilitated to additional a proxy, if they are unable to attend the AGM in person.
- The shareholders are also provided with the Zoom facility to attend the meeting virtually from their laptops, cell phones, etc.
- During the AGM, a detailed briefing on the Bank's performance and future plans is given to the shareholders both in English and Urdu.
- The shareholders are encouraged to raise queries and give suggestions relating to the Bank's operations.

Summary of the Corporate Briefing Sessions (CBS)

Corporate briefing sessions are interactive sessions between the management of the Bank and the investor community, whereby the Bank takes the opportunity to apprise the investors about the business environment and economic indicators of the country, explain its financial performance, the competitive environment in which the Bank operates, investment decisions, challenges faced as well as business outlook.

The idea behind the Bank's investor engagement through these briefings is to give the right perspective of the business affairs of the Bank to the investors (both existing and potential), which helps them in making their investment decisions.

Accordingly, the Bank's CBS for the year 2023 was arranged on 22nd December 2023 in compliance with the PSX Regulation 5.7.3 read with the updated "Guidelines/Procedure for holding CBS" communicated vide their Notice No. PSX/N-1120 dated 2nd November 2023.

Issues Raised in the last Annual General Meeting (AGM)

No significant issue was raised in the last Annual General Meeting of the Bank, held on 27 March 2023. General clarification or information sought by the shareholders including minority shareholders was duly provided by the Chief Financial Officer and Chief Executive Officer during the AGM.

I.T. GOVERNANCE



Soneri Bank's technology governance framework is a fundamental guide and reference point for decision-making within the bank's IT division, ensuring compliance with regulatory standards across all levels. It is a central component of our enterprise governance, encompassing leadership, organizational structures, and processes vital for fortifying the bank's IT division in alignment with organizational strategies and objectives. This framework serves as a cornerstone, facilitating the synchronization of IT with business strategies, thereby providing a robust platform for accomplishing the strategic objectives of the business streams.

The oversight of IT operations is led by the bank's chief Information officer, who directly reports to the Deputy CEO. They collaborate closely with various business groups, the IT Steering Committee, the Board IT Committee, and the bank's Management Committee to ensure cohesive management and strategic alignment within the organization.

The CIO and his team are responsible for the implementation of the entire Enterprise Technology Governance Framework and ensure providing valuable strategic insights to keep the Bank abreast with new technological enhancements and systems. The Technology Governance Framework also ensures that the Bank is equipped with innovative, world-class robust I.T. Infrastructure with adequate hardware and high availability of the network to enable a connected workforce for timely servicing its worthy customers. The Technology Governance Framework and Information Security Policy ensure cyber security on the topmost level.

Bank's I.T. Services are designed to benefit the Bank with major or complex software and hardware deployments, diverse system requirements, dynamic configuration changes, high uptime requirements, and to meet user expectations by ensuring that technology governance, information security, and risk management are fully equipped and up-to-date.

An independent IT audit of the bank's IT infrastructure services, policies, and operations is in place to assess the presence and effectiveness of all IT controls. This evaluation aims to safeguard the bank's assets, ensuring data integrity and aligning service delivery with the bank's goals and objectives.

In these emerging technological trends, our I.T. people are equipped with the necessary skill set and tools and regularly go through trainings to stay abreast of existing and new technologies in relation with their job requirements and their impact on the Bank's business. Our people are the real key to the successful implementation of information and technology. They create, use, and interpret data. They manage information systems, administer access rights, and pre-emptively identify risks to prevent incidents and crises from occurring.

At its core, our technological governance framework defines how Soneri Bank aligns with specific objectives, emphasizing the strategic use and organization of technology to achieve the bank's business objectives.

SHARI'AH BOARD PROFILE

The Shariah Board is comprised of Five qualified Shariah Scholars namely Mufti Ehsan Waquar Ahmad (Chairman Shariah Board), Mufti Bilal Ahmed Qazi (Shariah Board Member), Mufti Syed Abid Shah (Shariah Board Member), Mufti Sami Ullah (Shariah Board Member) & Mufti Muhammad Zahid (Resident Shariah Board Member-RSBM).

Mufti Ehsan Waquar Ahmad (Chairman Shari'ah Board)

Mufti Ehsan has a diversified cross-functional management experience in Islamic Finance, Business Management and Operation, Project Management and Administration for more than two decades. He has hands-on experience of people and projects management, with a rich experience of working with board of directors and senior management of banks, regulators, auditors and legal counsels.

Alhamdulillah, he exclusively serves Islamic Financial Industry with institutions like World Bank-IFC, National Bank of Pakistan, ABL, Soneri Bank, NAFA, Askari General Insurance Company Takaful Window (AGICO), Emirates Global Islamic Bank, Al Baraka Bank Pakistan, UBL, Yasaar Ltd.-UAE & UK, Minhaj Advisory-UAE, Arif Habib for more than a decade now. He also serves as Member Shariah Advisory Committee (SAC) at Security Exchange Commission of Pakistan (SECP). He has structured several Sukuk including the largest Sukuk in Pakistan; a hundred billion Sukuk for Neelum Jhelum Hydro Power, Fatima Fertilizer, Fauji Fertilizer, Sitara Energy, Sitara Peroxide and IBL.

He also served as member of the Technical Committee for Developing Accounting & Auditing Standard for Islamic Financial Institution at Institute of Chartered Accountants of Pakistan (ICAP). As member of SAF at State Bank of Pakistan (SBP), he worked actively with SBP in matters pertaining to Islamic Banks including drafting of Shariah Standard on Shirkat-ul-Milk usually used for Housing Finance, Tawarruq, Commodity Murabahah, Treasury, Trade Finance and Agricultural Financing Products.

At ESAAC (Ehsan Shariah Advisors and Consultants Private Limited), where he is the Chief Executive Officer and has the privilege to work on a project of World Bank-IFC for developing Islamic Re-Mortgage Finance. He has also worked with SECP team on Takaful Rules 2012 with its insurance division.

He possesses a unique combination of religious and contemporary education that is very relevant to Islamic Banking. He has strong communication skills combined with knowledge of several languages. He graduated and accomplished Masters in Business Administration (MBA) with specialization in Finance and Masters in Economics (MA) from IoBM and Karachi University respectively. He also completed traditional Islamic studies and graduated as a Mufti, achieving Masters in Islamic Studies (MA) and specializing in Islamic Jurisprudence (PGD-Mufti) from a leading Islamic School in Pakistan, Jamia-Tur-Rasheed. He has also accomplished Bachelors in Law and Legislation (LLB). This unique blend of educational combination gives him an edge upon many others to understand, correlate and align modern day banking practices with Shariah principles. Beside this, he conducts courses and sessions on Islamic Banking, Capital Markets, Derivatives, Takaful and Risk Management in renowned Business schools like CBM, IBA and KUBS.

Mufti Bilal Ahmed Qazi (Shari'ah Board Member)

Mufti Bilal Ahmed Qazi has done his Al-Aalamiyyah (a degree recognized by the Higher Education Commission Pakistan as a Masters in Arabic and Islamic Studies) in 2003 from Jamia-tul-Uloom Ul-Islamiyah Banori Town. Then he completed his specialization in Islamic Jurisprudence from Jamia Darululoom Karachi. He has also completed his MBA from IBA (Institute of Business Administration) Karachi, Pakistan. Prior joining SBL Islamic Banking he used to work for Meezan Bank Ltd as Shariah Scholar. He was the Shariah Advisor of NAFA Islamic Mutual Funds and the Shariah Board Member AL Baraka Bank. He is currently Shariah Board Member of Soneri Bank Islamic Banking and Summit Bank. He is also associated as Shariah Advisor with Shaheen & TPL Life Window Takaful Operations. He is also a member of Syndicate of NED University of Engineering and Technology.

Mufti Muhammad Zahid (Resident Shari'ah Board Member-RSBM)

Mufti Muhammad Zahid has attained remarkable achievements in his academic journey, particularly in Islamic Jurisprudence, where he excelled consistently, earning numerous accolades. His educational milestones include obtaining an Al-Aalamiyyah degree in Arabic and Islamic Studies in 2005 from Jamia Darul Uloom Karachi, recognized as a Masters by the Higher Education Commission Pakistan. Further specializing in Islamic Jurisprudence (Al-Takhassuss Fil Iftaa), he completed his studies in 2008 at the same institution.

Continuing his pursuit of knowledge, Mufti Muhammad Zahid recently achieved an M.Phil. degree in Islamic Studies at Karachi University's Quran-o-Sunnah Department and is currently dedicated to his doctoral studies in Islamic Studies at Karachi University. Before joining Soneri Bank Limited Islamic Banking, Mufti Muhammad Zahid served as the Head of Shariah Compliance at Pak-Qatar Family Takaful Ltd. from 2008 until October 2016, maintaining his role as a Shariah Board Member until September 2018.

In addition to his corporate responsibilities, Mufti Muhammad Zahid shares his expertise as a visiting faculty member at the Institution of Business Administration-IBA and Al-Emaan & Al-Hikmah Institute, Karachi. His focus lies in offering Islamic solutions to contemporary challenges, bridging the gap between the modern world and Shariah principles. Mufti Muhammad Zahid actively conducts training sessions on Islamic Finance, Takaful, and Risk Management on various platforms.



Presently, Mufti Muhammad Zahid serves as the Resident Shariah Board Member (RSBM) at Soneri Bank, Islamic Banking, and holds the position of Shariah Board Member at TPL Life & Shaheen, Window Takaful Operations.

Mufti Syed Abid Shah (Shari'ah Board Member)

Mufti Syed Abid Shah is a recognized Shariah Scholar and researcher having strong comprehension of all aspects of Islamic Law, specialized in Islamic Jurisprudence and Islamic Finance. He has done his Al-Aalamiyyah (a degree recognized by the Higher Education Commission Pakistan as a Masters in Arabic and Islamic Studies) and Al-T'akhassus fi al-Iftaa' (specialization in Islamic Jurisprudence) from Jamia Darul Uloom, Karachi. Further he is currently pursuing his M.Phil. degree from Karachi University.

He is associated with Jamia-tur-Rasheed, Karachi as a senior Mufti in Darul Iftaa and lecturer in department of Fiqh ul Muamlat. He has been teaching Islamic studies including Fiqh and Fatwa for years. He has undertaken research work in various topics including economic thoughts in Islam, modern economic, Islamic banking & finance and Halal Food Standards. His research works include Islamic Laws of trade & Business in the light of Majallatul Ahkam Al-Adaliya (The Ottoman Law of Economics), Sell & Purchase of Money in Islam" under the supervision of Mufti Muhammad Taqi Usmani and Basic Islamic Laws/Principles regarding Halal & Haram.

Mufti Sami Ullah (Shari'ah Board Member)

Sami Ullah graduated from Jamia Darul-Uloom, Karachi. He obtained Shahadat-ul-Aalamia (Masters in Arabic and Islamic Studies) from Jamia Darul-Uloom, Karachi, and Takhassus Fil Fiqh il Muamlat (Specialisation in Islamic Commercial Law from Jamia-tur-Rasheed, Karachi. He has also completed his MBA (Finance) from the University of Karachi and currently pursuing his MS in Islamic Banking and Finance from the Institute of Business Administration (IBA), Karachi.

He has about five years' experience of working in the Islamic Banking Industry, along with approximately eight years' experience in research and issuing Fatawa. He has drafted more than a hundred fatawa regarding trade, banking, finance, inheritance, etc. He has also conducted in depth research of several practical issues in Islamic Banking from the Shari'ah aspect.

HUMAN RESOURCE PRACTICES



We, at Soneri Bank continuously strive to attract, develop and retain top quality human capital that continues our legacy of encouraging healthy and productive work environment; conducive for growth and development of our biggest assets – Our People! Our Talent Acquisition & Talent Management team designs and implements strategies which enable us in hiring the right person for the right job. We feel delighted to welcome fresh as well experienced resources and further develop, motivate and encourage them in attaining their career aspirations.

To ensure that our workforce has access to high-quality learning interventions that help them advance their knowledge and abilities, HR Learning & Development has developed and launched a number of initiatives this year. The Bank has added multiple e-learning modules including Information Security Awareness, Diversity, Equity & Inclusion, Inclusion of Persons with Disabilities (PWDs), Ethical Conduct to our existing e-learning portfolio in our Learning Management System (LMS). Human Resource Department has rolled-out a program specifically designed for our female staff. The program is named Parvaaz and it gives our female staff an opportunity to receive continuous mentorship from senior leaders in order to build strong leadership competency, enhance capability to deliver on the future strategy, enable accelerated career progression and provide guidance and support that shall lead women in senior management roles. This year, at the commencement of the program, more than 45% of the recipients of mentorship have been elevated either in role or in grade marking the success of this program.

HR Learning & Development is constantly working on Diversity, Equity and Inclusion (DEI), we have arranged various workshops on gender sensitivity and workplace harassment. This aims to assist our staff in learning how to ensure the inclusion of all genders at work by building an empowering, encouraging and enabling work environment. The target audience for this program is mainly frontline e.g. Area & Branch Manager, Branch Managers, Branch Operation Managers and other senior staff who are being trained and become gender champions in the branches and departments. When we talk about diversity and inclusion; the Persons with Disabilities (PWDs) have always been our top priority. Soneri Bank is an inclusive organization and we have been actively onboarding differently abled talented individuals in our staff strength. We take pride in a workforce that brings in rich cultural experiences and technical expertise which contributes in creative ideas and efficient solutions. Moreover, to further strengthen and promote diversity within teams, we have been hiring female trainee officer batches and providing them with learning opportunities that facilitate them towards attaining financial independence.

We are not only committed to recruiting and onboarding top talent, but also focused on retaining our top performers. To boost staff engagement, we launched a campaign by the name of “We Value You”. This campaign gives recognition and cash awards to staff who are nominated by their colleagues for demonstrating extraordinary behavior, which also exemplifies Soneri Bank’s core values. The aim of this initiative is to align staff’s behavior with Soneri Bank’s Values, promote engagement and enhance psychological inclusion and connectivity.

Moreover, SNBL believes in treating each and every staff member with respect and has a zero tolerance policy in matters pertaining to discrimination and harassment which enables staff to co-exist in harmony and be fearless in raising their voices. We emphasize strongly on staff motivation and satisfaction. Hence, we conduct staff engagement survey annually to gauge how our staff feels and analyze how we can improve for the betterment of both our staff and organization. With an utmost priority to create a high performance culture, we create reward differentiation and also provide career development opportunities to consistent performers. With a family of over 4,000 staff, each one of us in our capacity is contributing for collective growth of the organization and society in general. We aspire to be responsible social citizens.

Roshan Har Qadam

SUCCESSION PLANNING POLICY



Policy Statement

To provide continuity in smooth functioning of business, Soneri Bank Limited has put in place a Succession Planning Policy, which identifies successors for senior roles within the organisation, thus encouraging movement of internal resources to fill in high-level management positions that become vacant due to retirement, resignation, or new business opportunities.

Frequency/Applicability

The succession plan is reviewed every three years and shall be put in place for the positions of Mancom level and their one-down.

Approving Authority

The Succession Plan Document shall be approved as under:

Nomination	Co - Nomination	Recommendation	Approval
Group Head	Head of HR	President	Human Resource and Remuneration Committee

Annual Succession Plan Document

The annual succession plan document comprises of the following details for each job role:

Position/Incumbent	Successor Details
• Name of Current Incumbent • Job Title • Grade • SNBL Experience • Overall Experience • Education • Date of Joining • Date of Birth	• Name of Successor • Name of Current Incumbent • Grade • Overall Experience • Education • Readiness of Successor

GOVERNANCE TRAININGS



Having good Governance practices in place is a key focus area for the Bank. Apart from the policies and control procedures in place, the bank also invests in employee development and ensures that the importance of good Governance is understood by Senior Management and staff alike.

During 2023, senior officials from IT department attended trainings on Cyber Security - Risk, Data Governance & IT Continuity Standards, PECB ISO 27001 Lead Implementer Certification, Information Security Risk Management Framework and Certification in Risk and Information Systems Control (CRISC).

Senior Officials from Internal Audit & RAR Group attended important session on Shari'ah Non-Compliance Risk (SNCR) & it's mitigation for IBIs at IBA.

Several staff members from Risk Office, Legal and Admin were trained on Green Banking & Environmental and Social Risk Management. They attended sessions on Liquidity Risk Management, Fraud Risk Management, Risk Based approaches in International Trade and Monitoring and Risk Management of Financing against pledge.

Soneri Bank arranged in-house sessions on Operational Risk Management, Compliance Risk Management, Fraud Risk Management, and Information and Cyber Security Risk Management that were attended by our staff members in classrooms and via e-learning modules on Operational Risk Management and Information Security Awareness.

WHISTLE-BLOWING

Overview

Soneri Bank Limited (SNBL) believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity, and ethical behavior.

Whistle-blowing Policy (WBP) provides a framework enabling the Bank's staff and outside parties such as shareholders, vendors, customers, etc., to report their concerns against irregularities, financial malpractices, frauds and forgeries, harassment, improper conduct, or wrongdoing without any fear, reprisal or adverse consequences.

Scope

The scope of the WBP mainly covers the cases that escape the existing normal procedures and systems. WBP is additional to the existing systems of complaint and dispute resolutions. It is part of an effort to further improve governance and accountability at SNBL. The employees and outside parties are encouraged to use the guidance provided by this program for reporting wrongdoing/improper conduct.

Independence of Whistle-Blowing (WB) Unit

To ensure independence, WB Unit has been established as part of the Internal Audit and RAR Group of the Bank under the ambit of the Board Audit Committee (BAC) of the Bank.

Protection for Whistle-Blowers

The Bank shall protect the identity of whistle-blower. For whistle-blowing and complaint handling mechanisms to be effective, the concerned parties must be adequately assured that the information given will be treated in a confidential manner and above all that they will be protected against retaliation from within or outside the Bank.

Rewards for Whistle-Blowers

Anyone providing information leading to investigation or detection of frauds/forgeries or incidents which may have impacted the Bank's reputation will be suitably rewarded, at the discretion of the management, considering all facts and circumstances.

Communication Channel for Lodging Complaint

- Post/Courier addressed to WB Unit on the prescribed form and address available on the Bank's website.
- Dedicated email ID whistleblowing.unit@soneribank.com accessible to WB Unit Head.

Number Of Whistle-blowing Incidences Reported To BAC

Two whistle-blowing incidences were reported to BAC in Q4-2023 meeting.

INVESTORS' GRIEVANCE



The Bank believes that its association with its investors should be given utmost priority and continuously strives to strengthen its relationship with them, which is also reflected in the mechanism deployed for addressing investor grievances. Moreover, it also promotes equitable treatment of every shareholder, whether they are major or minority shareholders, institutional investors, or foreign shareholders.

The Bank has dedicated a section of its website solely for the provision of significant information and various documents to the investors. Accordingly, the Bank has posted essential information on its website about the Bank, Board of Directors, Management Team, External Auditors, past and current financial data, shareholding details, investor relations/grievances, as well as such other information as stipulated under the Securities and Exchange Commission of Pakistan's S.R.O.1196(1)/2019 dated 03 October 2019.

Further, in order to facilitate our shareholders, the following information has been prominently displayed on the Bank's corporate website:

- Contact details of our Share Registrar.
- Contact information of the focal person of the Bank for dealing with investors' grievances.
- Designated email address of the Bank for addressing the queries/complaints relating to the shares/dividends.
- Various documents, such as Notice of AGM, Proxy Form, Dividend Mandate Form, List of unclaimed dividends/shares and Transfer Deed, etc. for easy access of the investors.
- The Bank endeavours to investigate and resolve all the complaints and queries of the investors to their maximum satisfaction. However, in case an investor remains unsatisfied, the Bank has also shared the contact details of the SECP along with the website link of its complaint cell, providing investors with an alternative course for the resolution of their complaints.

MANAGEMENT COMMITTEES

1. Management Committee

1. Mr. Muhtashim Ahmad Ashai, Chairman
2. Mr. Amin A. Feerasta
3. Mr. Ahsan Mushahid Siddiqui
4. Mr. Shahid Abdullah
5. Mr. Muhammad Qaisar
6. Mr. Mubarik Ali
7. Mr. Muhammad Merajuddin Ahmed
8. Mr. Mohammad Amin Tejani
9. Mr. Tariq Yar Khan
10. Mr. Muhammad Salman Ali
11. Mr. Syed Fahim Raza Zaidi
12. Mr. Amin Sajid
13. Mr. Mirza Zafar Baig, Secretary

2. Executive Credit Committee

1. Mr. Muhtashim Ahmad Ashai, Chairman
2. Mr. Amin A. Feerasta
3. Mr. Ahsan Mushahid Siddiqui
4. Mr. Muhammad Qaisar
5. Mr. Mohammad Amin Tejani
6. Mr. Syed Fahim Raza Zaidi
7. Mr. Mubarik Ali, Secretary

3. Compliance Committee

1. Mr. Muhtashim Ahmad Ashai, Chairman
2. Mr. Amin A. Feerasta
3. Mr. Ahsan Mushahid Siddiqui
4. Mr. Mubarik Ali
5. Mr. Muhammad Qaisar
6. Mr. Syed Fahim Raza Zaidi
7. Mr. Muhammad Merajuddin Ahmed
8. Mr. Muhammad Salman Ali
9. Mr. Mohammad Amin Tejani
10. Mr. Amin Sajid
11. Mr. Tariq Yar Khan, Secretary

4. Assets and Liability Committee

1. Mr. Muhtashim Ahmad Ashai, Chairman
2. Mr. Amin A. Feerasta
3. Mr. Ahsan Mushahid Siddiqui
4. Mr. Mirza Zafar Baig
5. Mr. Mubarik Ali
6. Mr. Muhammad Qaisar
7. Mr. Mohammad Amin Tejani
8. Mr. Syed Fahim Raza Zaidi
9. Mr. Jawaid Iqbal
10. Mr. Shahid Abdullah, Secretary

5. Investment Committee

1. Mr. Muhtashim Ahmad Ashai, Chairman
2. Mr. Amin A. Feerasta
3. Mr. Ahsan Mushahid Siddiqui
4. Mr. Shahid Abdullah
5. Mr. Mirza Zafar Baig
6. Mr. Mubarik Ali
7. Mr. Muhammad Rehan Khan, Secretary



6. I.T. Steering Committee

1. Mr. Muhtashim Ahmad Ashai, Chairman
2. Mr. Amin A. Feerasta
3. Mr. Ahsan Mushahid Siddiqui
4. Mr. Mirza Zafar Baig
5. Mr. Syed Fahim Raza Zaidi
6. Mr. Muhammad Salman Ali
7. Mr. Qurban R. Punjwani
8. Mr. Tariq Yar Khan
9. Mr. Mubarik Ali
10. Mr. Akber Sultan
11. Mr. Mohammad Amin Tejani
12. Mr. Muhammad Qaisar
13. Mr. Amin Sajid
14. Mr. Syed Amir Raza Rizvi
15. Mr. Syed Hammad Hasan, Secretary

7. Credit Risk Management Committee

1. Mr. Muhtashim Ahmad Ashai, Chairman
2. Mr. Amin A. Feerasta
3. Mr. Ahsan Mushahid Siddiqui
4. Mr. Mirza Zafar Baig
5. Mr. Muhammad Qaisar
6. Mr. Mohammad Amin Tejani
7. Mr. Shahid Abdullah
8. Mr. Mubarik Ali
9. Mr. Syed Fahim Raza Zaidi
10. Mr. Jawaid Iqbal, Secretary

8. Business Continuity Plan Steering Committee

1. Mr. Muhtashim Ahmad Ashai, Chairman
2. Mr. Amin A. Feerasta
3. Mr. Ahsan Mushahid Siddiqui
4. Mr. Mirza Zafar Baig
5. Mr. Mohammad Amin Tejani
6. Mr. Muhammad Qaisar
7. Mr. Syed Fahim Raza Zaidi
8. Mr. Muhammad Salman Ali
9. Mr. Tariq Yar Khan
10. Mr. Mubarik Ali
11. Mr. Shahid Abdullah
12. Mr. Muhammad Merajuddin Ahmad
13. Mr. Syed Amir Raza Rizvi
14. Mr. Major (Rtd.) Farhan Mufti
15. Mr. Bahadur Sher
16. Mr. Syed Mohammad Abbas
17. Mr. Muhammad Azizullah Abid
18. Mr. Sajjad Butt
19. Mr. Mian Asif Iqbal
20. Mr. Azhar Sajjad Siddiqui
21. Mr. Amin Sajid
22. Mr. Jawaid Iqbal, Secretary

9. Operational Risk Management Committee

1. Mr. Muhtashim Ahmad Ashai, Chairman
2. Mr. Amin A. Feerasta
3. Mr. Ahsan Mushahid Siddiqui
4. Mr. Mirza Zafar Baig
5. Mr. Tariq Yar Khan
6. Mr. Muhammad Salman Ali
7. Mr. Syed Fahim Raza Zaidi
8. Mr. Muhammad Qaisar
9. Mr. Mohammad Amin Tejani
10. Mr. Mubarik Ali
11. Mr. Amin Sajid
12. Mr. Syed Amir Raza Rizvi
13. Mr. Jawaid Iqbal, Secretary

CHAIRMAN'S REVIEW

Dear Stakeholders,

On behalf of the Board of Directors, it is my privilege to present the Annual Report of Soneri Bank Limited for the financial year ended 31 December 2023.

In the face of global as well as domestic uncertainties and economic pressures, our Bank's performance remained impressive, as we continued with our growth momentum throughout the year, scaling new heights and reaching new milestones. Our results are testament to the efforts, dedication and unwavering commitment to excellence exhibited by each and every member of the Soneri family, as we continued to navigate through a difficult macroeconomic environment.

Over the course of the year, we achieved significant milestones, all contributing to sustainable value for our shareholders. By the grace of the Almighty, we crossed the PKR 500 billion landmark in terms of overall deposits during the year. At the same time, our current deposits growth also remained strong, both in terms of absolute as well as average volumes. In terms of the overall Balance Sheet, our asset base has now surpassed the level of PKR 650 billion, with net assets of around PKR 28 billion at the end of the year. Our Capital position provides ample room for growth.

With improved margins as well as enhanced contribution from fee income lines, our overall profitability reflects notable year on year growth in 2023. We maintained a strict focus on enhanced cost discipline, and administrative expenses were contained at reasonable levels, despite inflationary and expansionary pressures. I believe that the performance this year sets a very strong foundation for future growth.

Our core values continue to remain the guiding principles that shape our actions and define our identity. High moral standards, ownership, collaboration, pro-activeness and customer centricity are not merely ideals, but the cornerstone of our daily practices. They form the backbone of our operations and are critical in maintaining the trust

and respect of our customers and stakeholders.

The Bank's short-term credit rating of A1+(A One Plus), which is the highest possible rating in the category, as well as our long-term credit rating of AA- (Double A Minus) continues to be maintained and the most recent outlook assigned to the Bank was stable. Our ratings denote high credit quality, low expectation of credit risk and strong capacity for timely payment of financial commitments.

We continue to invest in our people, emphasizing talent development and gender diversity. We believe that our people are our core strength, and by getting the right people to work at the right place boosts both productivity as well as overall customer satisfaction.

I would once again like to place on record, my appreciation for our Board of Directors, and I truly believe that their rich and diversified experience remains instrumental in helping set the direction for the Bank. Our commitment to effective corporate governance, ethical conduct and risk management remains unwavering. During the year, the Board continued to track the Bank's financial and operational soundness, and reviewed and approved all significant and material policies inline with regulatory guidelines and the Bank's overall strategic objectives. The Board has remained compliant with the provision with regards to their training program, and the Board's regular performance evaluations ensure continual improvement.

Looking ahead, I am confident that the Bank will continue to play its innovative role in the country's overall banking landscape. The shifting customer preference for digital products has driven banks to transform the traditional ways of banking. Our strategic priorities in the coming years include a continuous focus on operational digitalization and transformation to enhance the overall customer experience. At the same time, we continue to expand our footprint across Pakistan as well. Our branch outreach now extends to 443 branches across the country, and we aspire to add a further 100 branches to our network next year.



Lastly, I extend my gratitude to our shareholders, customers, regulatory authorities including the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and Federal Board of Revenue, the Bank's Shariah Board, members of our senior management team and our dedicated employees for their ongoing support.

The targets and aspirations that we have set for ourselves going forward are ambitious, yet attainable – driven by the collective hard work and dedication of our team. I am hopeful that together, we will achieve many more milestones in the future as well.



Alauddin J. Feerasta

Chairman

Lahore: 31 January 2024

DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, we are pleased to present the Directors' Report of Soneri Bank Limited (the Bank) along with the audited financial statements and Auditors' report thereon for the year ended 31 December 2023.

Economic Review:

Pakistan's economy faced a sharp slowdown in FY23 amid intensifying external pressures with key indicators remaining stressed. GDP contracted by 0.2 percent in FY23, with decline in economic activity stemming from both local and external shocks, including domestic political uncertainty, government restrictions on imports and capital flows, the continued impact of the devastating floods in 2022, surging world commodity prices and tighter global financing. Significant pressure remained on domestic prices, fiscal and external accounts and the exchange rate.

Recent indicators at the start of FY24 however, started to depict some improvement in economic activity. Real GDP is expected to rebound in FY24, with growth projected at 2 percent, with post flood recovery in the agricultural sector compensating for still subdued activity in the industrial and service sectors, with signs of weak aggregate demand. Over the medium-term, prudent policies and the implementation of long overdue structural reforms will allow growth to rise, supported by stronger investment and exports.

In 2023, Pakistan experienced an unprecedented average inflation rate of 31 percent, driven mainly by the surge in prices of food, gas, electricity and fuel. Responding to the escalating inflationary trends, the SBP raised the policy rate by 600bps, which was increased from 16 percent in December 2022 to a historic high of 22 percent in June 2023. In the last MPC meeting held in December 2023, the SBP's MPC had opted to keep the policy rate unchanged at 22 percent.

Going forward, headline CPI inflation is projected to remain above 20 percent (YoY) in the second half of FY24, as the necessary recent increases in gas and electricity tariffs are likely to contribute to persistently high energy inflation, while food and core inflation is expected to ease albeit gradually. Maintaining a real policy rate in clear positive territory as inflation eases and reacting to any signs of new demand pressures or increasing inflation expectations will help re-anchor inflation expectations and guide down core inflation from FY24H2 onwards, provided there is no resumption in administrative import compression.

After a series of surpluses driven by deep import contraction in the second half of FY23, the current account returned to a deficit in the first half of FY24. The Current Account Deficit for Jul-Dec FY24 stood at USD 831 million, much lower than USD 3.63 billion in the same period of last year. FDI reached USD 862.6 million during Jul-Dec FY2024, indicating an increase of 35 percent against last year, while remittances stood at USD 13.4 billion during Jul-Dec FY2024 at the back of structural reforms related to exchange companies and consequent convergence of exchange rate in interbank and open market.

The approval of the International Monetary Fund (IMF) Stand-By Arrangement (SBA) in July 2023 unlocked new external financing and averted a balance of payments crisis. Short-term macroeconomic stability depends on the robust implementation of the SBA and continued fiscal restraint and external financing inflows. The IMF's Executive Board has recently completed the first review and approved the release of second tranche of USD 700 million for Pakistan under the USD 3 billion SBA program.

Gross SBP reserves have increased significantly from USD 4.5 billion at end-FY23 to USD 8.0 billion at end-December 2023, owing to the realization of committed inflows and SBP purchases. With foreign exchange (FX) market conditions normalizing, imports are expected to pick up in the coming months alongside somewhat stronger remittances, leading to a projected FY24 current account deficit (CAD) of USD 5.7 billion for FY24.

During July-Dec FY24, exports totaled USD 19.1 billion, while forex spending on imports and goods and services totaled USD 30.4 billion, resulting in a trade deficit of USD 11.4 billion. Growth in remittances as well as export earnings therefore remain paramount for managing the trade deficit in the coming days.

On the fiscal front, successful implementation of consolidation measures led to a significant rise in revenues, which have outpaced the growth in expenditures, leading to a reduction in the fiscal deficit as a percentage of GDP. Cautious expenditure management has also played an instrumental role in controlling non-essential spending, however, the challenge of higher markup payments still persists, and it can be expected that the government will continue with the current fiscal strategy to achieve set targets, emphasizing both revenue enhancement and prudent expenditure control.



Despite the challenges being posed by elevated external risks and the efforts needed to continue to sustainably resolve macroeconomic and external imbalances, the overall economic outlook is optimistic marked by receding inflationary pressures, positive prospects in agriculture, signs of potential recovery in the industrial sector reflected by positive trends in high-frequency indicators, imports, and a favorable external environment.

The optimistic economic outlook is also evident by the 2.13 percent growth achieved in the first quarter of FY2024, largely contributed by agriculture and industry. Further, the twin deficit is on a downward trajectory signifying better economic management. This lays the foundation for progressing towards higher and sustainable economic growth. It is therefore expected that this positive momentum will further strengthen in the upcoming months.

The ongoing regional conflict in the middle east, and the Red Sea crisis are already taking a toll on global trade in the form of disruptions in supplies and higher cost of shipments. The biggest challenge for the new government following elections scheduled for February will be to tackle internal as well external pressures facing the economy. Careful economic management and deep structural reforms will be required to ensure macroeconomic stability going forward.

The Bank's Performance and Operating Results:

The summarized financial position and operating results of the Bank for year ended 31 December 2023 are as follows:

	2023	2022
	---(Rupees in millions)---	
FINANCIAL POSITION AS OF 31 DECEMBER		
Advances – Net	205,754	208,434
Investments – Net	310,341	258,007
Total Assets	658,562	579,760
Deposits and Other Accounts	517,869	409,643
Shareholders' Equity	28,613	21,146

	2023	2022
	---(Rupees in millions)---	
FINANCIAL PERFORMANCE FOR THE YEAR		
Net Mark-up Income	22,759	11,267
Non Mark-up Income	6,459	5,157
Total Revenue	29,217	16,424
Non-Mark-up Expenses	15,471	12,245
Profit before Provisions and Taxation	13,746	4,179
Provisions / (reversals) and Impairment	1,389	(375)
Profit before Taxation	12,357	4,554
Profit after Taxation	6,075	1,884
Earnings per Share (Rupees)	5.5108	1.7082

Overview of the Business:

The Bank posted Profit before tax (PBT) of Rs. 12,357.115 million and Profit after tax (PAT) of Rs. 6,075.460 million for the year ended 31 December 2023, as compared to Rs. 4,554.021 million and Rs. 1,883.243 million respectively for the prior year. Earnings per share (EPS) was recorded at Rs. 5.5108 per share for the year 2023, as compared to Rs. 1.7082 per share for the year 2022. This reflects an impressive growth of 222.61 percent year on year.

The Bank's net interest income (NII) for the year ended 31 December 2023 ended at Rs. 22.759 billion as against Rs. 11.267 billion for the prior year, doubling to reflect an increase of 102.00 percent year on year, amidst continuous improvement in spreads. Non interest income for the period ended also grew by 25.23 percent year on year and was reported at Rs. 6.459 billion as against Rs. 5.157 billion for the prior year, mainly at the back of improved fee and commission income, which grew by 26.97 percent year on year. Resultantly, overall revenue of the Bank also indicated a substantial improvement of Rs. 12.793 billion, or 77.89 percent, year on year.

The Bank's year end investment position stood at Rs. 310.341 billion as against Rs. 258.007 billion last year. The year end position does not include an amount of Rs. 50 billion, which was reclassified and reported as receivable from the Government of Pakistan under Other Assets,

following maturities of certain government securities falling due on 30 December 2023. Including this amount, the year on year growth on investments stands at 39.66 percent. The Bank's average net investments for the year stood at Rs. 315.418 billion as against Rs. 305.092 billion for the year 2022. Income from investments increased impressively to Rs. 60.609 billion for the current year, as against Rs. 37.005 billion for the prior year, with net investment yields significantly improved at 19.21 percent for the year 2023 as against 12.13 percent for the year 2022.

Following the gradual repricing of the loan book based on policy rate increases by the State Bank of Pakistan, net yields on advances also continued to improve over the year, ending at 19.04 percent for the current year as against 12.43 percent for the prior year. Although the Bank's average net advances ended lower at Rs. 179.648 billion for the year 2023, as against Rs. 193.590 billion for the prior year, overall income from advances ended higher at Rs. 34.211 billion for the current year as against Rs. 24.076 billion for the prior year.

During the third quarter of the current year, the Bank surpassed the landmark number of Rs. 500 billion in terms of overall deposits, and the Bank's year end position for overall deposits ended at Rs. 517.869 billion, as against Rs. 409.643 billion last year. This indicates an impressive growth of Rs. 108.226 billion or 26.42 percent as against the year end 2022 position. In terms of averages as well, the portfolio grew by Rs. 56.890 billion, or 14.40 percent year on year. The Bank's cost of deposits increased to 13.00 percent for the year ended 31 December 2023 as against 8.85 percent for last year. As at 31 December 2023, the Bank's CASA percentage stood at 79.22 percent (December 2022: 79.19 percent). For Current Accounts, the year end composition was reported at 30.42 percent (December 2022: 32.73 percent). Average volumes for current accounts grew by Rs. 29.681 billion or 26.35 percent year on year. The Bank's focus remains on CASA mix improvement and retention of current accounts and rationalizing funding costs, whilst ensuring service levels of the highest quality.

The Bank's borrowings were reported at Rs. 68.742 billion at 31 December 2023, while overall costs increased to 16.44 percent for the current year as against 10.95 percent for the prior year. Including the effect of government securities that matured on 30 December 2023, the Bank's year end net IDR increased to 69.58 percent as against 62.98 percent at the previous year end. Overall Cost of funds increased to 12.58 percent for the year ended 31 December 2023 as against 9.07 percent for the prior year.

Non-Markup expenses were reported at Rs. 15.471 billion for the year ended 31 December 2023 as against Rs. 12.245 billion in the year 2022, indicating a growth of 26.35 percent, which is indicative of strict cost discipline amidst spiraling inflationary trends. In line with the directions set by the Board, the management pursued strict cost rationalization measures over the course of the year so as to keep overall cost levels within targeted levels.

Net provisions against loans and advances and investments considered for the year ended 31 December 2023 amounted to Rs. 1,389.282 million, as against a net reversal of Rs. 374.569 million booked in the prior year. The higher charge considered in the current period mainly represents the effect of fresh classifications as well as discounting of FSV benefit considered against previously classified advances. The management continues to carefully and prudently monitor the overall portfolio, so as to avoid risk of infection and to maintain coverage at reasonable levels.

As at 31 December 2023, the Bank's Non-performing loans to total Advances ratio stands at 4.90 percent (December 2022: 4.71 percent), with Specific provisioning coverage improved at 80.01 percent (December 2022: 71.61 percent).

The overall effective tax rate for the Bank for the year ended 31 December 2023 ended at 50.83 percent (2022: 58.65 percent).

Capital Structure of the Bank:

The Bank remains adequately capitalized, with a capital base well above the regulatory benchmarks. The relaxations introduced by SBP for Capital Adequacy for Banks in general as part of regulatory relief measures post COVID-19, continued to be in place over the course of the year 2023 as well, and the required minimum capital adequacy ratio requirement for Banks currently stands 11.5%.

The Bank's core equity is supported by a perpetual ADT 1 Instrument of PKR 4 Billion, which was raised in the year 2018, and Tier II TFCs also amounting to PKR 4 Billion, raised in the year 2022. The terms and conditions and details of the instruments have been disclosed as part of these financial statements. During the course of the year, the Bank's authorized share capital was increased to PKR 21 Billion, after due approval from the Shareholders in their Annual General Meeting in March 2023, with an aim to accommodate any further increase in capital, either through fresh issuance or any potential conversion that may be warranted on the occurrence of a Point of Non-Viability event (if any) as defined under SBP regulations.



The Bank's Capital Adequacy Ratio as at 31 December 2023 stands at 18.44 percent, while the Leverage Ratio is at 4.02 percent. The Bank's Liquidity Coverage Ratio and Net Stable Funding Ratios have been reported at 241.46 percent and 193.90 percent respectively, which are also comfortably above the regulatory requirements.

During the year, the State Bank of Pakistan (SBP), via BPRD Circular Letter No 07 of 2023 dated 13 April 2023, rolled forward the effective date of implementation of IFRS 9 - Financial Instruments, to be effective for periods beginning on or after 1 January 2024. The SBP, through its earlier circulars had already shared detailed instructions on implementation of IFRS 9 for ensuring smooth and consistent implementation of the standard across the industry, including the introduction of revised formats for annual and interim financial statements effective from the upcoming interim and annual reporting periods, mainly in lieu of the additional disclosure requirements arising out of adopting the new standard.

Following the extension in effective date of adoption of IFRS 9, Banks were required to continue with parallel run reporting of IFRS 9 compatible proforma financial statements to the State Bank of Pakistan. Accordingly, the Board's Risk Management and Compliance Committee continued to periodically track the progress of the Bank towards implementation of the standard.

The estimated impacts on initial application of the said standard have been disclosed as part of the financial statements, the effect of which will be reflected as part of adjustments to opening retained earnings for reporting periods beginning 1 January 2024.

Human Resource:

At Soneri Bank, we continuously strive to attract, develop and retain top quality human capital that continues our legacy of encouraging a healthy and productive work environment that is conducive for growth. We deeply value staff experience and strive to take steps to improve staff satisfaction. Our work environment fosters customer centricity and ownership in a proactive manner whilst maintaining high moral standards. Our HR policies aim to promote a culture where staff feels respected, valued, driven, and fairly treated. Our leaders are the role models, responsible for showcasing the right behavior so as to create that enabling environment.

Our HR Learning and Development team strives to ensure that our workforce has access to high-quality learning interventions that help them advance their knowledge and abilities. A number of initiatives were considered this year as the team added multiple e-learning modules to our Learning Management System "Soneri Enable". These included modules focusing on Information Security Awareness, Diversity, Equity & Inclusion, Persons with Disabilities (PWDs), Ethical Conduct, Performance Management Process and Exports of Software, Information Technology (IT) and IT Enabled Services (ITeS) amongst others. Through the module, our staff continues to have easy access to a variety of interactive e-learning modules, assessments, e-books, and various other learning interventions from their desks or from the comfort of their homes.

In addition to the technology advancements in Learning & Development, following the roll-out of our Women Development Program - Parvaaz, and its associated Mentorship Program which gives our female staff an opportunity to receive continuous mentorship from senior leaders in order to build strong leadership competency, enhance capability to deliver on the future strategy, enable accelerated career progression of female rising talent (High Potentials) and provide guidance and support that shall lead women in senior management roles. This year, at the commencement of the program, more than 45% of the recipients of mentorship have been elevated either in role or in grade marking the success of this program.

During the course of the year, the Bank arranged various workshops on gender sensitivity and workplace harassment. These workshops aimed to assist our staff in learning how to ensure the inclusion of all genders at work by building an empowering, encouraging and enabling work environment. The target audience for such programs were mainly the frontline e.g. Area & Branch Managers, Branch Operation Managers and other senior staff who were trained to become gender champions in the branches and departments. The Bank has also focused on Persons with Disabilities (PWDs) as a top priority. We are an inclusive organization and have been actively onboarding differently abled talented individuals as part of our talent pool.

The Bank's Remuneration Framework, developed in line with the SBP's guidelines, promotes an effective risk management culture, and ensures that the remuneration practice at the Bank is in line with the Bank's objectives. As a result, a fair, objective, transparent and sound remuneration policy, aligned with risks and responsibilities of Financial Intermediation has been put in place. The disclosures required under the SBP's Guidelines on Remuneration Practices are given in notes 28.1 and 41 to the financial statements and are also included as part of the Governance Section of this Annual Report.

The Bank has a well-defined and structured Code of Conduct in place. The Bank's Disciplinary Action policy provides an expertly designed corrective action process and a formal framework for issues to be dealt with fairly and swiftly. The policy ensures that HR affairs are managed

in a transparent manner and it addresses the instances where the performance or conduct of an employee fails to meet the standards laid down by the Bank.

Our Whistleblowers Policy corroborates our promise to give people (internal & external) a chance to voice their concerns, exposing irregularities/wrongdoings/AML/CFT/corruption related issues, helping uncover financial malpractices, preventing frauds etc. to appropriate pre-identified authority without any fear, reprisal or adverse consequences.

Corporate Governance:

Corporate Governance at Soneri Bank refers to rights and responsibilities of different stakeholders of the Bank through a defined set of rules, policies and practices keeping focus on proper delegation, transparency and accountability in the organization as a whole. The Board of Directors is committed to ensuring that the requirements of Corporate Governance set by the Securities and Exchange Commission of Pakistan & State Bank of Pakistan are fully met. The Board of Directors is entrusted to provide strategic leadership to the management of the Bank. The Bank has fully complied with all the mandatory regulations of the Code of Corporate Governance, and the Bank's Statement of Compliance with the Code to this effect forms part of this Annual Report.

Composition of the Bank's Board of Directors:

The Bank has complied with the regulatory requirements of the SECP and SBP for appointment of directors (including the Executive director) starting from nomination of directors to their appointment by shareholders in Annual General Meeting and the Fit and Proper Test clearance by SBP to these appointments. The Bank is also compliant with the Listed Companies (Code of Corporate Governance) Regulations, 2019, which require companies to have at least one female director represented on the Board as well as SBP guidelines on having a female independent director.

The election of the Board of Directors was held at the 31st Annual General Meeting of the Bank convened on 27 March 2023 wherein Mr. Tariq Hafeez Malik was elected as Independent Director in place of retiring Director, Mr. Muhammad Rashid Zahir.

During the year, Mr. Muhtashim Ahmad Ashai was re-appointed as President and Chief Executive Officer of the Bank for a term of three years commencing from 01 April, 2023. There has been no further change in the composition of the Board of Directors since the Election of Directors.

The present composition of the Board of Directors, is as under:

Total number of Directors: 08 including the President and Chief Executive Officer

Male	07
Female	01

Category	Names
Independent Directors	Mr. Jamil Hassan Hamdani Mr. Tariq Hafeez Malik Ms. Navin Salim Merchant
Non-Executive Directors	Mr. Alauddin J. Feerasta Mr. Nooruddin Feerasta Mr. Ahmed A. Feerasta Mr. Manzoor Ahmed (NIT Nominee)
Executive Directors*	Mr. Muhtashim Ahmad Ashai * (President & Chief Executive Officer)
Female Independent Director	Ms. Navin Salim Merchant

*Deemed director as per clause 3 of Section 188 of Companies Act, 2017.



Foreign Directors:

There is no representation of a foreign Director on the Board of the Bank.

Other Directorships of the Executive Director:

Mr. Muhtashim Ahmad Ashai does not serve as a Director in any other organisation.

Board Meeting Outside Pakistan:

During the year, no Board Meeting was held outside Pakistan.

Directors' Training and Orientation:

The Board has remained fully compliant with the provision with regard to their training program. Details of the certifications acquired by the Directors under Directors' Training Program are provided hereunder:

Names of Directors	Category	Directors' Training Program
Mr. Alauddin J. Feerasta	Chairman/Non-Executive Director	Certificate of Director Education conducted by Pakistan Institute of Corporate Governance ("PICG")
Mr. Ahmed A. Feerasta	Non-Executive Director	
Mr. Jamil Hassan Hamdani	Independent Director	
Mr. Manzoor Ahmed (Nominee NIT)	Non-Executive Director	
Mr. Tariq Hafeez Malik	Independent Director	Certificate in Company Direction by Institute of Directors, UK
Ms. Navin Salim Merchant	Independent Director	Directors' Training Program conducted by Institute of Business Administration ("IBA")

Furthermore, a director namely, Mr. Nooruddin Feerasta duly complies with the exemption criteria provided under Clause 2 of Regulation 19 of Listed Companies (Code of Corporate Governance) Regulations, 2019.

Additionally, our directors have also attended various workshops, seminars and courses. Mr. Alauddin J. Feerasta, Chairman, Mr. Nooruddin Feerasta and Mr. Manzoor Ahmed, had participated in a three days' workshop on "Corporate Governance & Duties Excellence" held in Malaysia.

Moreover, the following executives have also completed the Directors' Training Program:

Names of Executives	Designation	Directors' Training Program
Mr. Muhtashim Ahmad Ashai	President & CEO	Directors' Training Program by ICAP
Mr. Amin A. Feerasta	Deputy CEO	Certificate of Director Education by PICG
Mr. Muhammad Altaf Butt	Company Secretary	Certificate in Company Direction (International) by Institute of Directors, UK

Board's Performance Evaluation:

During the year 2023, in-house evaluation of the Board/Committees was carried out. Quantitative techniques were used where scaled questionnaires were provided to each Director to obtain their feedback. Feedback so received was collated and analysed and results were prepared in accordance with the requirements of the BPRD Circular No. 11 dated 22 August 2016 and Listed Companies (Code of Corporate Governance) Regulations, 2019.

Final result of the Annual Evaluation of the Board's Performance was presented to the Board of Directors for their review. Accordingly, the Board has reviewed its Performance Evaluation for the year 2023 in its 202nd meeting convened on 31 January 2024 and the challenges identified by them have been duly noted to be addressed.

Board and Committees' Meetings:

Details of the meetings of the Board of Directors and its Committees held during 2023 and the attendance by each Director/committee member are given as under:

Sr. No.	Name of Director	Board of Directors Meetings		Board Audit Committee Meetings		Board Credit Committee Meetings		Board Human Resource and Remuneration Committee Meetings		Board Risk and Compliance Committee Meetings		Board Independent Directors' Committee Meetings		Board I.T Committee Meetings		Board Cost Rationalization Committee ****	
		Held during the tenure in the year	Attended**	Held during the tenure in the year	Attended**	Held during the tenure in the year	Attended**	Held during the tenure in the year	Attended**	Held during the tenure in the year	Attended**	Held during the tenure in the year	Attended**	Held during the tenure in the year	Attended**	Held during the tenure in the year	Attended**
1	Mr. Alauddin J. Feerasta	6	6	4	4	4	4	4	4	4	4	4	4	4	4	4	4
2	Mr. Muhashim Ahmad Ashai	6	6	4	4	4	4	4	4	4	4	4	4	4	4	4	4
3	Mr. Nooruddin Feerasta	6	6	4	4	4	4	4	4	4	4	4	4	4	4	4	4
4	Mr. Ahmed A. Feerasta	6	6	4	4	4	4	4	4	4	4	4	4	4	4	4	4
5	Mr. Muhammad Rashid Zahir ***	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
6	Mr. Tariq Hafeez Malik ***	3	3	2	2	2	2	2	2	2	2	2	2	2	2	2	2
7	Mr. Manzoor Ahmed (NIT Nominee)	6	6	4	4	4	4	4	4	4	4	4	4	4	4	4	4
8	Mr. Jamil Hassan Hamdani	6	6	4	4	4	4	4	4	4	4	4	4	4	4	4	4
9	Ms. Navin Salim Merchant	6	6	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Total Number of meetings held during the year		6	4	4	4	4	4	4	4	4	4	1	4	4	3	3	3

*Represents not a member of the Committee.

**Leave of absence was granted to those directors/members, by the Board/Committee, who could not attend some of the meetings.

***Mr. Tariq Hafeez Malik was elected as Director in place of retiring Director Mr. Muhammad Rashid Zahir in the Elections conducted in 31st AGM of the Bank held on 27 March 2023.

****A special committee "Cost Rationalization Committee" was formed by the Board in its 194th meeting convened on 27 October 2022 with the mandate to rationalize cost lines. During the year, three meetings of the Committee were conducted. Upon achieving its mandate, the Committee was dissolved by the Board in its 198th meeting held on 27 April 2023.



Director's and Chief Executive Officer's (CEO) Remuneration:

In compliance with the requirements of BPRD Circular No. 3 dated 17 August 2019 (now superseded by Corporate Governance Regulatory Framework) issued by State Bank of Pakistan, the Bank had formed the "Remuneration Policy for Non – Executive Directors" which was approved by the Shareholders in their 28th AGM convened on 26 March 2020, which was subsequently amended in 30th and 31st AGMs held on 25 March 2022 and 27 March 2023 respectively. Following is the current Remuneration being paid to the Non-Executive Directors:

Clause 3.1

- a) Meeting Fee for Non-Executive Directors including Independent Directors other than the Chairman of the Bank and Committees' Chairmen.
- Rs 300,000/- per meeting (gross).
- b) Meeting Fee for the Chairman of the Bank and the Committees' Chairmen.
- Rs 360,000/- per meeting (gross).
- c) Effective from 21 February 2023.
- d) No meeting fee was paid to the Executive Director (i.e. CEO).

Details of meeting fees paid to Non-Executive Directors including Independent Directors and Remuneration paid to the Chief Executive Officer are disclosed in note 41 to the financial statements.

Statement of Investments of Provident and Gratuity Funds:

The Bank operates approved funded provident and gratuity fund schemes covering all its permanent employees. The contribution made toward the provident fund scheme during the year 2023 was PKR 197.836 million (December 31, 2022: PKR 167.115 million). The unaudited balance of the investments of the provident fund as of 31 December 2023 was PKR 1,602.994 million (December 31, 2022: PKR 1,594,201 million). The contribution to be made to the approved gratuity fund was PKR 198.143 million for 2023 (December 31, 2022: PKR 180.169 million). The unaudited balance of the investments of the gratuity fund of 31 December 31, 2023, was PKR 740.803 million (December 31, 2022: PKR 748.747 million).

Statement on Risk Management Framework:

The Board, through its Board Risk Management and Compliance Committee (BRCC), continues to assess principal risks under a structured approach. Risk Management remains an integral component of the Bank's strategy. Our Risk Management Framework aims at optimizing the value for all stakeholders via identifying, measuring, monitoring and reporting the multitudes of risky exposures. The risk management policies and practices adopted by the bank are in line with procedures required by the State Bank of Pakistan and advised by the Board of Directors. The feedback of the later is crucial in terms of setting the risk appetite.

Our Risk Management function is equipped with latest models, tools and systems which are regularly reviewed/updated to strengthen the Risk Management framework at the Bank. The Bank's Credit Risk and Compliance Committee (CRCC) and all other senior management committees are mainly responsible for ensuring the compliance of the BOD approved risk management policy and for monitoring and managing risk levels in relevant areas of the Bank.

The diversity of our business model requires us to identify, assess, measure, aggregate and manage our risks, and to allocate our capital among our businesses. Our aim is to help reinforce our resilience by encouraging a holistic approach to the management of risk and return throughout our organization as well as the effective management of our risk, capital and reputational profile. We actively take risks in connection with our business and as such the following principles underpin our risk management framework:

- Risk is taken within a defined risk appetite;
- Every risk taken needs to be approved within the risk management framework;
- Risk taken needs to be adequately compensated; and
- Risk should be continuously monitored and managed.

All material risk types, including credit risk, market risk, operational risk, liquidity risk, business risk, IT security risk and reputational risk, are managed via risk management processes. Modeling and measurement approaches for quantifying risk and capital demand are implemented across the material risk types.

Systems, processes and policies are critical components of our risk management capability. Recovery and contingency planning provides the escalation path for crisis management and supplies the senior management with a set of actions designed to improve the capital and liquidity positions in a stress event.

We promote a healthy risk culture where employees at all levels are responsible for the management and escalation of risks. We expect employees to exhibit behavior that supports a strong risk culture in line with our Code of Business Conduct and Ethics. Our policies require that risk-related behavior is taken into account during our performance assessment and compensation processes. In addition, our Board members and senior management frequently communicate on the importance of the subject to support a consistent tone from the top.



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Statement of Internal Controls:

The Management of the Bank is responsible for maintaining a sound system of internal controls to ensure the efficiency and effectiveness of operations, compliance with legal requirements and reliability of financial reporting. Adequate systems, processes, and controls have been put in place to identify and mitigate the risk of failure to achieve the overall objectives of the Bank. These controls encompass the policies and procedures approved by the Board of Directors. Their compliance and effectiveness are verified by an independent Internal Audit Division reporting directly to the Board Audit Committee.

Existing policies and procedures are reviewed on a regular basis and improved from time to time. The Board has constituted its Committees for oversight of the overall Risk Management framework, Finance and Strategy. The Committees meet at regular intervals to ensure the adequacy of governance.

The Board of Directors ensures that an adequate and effective internal control system covering various aspects of our Banking operations is in place and vigorously followed by the senior management.

Based on the reviews of the internal control system by the Internal Audit Division, Compliance Control & Investigation Group, and Statutory Auditors as well as various policies and procedures, we believe that the Bank's existing system of Internal Control is reasonable in design and is being effectively implemented and monitored.

The Board endorses the management's evaluation of the effectiveness of the overall internal controls, including ICFR, as detailed in the Statement of Internal Controls, presented as part of this Annual Report.

Trends and factors that could affect the Bank's future development, performance, and business position:

The Board remains cognizant of its responsibilities in setting the overall direction of the Bank. It continues to oversee the progress of the Bank against the defined KPIs. The Bank's financial and operational soundness, governance structure, and the effectiveness of internal controls, audit functions and risk management framework are monitored regularly. The Board also regularly reviews all significant policies as per the regulatory requirements.

All projections are, by nature, subject to risks and uncertainties, some beyond control. The factors that may potentially affect the Bank's resources, revenues and operations are regularly focused and prioritized by the Board in setting the overall strategic direction. The following factors are considered for sensitivity analysis at the time of setting of business targets and revisions to short term forecasts. These include:



- Global macroeconomic conditions impacting overall economic activity;
- Economic Decisions on Discount Rate / Monetary policy;
- Revisions to rate of returns on deposits and Repricing on loans and advances;
- Investment Strategy and time horizon;
- Geo-Political risks and uncertainties, including law and order situation;
- Impacts of natural calamities on businesses and overall economy and businesses in general, and regulatory relief measures (if any);
- Government rules and regulations;
- Inflation, fuel and commodity prices;
- Corporate taxation measures;
- Technological advancements leading to competitive advantage;
- Dividend decisions and Capital Adequacy;
- Risk of cyberattacks; and
- The potential impacts of changes in accounting and regulatory framework.

The Bank continues to regularly review potential impact assessments of changes to financial reporting standards and adoption of new standards on its financial position. The above factors are regularly reviewed and monitored for any potential impacts, risks and uncertainties. The Bank's Risk Management Division also performs stress testing against various pre-determined scenarios to analyse the Bank's ability to withstand potential shocks from adverse developments.

Based on the Board's current assessment, there are no significant doubts about the Bank's ability to continue as a going concern.

External Auditors:

The financial statements of the Bank for the year ended 31 December 2023 have been audited without qualification by the auditors of the Bank, M/s. KPMG Taseer Hadi & Co., Chartered Accountants.

The present auditors, M/s. KPMG Taseer Hadi & Co., Chartered Accountants, have completed their term of five years, from 2019 to 2023, and are not eligible for re-appointment as per the Listed Companies (Corporate Governance Regulations), 2019.

On behalf of the management of the Bank and the Board, we would like to thank and appreciate the retiring auditors for the services and support extended throughout the period of their appointment.

On the recommendation of the Board Audit Committee, the Board has proposed the appointment of M/s A. F. Ferguson & Co. Chartered Accountants, as statutory external auditors of Bank for the year 2024. The appointment shall be subject to approval in the 32nd Annual General Meeting of the Bank's shareholders.

The proposed firm of auditors has confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, and that the firm and all their partners are compliant with the International Federation of Accountants' (IFAC) Guidelines on Code of Ethics, as adopted by the Institute of Chartered Accountants of Pakistan, and meet the requirements for appointment under the applicable laws.

Subsequent Events:

No material changes and commitments affecting the financial position and the nature of business of the Bank have occurred between the end of the financial year to which these financial statements relate and the date of the Directors' Report.

Corporate Social Responsibility:

Soneri Bank remains firm in its commitment to actively contribute to socio-economic development. During the year, the Bank actively and regularly participated in several CSR activities and philanthropic efforts in the field of healthcare, education and women empowerment along with other areas of community development, sports and rehabilitation. Keeping the 'Roshan Har Qadam' spirit intact, the Bank ensured that it fulfilled its social responsibility towards the country and its people. A summary of the Bank's key CSR activities during the year forms part of the Annual Report.

Six Years' Operating and Financial Data:

Six years' financial performance of the bank is presented on page no. 107 of this Annual Report.



Credit Rating:

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term credit rating of 'AA-' (Double A Minus) and short-term rating of 'A1+' (A One Plus) with Stable Outlook of the Bank through its notification dated 23 June 2023 [2022: long-term 'AA-' (Double A Minus): short-term 'A1+' (A One Plus)].

Furthermore, the Bank's unsecured, subordinated, rated, listed perpetual and non-cumulative Term Finance Certificates of Rs 4,000 million have been assigned the rating of 'A' with Stable Outlook by PACRA through their notification dated 28 December 2023.

The Bank's unsecured, subordinated, rated, privately placed and listed Term Finance Certificates of Rs 4,000 million, have also been assigned a rating of 'A+' with Stable Outlook through PACRA's notification dated 28 December 2023.

The assigned ratings reflect the Bank's diversified operations, healthy financial risk profile, strong sponsors, lending capacity and market presence. These ratings denote a low expectation of credit risk, adequate capacity for timely repayment of financial commitments in the long term and the highest capacity for timely repayment in the short term, respectively.

Pattern of Shareholding:

The ownership structure along with the pattern of shareholding and categories of shareholders as required under section 227(2)(f) of the Companies Act, 2017 forms part of this Director's Report which has been placed at page 218 of the Annual Report.

Related Party Transactions:

Transactions with related parties were carried out in the ordinary course of the Bank's business and were conducted at arm's length basis. Details of these transactions are disclosed in note 45 to the financial statements.

Looking ahead:

At the back of a successful year, Soneri Bank is well positioned for sustainable growth and building long-term shareholder value despite the challenges that remain on the macroeconomic front. We will continue to expand our branch footprint, whilst digitalizing our operations, with an aim to improve market share and overall customer experience. We will strive to onboard new relationships and revive inactive ones. Our focus shall be on mobilizing low cost deposits, overall mix improvement, trade relationships and increasing cash management penetration.

We are committed towards investing in our technology infrastructure as well as our human capital, whilst strengthening the overall control environment. We remain cognizant of the challenges facing businesses and the economy in general, and shall continue to work with our customers and partner with them for their business and personal needs.

We shall continue to proactively monitor uncertainties and risks facing the business, whilst ensuring that timely corrective and protective measures are undertaken to maintain operational performance and to protect shareholder interests.

Dividend:

The Board of Directors of the Bank, in their meeting held on 31 January 2024, has recommended a final cash dividend (D-15) of Rs. 3/- per share (i.e. 30 percent) for the year ended 31 December 2023 to be approved in the 32nd Annual General Meeting of the Shareholders.

Acknowledgment:

On behalf of the Board, we thank the State Bank of Pakistan, the Ministry of Finance, the Securities and Exchange Commission of Pakistan, and other regulatory authorities for their continued guidance. We would also like to express our gratitude to our valued customers for their patronage, and our shareholders for their continued trust and support. We would also like to appreciate and acknowledge the efforts of the entire Soneri Bank family and deeply value their commitment and dedication.

Going forward, we remain committed towards delivering exceptional customer services, whilst maintaining regulatory compliance with all applicable laws and best practices.

For and on behalf of the Board of Directors,

MUHTASHIM AHMAD ASHAI
President & Chief Executive Officer

ALAUDDIN J. FEERASTA
Chairman

Lahore: 31 January 2024



ساتھ کی درجہ بندی (کریڈٹ ریٹنگ):

پاکستان کریڈٹ ریٹنگ ایجنسی (پاکرا) نے اپنے نوٹیفکیشن بتاریخ 23 جون 2023 کے ذریعے بینک کی طویل المیعاد کریڈٹ ریٹنگ کو 'AA' (ڈبل اے مائنس) اور قلیل المیعاد ریٹنگ 'A1+' (اے ون پلس) پر مستحکم اندازے کے ساتھ برقرار رکھا ہے۔ [2022: طویل المیعاد 'AA' (ڈبل اے مائنس)، قلیل المیعاد 'A1+' (اے ون پلس)]۔

مزید برآں پاکرا نے بذریعہ نوٹیفکیشن 28 دسمبر 2023 بینک کے 4,000 ملین روپے کے غیر محفوظ، ذیلی، درجہ بند، لکھڑ پرنچپل اور نان کیولیٹیڈ ٹرم فننس سرٹیفکیٹ کے اجراء کو مستحکم منظر نامے کے ساتھ 'A' ریٹنگ تفویض کی ہے۔

پاکرا نے 28 دسمبر 2023 کے نوٹیفکیشن کے ذریعے بینک کے 4,000 ملین روپے کے غیر محفوظ، ذیلی، درجہ بند، پرائیویٹ طور پر رکھے گئے اور لکھڑ ٹرم فننس سرٹیفکیٹس کی ریٹنگ بھی 'A+' (سنگل اے پلس) مستحکم منظر نامے کے ساتھ تفویض کی ہے۔

تفویض کردہ ریٹنگ بینک کے متنوع آپریشنز، مضبوط مالیاتی رسک پروفائل، بہترین اسپانسرز، قرض دینے کی صلاحیت کے ساتھ مارکیٹ میں بینک کی پائیدار اور مستحکم پوزیشن کی عکاسی کرتی ہے۔ مندرجہ بالا درجہ بندی مضبوط رسک پروفائلنگ اور قرض دینے کی صلاحیت کے ساتھ مارکیٹ میں بینک کی پائیدار اور مستحکم پوزیشن کی عکاسی کرتی ہے۔ یہ درجہ بندی کریڈٹ رسک کی کم توقع اور طویل مدت تک مالی وعدوں کی بروقت ادائیگی کی کافی صلاحیت اور قلیل مدت تک مالی وعدوں کی بروقت ادائیگی کی اعلیٰ صلاحیت کی نشاندہی کرتی ہے۔

حصص کی ملکیت کی ترتیب:

کمپنیوں کے قانون مجریہ 2017 کے سیکشن (f)(2) 227 کے تحت ملکیت کا ڈھانچہ، حصص کی ملکیت کی ترتیب اور شیئرز ہولڈرز کی کینگریز اس ڈائریکٹرز رپورٹ کا حصہ ہیں جو سالانہ رپورٹ کے صفحہ نمبر 218 پر موجود ہیں۔

متعلقہ فریق کے ساتھ لین دین:

متعلقہ فریقین کے ساتھ لین دین بینک کی معمول کی سرگرمیوں کے مطابق اور Arm's Length Basis پر انجام دیا گیا۔ اس لین دین کی تفصیلات مالیاتی گوشواروں کے نوٹ 45 میں دی گئی ہیں۔

مستقبل کا منظر نامہ:

ایک کامیاب سال کے بعد، سونیری بینک میکرو اکنامک محاذ پر درپیش چیلنجز کے باوجود پائیدار ترقی اور شیئرز ہولڈرز کی قدر میں طویل مدتی اضافے کی اچھی پوزیشن میں ہے۔ مارکیٹ شیئر اور کسٹمر کے مجموعی تجربے کو بڑھانے کیلئے ہم اپنے ڈیجیٹل آپریشنز کے ساتھ برانچ نیٹ ورک میں اضافہ جاری رکھیں گے۔ ہم نئے تعلقات استوار کرنے اور غیر فعال تعلقات کو بحال کرنے کی کوشش بھی کریں گے۔ ہماری توجہ کم لاگت کے ذخائر منظم کرنے، مجموعی کس بہتری، تجارتی تعلقات اور کیش مینجمنٹ کی رسائی بڑھانے پر مرکوز ہوگی۔

ہم آپریٹنگ کارکردگی کو برقرار رکھنے اور شیئرز ہولڈرز کے مفادات کے تحفظ کیلئے بروقت اصلاحی اور حفاظتی اقدامات کے ساتھ بزنس کو درپیش غیر یقینی صورتحال اور خطرات کی فعال نگرانی کرتے رہیں گے۔

ڈیویڈنڈ:

بینک کے بورڈ آف ڈائریکٹرز نے 31 جنوری 2024 کو منعقدہ اپنے اجلاس میں 31 دسمبر 2023 کو ختم ہونے والے سال کیلئے -3.00 روپے فی حصص (یعنی 30 فیصد) کے حتمی کیش ڈیویڈنڈ (D-15) کی سفارش کی ہے جس کی منظوری شیئرز ہولڈرز کی طرف سے 32 ویں سالانہ اجلاس عام میں متوقع ہے۔

ستائشی کلمات:

بورڈ کی جانب سے ہم اسٹیٹ بینک آف پاکستان، وزارت خزانہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اتھارٹیز کی مسلسل رہنمائی اور سرپرستی کیلئے ان کے شکر گزار ہیں۔ ہم سرپرستی کیلئے اپنے قابل قدر صارفین، مسلسل اعتماد اور حمایت کیلئے اپنے شیئرز ہولڈرز اور مسلسل وابستگی اور محنت کیلئے اپنے ملازمین کا بھی شکریہ ادا کرنا چاہیں گے۔ ہم سونیری بینک فیملی کی کاوشوں کو بھی سراہتے اور تسلیم کرتے ہیں اور ان کے عزم اور لگن کے دل کی گہرائیوں سے معترف ہیں۔

آئندہ بھی ہم تمام لاگو قوانین اور ریگولیٹری تقاضوں کی بہتر تعمیل کو برقرار رکھتے ہوئے مثالی کسٹمر سروس فراہم کرنے کیلئے پُر عزم ہیں۔

منجانب بورڈ آف ڈائریکٹرز،

علاؤ الدین بے فیراستہ

چیئر مین

محترم احمد اشانی

چیریڈنڈ اور چیف ایگزیکٹو آفیسر

لاہور: 31 جنوری 2024



- سرمایہ کاری کی حکمت عملی اور ٹائم ہاریزن؛
- جیو پالیٹیکل خطرات اور غیر یقینی صورتحال بشمول امن وامان کی صورتحال؛
- کاروبار، مجموعی معیشت، عمومی کاروبار اور ریگولیٹری ریلیف اقدامات پر قدرتی آفات کے اثرات (اگر کوئی ہوں)؛
- حکومت کے قواعد و ضوابط؛
- افراط زر، فیول اور عام اجناس کی قیمتیں؛
- کارپوریٹ ٹیکس کے اقدامات؛
- مسابقتی فائدے کے حصول کیلئے جدید ٹیکنالوجی؛
- ڈیویڈنڈ کے فیصلے اور سرمائے کی موزونیت؛
- سائبر حملوں کے خطرات؛ اور
- اکاؤنٹنگ اور ریگولیٹری دائرہ عمل پر امکانی اثرات؛

بینک مالیاتی رپورٹنگ کے معیارات میں ہونے والی تبدیلیوں اور مالی حیثیت سے متعلق نئے معیارات کو اپنانے کے امکانی اثرات کا باقاعدگی سے جائزہ لیتا رہتا ہے۔ مذکورہ عوامل کا باقاعدگی سے جائزہ لیا جاتا ہے اور کسی بھی ممکنہ اثرات، خطرات اور غیر یقینی صورتحال کیلئے ان کی نگرانی کی جاتی ہے۔ بینک کارسک مینجمنٹ ڈویژن منفی پیش رفت سے ممکنہ جھٹکوں کو برداشت کرنے کی بینک کی صلاحیت کا تجزیہ کرنے کیلئے پہلے سے طے شدہ مختلف منظر ناموں کے خلاف تناؤ کی جانچ بھی کرتا ہے۔

بورڈ کے حالیہ تجزیے کی بنیاد پر جاری مسائل پر بینک کی چلتے رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں پائے جاتے۔

بیرونی آڈیٹرز:

31 دسمبر 2023 کو ختم ہونے والے سال کیلئے بینک کے مالیاتی گوشواروں کا آڈٹ کسی اعتراض کے بغیر بینک کے آڈیٹریسز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی طرف سے کیا گیا ہے۔

موجودہ آڈیٹرز، کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے 2019 سے 2023 تک اپنی پانچ سال کی مدت پوری کر لی ہے، اور سڈی کمپنیز (کارپوریٹ گورننس ریگولیشنز) 2019 کے مطابق دوبارہ تفری کے اہل نہیں ہیں۔

بینک مینجمنٹ اور بورڈ کی جانب سے اپنے تفری کی پوری مدت میں تمام تر خدمات اور تعاون کیلئے ہم ریٹائر ہونے والے آڈیٹرز کو سراہتے ہیں اور ان کے مشکور ہیں۔

بورڈ آڈٹ کمیٹی کی سفارش پر، بورڈ نے سال 2024 کیلئے میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی بینک کے قانونی بیرونی آڈیٹرز کے طور پر تفری کی تجویز پیش کی ہے۔ تفری بینک کے شیئر ہولڈرز کی 32 ویں سالانہ اجلاس عام میں منظوری سے مشروط ہوگی۔

تجویز کردہ آڈیٹرز کی فرم نے انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے کوائٹی کنٹرول کے جائزہ پروگرام کے تحت قابل اطمینان ریٹنگ کی تصدیق کی ہے اور فرم اور اس کے تمام پارٹنرز انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے مضابطہ اخلاق کی گائیڈ لائنز کی تعمیل کر رہے ہیں، جو انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان نے اپنائی ہیں اور تمام لاگو قوانین کے تحت تفری کی شرائط پر پورا اترتے ہیں۔

بعد کے واقعات

مالیاتی سال کے اختتام اور اس ڈائریکٹرز رپورٹ کی تاریخ کے درمیان بینک کی مالی حالت اور کاروباری نوعیت کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے نہیں ہوئے ہیں۔

کارپوریٹ سماجی ذمہ داری:

بینک سماجی اور اقتصادی ترقی میں فعال کردار ادا کرنے کے اپنے عزم سے مضبوطی سے وابستہ ہے۔ دوران سال، بینک نے صحت، تعلیم اور خواتین کو باختیار بنانے کے ساتھ ساتھ کمیونٹی ڈیولپمنٹ، کھیلوں اور بحالی کے دیگر شعبوں میں کئی سی ایس آر ایپروپس اور خیراتی کاموں میں فعال انداز اور باقاعدگی سے حصہ لیا۔ "روشن ہر قدم" کے جذبے کو برقرار رکھتے ہوئے بینک نے ملک اور اس کے لوگوں کیلئے اپنی سماجی ذمہ داری کی تکمیل کو یقینی بنایا۔ سال کے دوران بینک کی اہم سی ایس آر سرگرمیوں کا خلاصہ سالانہ رپورٹ کا حصہ ہے۔

چھ سالہ عملی اور مالیاتی ڈیٹا:

اس سالانہ رپورٹ کے صفحہ نمبر 107 پر بینک کی چھ سالہ مالیاتی کارکردگی بیان کی گئی ہے۔

- رسک ایک مخصوص تعریف کے تحت لیا جاتا ہے؛
- ہر رسک کی رسک مینجمنٹ فریم ورک کے تحت منظوری کی ضرورت ہوتی ہے؛
- رسک کی مناسب تلافی کی ضرورت ہوتی ہے؛ اور
- رسک کی مستقل نگرانی اور انتظام ہونا چاہئے

رسک مینجمنٹ کے عمل کے ذریعے کریڈٹ رسک، مارکیٹ رسک، آپریشنل رسک، لیکویڈیٹی رسک، بزنس رسک، IT سکیورٹی رسک اور ریپوٹیشنل رسک سمیت میٹریل رسک کی تمام اقسام کا انتظام کیا جاتا ہے۔ رسک اور کیپٹل ڈیمانڈ کیلئے ماڈلنگ اور پینلٹس کے طریقوں کو میٹریل رسک کی تمام اقسام پر لاگو کیا جاتا ہے۔

سسٹم، عمل اور پالیسیاں ہماری رسک مینجمنٹ کی صلاحیت کے اہم جز ہیں۔ بحالی اور ہنگامی منصوبہ بندی بحرانوں کے انتظام کیلئے رہنمائی کا باعث ہے اور کسی دباؤ کے نتیجے میں کیپٹل اور لیکویڈیٹی پوزیشن کو بہتر بنانے کیلئے سینئر مینجمنٹ کو مجوزہ اقدامات کا ایک مجموعہ فراہم کرتی ہے۔

ہم ایک مربوط رسک کلچر کو فروغ دیتے ہیں جہاں ہر سطح پر ملازمین رسک کے نظم و نسق اور نشاندہی کے ذمہ دار ہیں۔ ہم توقع کرتے ہیں کہ ملازمین اس طرز عمل کا مظاہرہ کریں گے جو ہمارے کوڈ آف بزنس کنڈکٹ اور اخلاقیات کے مطابق مضبوط رسک کلچر کی نمائندگی کرتا ہے۔ ہماری پالیسیز کا تقاضا ہے کہ ہماری کارکردگی کے تجزیے اور تلافی کے عمل کے دوران رسک سے متعلق رویے کو مد نظر رکھا جائے اس کے علاوہ، ہمارے بورڈ ممبران اور سینئر مینجمنٹ مستقل مزاجی کے فروغ کیلئے اس موضوع کی اہمیت کے بارے میں اکثر و بیشتر بات کرتے ہیں۔

اندرونی کنٹرولز کا اعلامیہ:

بینک کی انتظامیہ اندرونی کنٹرولز کے بہتر نظام کو برقرار رکھنے کی ذمہ دار ہے تاکہ آپریشنز کی استعداد اور ان کے موثر ہونے، قانونی شرائط کی تعمیل اور فنانشل رپورٹنگ پر اعتماد کو یقینی بنایا جاسکے۔ بینک کے مجموعی اہداف کے حصول میں ناکامی کے خطرے کی نشاندہی اور اسے کم کرنے کیلئے خاطر خواہ نظام، طریقہ کار اور کنٹرول رکھے گئے ہیں۔ ان کنٹرولز میں وہ پالیسیاں اور طریقہ کار شامل ہیں جو بورڈ آف ڈائریکٹرز کے ذریعے منظور شدہ ہیں۔ ان کی تعمیل اور موزونیت کی توثیق خود مختار داخلی آڈٹ ڈویژن نے بورڈ آڈٹ کمیٹی کو براہ راست رپورٹنگ کرتے ہوئے کی ہے۔

موجودہ پالیسیوں اور طریقہ کار کا باقاعدگی سے جائزہ لیا جاتا ہے اور انہیں وقتاً فوقتاً، جب بھی ضروری ہو بہتر بنایا جاتا ہے۔ بورڈ نے خطرات کے تجزیے کے مجموعی دائرہ عمل، فنانس اور اسٹریٹیجی کی نگرانی کیلئے اپنی کمیٹیاں تشکیل دی ہیں۔ یہ کمیٹیاں باقاعدہ وقفوں میں ملتی ہیں تاکہ موزوں گورننس کو یقینی بنایا جاسکے۔

بورڈ آف ڈائریکٹرز اس ذمہ داری کو سمجھتے ہیں کہ ایسا موزوں اور موثر اندرونی کنٹرول کا نظام یقینی بنایا جائے جو بینک کے موجودہ آپریشنز کا احاطہ کرتا ہو اور سینئر مینجمنٹ اس پر بھرپور طریقے سے عمل پیرا ہو۔

اندرونی آڈٹ ڈویژن، کمپلائنس کنٹرول اور انویسٹی گیشن گروپ اور قانونی آڈیٹرز کی جانب سے پیش کی جانے والی رپورٹس اور مختلف پالیسیوں اور طریقہ کار کی بنیاد پر ہم یقین رکھتے ہیں بینک کا موجودہ اندرونی کنٹرول سسٹم ڈیزائن کے اعتبار سے موزوں ہے اور موثر طریقے سے اس کا اطلاق اور جانچ کی جارہی ہے۔

مجموعی اندرونی کنٹرولز بشمول ICFR کے موثر ہونے کا مینجمنٹ کی طرف سے لگایا گیا اندازہ، جس کی تفصیل اندرونی کنٹرولز کے بیان میں دی گئی اور اس سالانہ رپورٹ کا حصہ ہے، بورڈ اس کی توثیق کرتا ہے۔

وہ رجحانات، عوامل اور عدم یقینی جو بینک کے وسائل، مستقبل کی پیش رفت، کارکردگی اور کاروباری حیثیت پر اثر انداز ہو سکتے ہیں:

بورڈ بینک کی مجموعی سمت کا تعین کرنے میں اپنی ذمہ داریوں سے واقف ہے۔ بورڈ بیان کردہ KPIs کیلئے بینک کی پیش رفت کی مستعدی سے نگرانی کرتا ہے۔ بینک کی مالیاتی اور آپریشنل بہتری، گورننس کے ڈھانچے، اندرونی کنٹرولز کے موثر ہونے اور آڈٹ کے شعبے اور خطرات کے انتظام کے دائرہ عمل کی باقاعدگی سے نگرانی کی جارہی ہے۔ بورڈ تمام اہم پالیسیوں کا ریگولیٹری شرائط کے مطابق باقاعدگی سے جائزہ بھی لے رہا ہے۔

مستقبل کے بارے میں تمام بیانات نوعیت کے لحاظ سے خطرات اور غیر یقینی صورتحال کے نتائج، کچھ ہمارے قابو سے باہر ہیں۔ وہ عوامل جو کمزور طور پر بینک کے وسائل، محصولات اور کاموں کو متاثر کر سکتے ہیں بورڈ کی مرکزی توجہ کے حامل اور اس کی ترجیح ہیں تاکہ مجموعی اسٹریٹیجک سمت کا تعین کیا جاسکے۔ حساسیت کے تجزیے اور اہداف کا تعین کرنے اور مختصر مدت کی پیش گوئی پر نظر ثانی کے وقت ان تمام عوامل پر غور کیا جاتا ہے۔ ان میں درج ذیل شامل ہیں:

- مجموعی معاشی سرگرمیوں کو متاثر کرنے والے عالمی معاشی حالات؛
- رعایتی شرح / ماٹیریالیسی پر معاشی فیصلہ سازی؛
- ڈپازٹس پر منافع کی شرح پر نظر ثانی اور تقرضوں اور ادائیگیوں پر کمزور بنی؛



* کمیٹی کے رکن کی نمائندگی نہیں کرتا

** بورڈ/کمیٹی کی طرف سے ان ڈائریکٹرز/ممبران کو غیر حاضری کی چھٹی دی گئی تھی، جو کچھ اجلاسوں میں شرکت نہیں کر سکے تھے۔

*** جناب طارق حفیظ ملک 27 مارچ 2023 کو منعقدہ بینک کے 31 ویں سالانہ اجلاس عام میں ہونے والے انتخابات میں ریٹائر ہونے والے ڈائریکٹر جناب محمد رشید ظاہری کی جگہ ڈائریکٹر منتخب ہوئے۔

**** بورڈ آف ڈائریکٹرز نے 27 اکتوبر 2022 کو طلب کئے گئے اپنے 194 ویں اجلاس میں ایک خصوصی کمیٹی، "کاسٹ ریٹائرمنٹ ریشن کمیٹی" تشکیل دی تھی، جسے لاگت کو معقول بنانے کا اختیار دیا گیا تھا۔ سال کے دوران، کمیٹی کے تین اجلاس منعقد کئے گئے۔ اپنا مینڈیٹ مکمل کرنے کے بعد، کمیٹی کو 27 اپریل 2023 کو ہونے والے اپنے 198 ویں اجلاس میں بورڈ نے تحلیل کر دیا۔

نوٹ: بورڈ ممبران کے پروفائلز اور بورڈ/کمیٹیوں کی تشکیل کے ساتھ ان کے TORs اس سالانہ رپورٹ کا حصہ ہیں۔

ڈائریکٹرز اور سی ای او کا مشاہرہ:

اسٹیٹ بینک آف پاکستان کے BPRD سرکل نمبر 03 بتاریخ 17 اگست 2019 (جس کی جگہ اب کارپوریٹ گورننس ریگولیٹری فریم ورک نے لے لی ہے) کی شرائط کی تعمیل کرتے ہوئے بینک نے "نان ایگزیکٹو ڈائریکٹرز کیلئے معاوضے کی پالیسی" تشکیل دی تھی جس کی منظوری شیئر ہولڈرز نے 26 مارچ 2020 کو اپنے 28 ویں سالانہ اجلاس عام میں دی تھی جس میں بعد ازاں 30 ویں اور 31 ویں سالانہ اجلاس منعقدہ بالترتیب 25 مارچ 2022 اور 27 مارچ 2023 میں ترمیم کی گئی۔ نان ایگزیکٹو ڈائریکٹرز کو ادا کئے جانے والے موجودہ معاوضے کی تفصیلات درج ذیل ہیں۔

3.1 شق

(الف) نان ایگزیکٹو ڈائریکٹرز بشمول خود مختار ڈائریکٹرز ماسوائے بینک کے چیئرمین اور کمیٹیوں کے چیئرمینوں کے اجلاس میں شرکت کرنے کی فیس

- 300,000/- روپے فی اجلاس (مجموعی)

(ب) بینک کے چیئرمین اور کمیٹیوں کے چیئرمینوں کیلئے اجلاس کی فیس

- 360,000/- روپے فی اجلاس (مجموعی)

(پ) 21 فروری 2023 سے مؤثر

(ت) ایگزیکٹو ڈائریکٹرز (سی ای او) کو اجلاس کی کوئی فیس ادا نہیں کی گئی

نان ایگزیکٹو ڈائریکٹرز بشمول خود مختار ڈائریکٹرز کو ادا کی گئی اجلاس کی فیس کی تفصیلات اور چیف ایگزیکٹو آفیسر کو ادا کئے گئے معاوضے مالیاتی گوشواروں کے نوٹ 41 میں ظاہر کئے گئے ہیں۔

پروویڈنٹ اور گریجویٹ فنڈ کی سرمایہ کاریوں کا خلاصہ:

بینک اپنے تمام مستقل ملازمین کیلئے منظور شدہ پروویڈنٹ اور گریجویٹ فنڈ اسکیمز چلاتا ہے۔ 2023 میں پروویڈنٹ فنڈ اسکیم میں 197.836 ملین روپے کی اعانت کی گئی (2022: 167.115 ملین روپے)۔ 31 دسمبر 2023 کو پروویڈنٹ فنڈ کی سرمایہ کاری کا غیر آڈٹ شدہ بیلنس 1,602.994 ملین روپے تھا (2022: 1,594,201 ملین روپے)۔ منظور شدہ گریجویٹ فنڈ میں 2023 کیلئے 198.143 ملین روپے کی اعانت کی گئی (2022: 180.169 ملین روپے)۔ 31 دسمبر 2023 کو گریجویٹ فنڈ کی سرمایہ کاری کا غیر آڈٹ شدہ بیلنس 740.803 ملین روپے تھا (2022: 748.747 ملین روپے)۔

رسک مینجمنٹ فریم ورک پر بیان:

بورڈ آف ڈائریکٹرز، اپنی رسک اینڈ کمپلائنس کمیٹی (BRCC) کے ذریعے، ایک منظم انداز سے کلیدی خطرات کا جائزہ لے رہا ہے۔ ہمارا خطرات سے نمٹنے کا دائرہ عمل بینک کی حکمت عملی کا بنیادی جزو ہے۔ فریم ورک کا مقصد شناخت، پیمائش، جانچ اور مختلف خطرات کے انکشافات کی رپورٹنگ سے تمام اسٹیک ہولڈرز کی قدر میں اضافہ کرنا ہے۔ بینک کی خطرات سے نمٹنے کی حکمت عملی اسٹیٹ بینک آف پاکستان کے طریقہ کار اور بینک کے بورڈ آف ڈائریکٹرز کی تجاویز کے مطابق ہے۔ رسک برداشت کرنے کی سکت کے حوالے سے بورڈ کی رائے اہم ہے۔

ہمارا رسک مینجمنٹ فنکشن جدید ترین ماڈلز، ٹولز اور سسٹمز سے لیس ہے، جن کی بینک کے رسک مینجمنٹ فریم ورک کو مضبوط بنانے کیلئے قاعدگی سے نظر ثانی/تجید کی جاتی ہے۔ بینک کی کریڈٹ رسک اینڈ کمپلائنس کمیٹی (CRCC) اور دیگر تمام مینجمنٹ کمیٹیوں کی بنیادی ذمہ داری ہے کہ وہ بورڈ کی منظور شدہ رسک مینجمنٹ پالیسیوں کی تعمیل یقینی بنائیں اور بینک کے ان متعلقہ دائرہ کار میں خطرات کی نگرانی اور ان کا انتظام کریں۔

ہمارے متنوع کاروباری ماڈل کا تقاضہ ہے کہ ہم اپنے خطرات کی نشاندہی، تشخیص، پیمائش اور مجموعہ کا انتظام کریں اور اپنے کاروبار میں سرمائے کو محفوظ کریں۔ ہمارا مقصد رسک مینجمنٹ کیلئے ایک جامع نقطہ نظر کی حوصلہ افزائی اور پورے ادارے میں ریٹرن کے ساتھ ساتھ رسک کی مؤثر مینجمنٹ، کمپائل اور رپورٹنگ پروفائیل کے مؤثر انتظام کی حوصلہ افزائی کر کے اپنی قوت برداشت کو تقویت دینے میں مدد کرنا ہے۔ ہم اپنے کاروبار کے سلسلے میں انتہائی سرگرمی سے رسک لیتے ہیں اور مندرجہ ذیل اصول ہمارے رسک مینجمنٹ فریم ورک کو واضح کرتے ہیں:

بورڈ آف ڈائریکٹرز کی کارکردگی کا اندازہ:

سال 2023 کیلئے، بورڈ اور کمیٹیوں کی کارکردگی کا جائزہ لیا گیا۔ مقداری تکنیکوں کا استعمال کیا گیا جہاں ہر ڈائریکٹر کی آراء حاصل کرنے کیلئے مختصر سوالنامے فراہم کئے گئے۔ اس سے موصول ہونے والے تاثرات کو جمع اور تجزیہ کیا گیا اور نتائج 22 اگست 2016 کے BPRD سرکلر نمبر 11 اور سڈ کمیٹیئر (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تقاضوں کے مطابق تیار کئے گئے۔

بورڈ کی کارکردگی کے سالانہ جائزے کا حتمی نتیجہ ان کے تجزیے کیلئے بورڈ آف ڈائریکٹرز کو پیش کیا گیا۔ اسی مناسبت سے، بورڈ نے 31 جنوری 2024 کو طلب کئے گئے اپنے 2022 ویں اجلاس میں سال 2023 کیلئے کارکردگی کے جائزے کا تجزیہ کیا اور ان کی جانب سے بیان کردہ چیلنجز کو باضابطہ نوٹ کیا تاکہ انہیں حل کیا جاسکے۔

بورڈ اور کمیٹی کے اجلاس:

2023 کے دوران بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کے منعقدہ اجلاس اور ڈائریکٹر/کمیٹی کے رکن کی حاضری کی تفصیلات ذیل میں دی گئی ہیں:

سرٹیفکٹ نمبر	ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز کے اجلاس		بورڈ آڈٹ کمیٹی کے اجلاس		بورڈ کریڈٹ کمیٹی کے اجلاس		بورڈ ہیومن ریسورس اور مشاہرہ کمیٹی کے اجلاس		بورڈ رسک اینڈ کمپلائنس کمیٹی کے اجلاس		بورڈ خود مختار ڈائریکٹر کمیٹی کے اجلاس		بورڈ آئی ٹی کمیٹی کے اجلاس		بورڈ کسٹمر ریشلر کمیٹی کے اجلاس	
		سال میں مت کے دوران منعقدہ	**حاضری	سال میں مت کے دوران منعقدہ	**حاضری	سال میں مت کے دوران منعقدہ	**حاضری	سال میں مت کے دوران منعقدہ	**حاضری	سال میں مت کے دوران منعقدہ	**حاضری	سال میں مت کے دوران منعقدہ	**حاضری	سال میں مت کے دوران منعقدہ	**حاضری	سال میں مت کے دوران منعقدہ	**حاضری
1	جناب علاؤ الدین بے فراسہ	6	6	*	*	4	4	*	*	*	*	*	*	*	*	*	*
2	جناب محترم احمد شاہی	6	6	*	*	4	4	*	*	4	4	*	*	3	4	*	*
3	جناب نور الدین فراسہ	6	6	4	4	4	4	*	*	*	*	*	*	*	*	3	3
4	جناب احمد اے فراسہ	6	6	*	*	3	3	*	*	4	4	*	*	4	4	3	3
5	جناب محمد رشید طاہر ***	1	1	1	1	1	1	*	*	*	*	*	*	*	*	*	*
6	جناب طارق حفیظ ملک ***	3	3	2	2	*	*	*	*	*	*	1	1	3	3	*	*
7	جناب منظور احمد (این آئی ٹی نامزدگی)	6	6	*	*	4	4	4	4	4	4	*	*	4	4	3	3
8	جناب جمیل حسن ہمدانی	6	6	4	4	*	*	4	4	4	4	1	1	1	1	3	3
9	محترم مدوین سلیم مرچنٹ	6	6	4	4	*	*	4	4	*	*	1	1	*	*	*	*
	دوران سال منعقدہ کل اجلاس	6	6	4	4	4	4	4	4	4	4	1	1	4	4	3	3



غیر ملکی ڈائریکٹرز:

بینک کے بورڈ میں کسی غیر ملکی ڈائریکٹر کی نمائندگی نہیں ہے۔

ایگزیکٹو ڈائریکٹر کی دیگر ڈائریکٹر شپ:

جناب مختتم احمد اشانی کی بطور ڈائریکٹر کسی اور ادارے میں نمائندگی نہیں۔

پاکستان سے باہر بورڈ کا اجلاس:

سال کے دوران، پاکستان سے باہر بورڈ کا کوئی اجلاس نہیں ہوا۔

ڈائریکٹرز ٹینک اور تعارفی کورس:

بورڈ اپنے تربیتی پروگرام کے حوالے سے شرائط کی مکمل تعمیل کر رہا ہے۔ ڈائریکٹرز کے تربیتی پروگرام کے تحت ڈائریکٹرز کی طرف سے حاصل کردہ سرٹیفیکیشن کی تفصیلات ذیل میں فراہم کی گئی ہیں:

ڈائریکٹرز کے نام	کنٹگری	ڈائریکٹرز کا تربیتی پروگرام
جناب علاؤ الدین بے فیراستہ	چیئر مین / نان ایگزیکٹو	پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس ("PICG") کے زیر اہتمام ڈائریکٹر ایجوکیشن کا سرٹیفکیٹ
جناب احمد اے فیراستہ	نان ایگزیکٹو ڈائریکٹر	
جناب جمیل حسن ہمدانی	خود مختار ڈائریکٹر	
جناب منظور احمد (این آئی ٹی کے نمائندے)	نان ایگزیکٹو ڈائریکٹر	
جناب طارق حفیظ ملک	خود مختار ڈائریکٹر	انسٹیٹیوٹ آف ڈائریکٹرز، یو کے کی جانب سے سرٹیفکیٹ برائے کمپنی ڈائریکشن
محترمہ نوین سلیم مرچنٹ	خود مختار ڈائریکٹر	انسٹیٹیوٹ آف بزنس ایڈمنسٹریشن ("IBA") کے زیر اہتمام ڈائریکٹرز کا تربیتی پروگرام

مزید برآں، ڈائریکٹر، جناب نور الدین فیراستہ لکھنؤ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے ضابطہ 19 کی شق 2 کے تحت فراہم کردہ اتھنٹی کے معیار پر پورا اترتے ہیں۔

مزید برآں، ہمارے ڈائریکٹرز نے مختلف ورکشاپس، سیمینارز اور کورسز میں بھی شرکت کی ہے۔ چیئر مین، جناب علاؤ الدین بے فیراستہ اور ڈائریکٹر جناب نور الدین فیراستہ، جناب منظور احمد نے ملائیشیا میں منعقدہ ”کارپوریٹ گورننس اینڈ ڈیویڈنڈ پیکلینس“ پر تین روزہ ورکشاپ میں شرکت کی۔

مزید برآں، درج ذیل ایگزیکٹوز نے ڈائریکٹرز کا تربیتی پروگرام بھی مکمل کیا ہے۔

ایگزیکٹوز کے نام	عہدہ	ڈائریکٹرز کا تربیتی پروگرام
جناب مختتم احمد اشانی	پریزیڈنٹ اینڈ سی ای او	ICAP کا ڈائریکٹرز کا تربیتی پروگرام
جناب امین اے فیراستہ	ڈپٹی سی ای او	PICG کی جانب سے ڈائریکٹر ایجوکیشن کا سرٹیفکیٹ
جناب محمد الطاف بٹ	کمپنی سیکریٹری	انسٹیٹیوٹ آف ڈائریکٹرز، یو کے کی جانب سے سرٹیفکیٹ برائے کمپنی ڈائریکشن (بین الاقوامی)

بینک کے معاوضے کا فریم ورک، جو اسٹیٹ بینک کے رہنما خطوط کے مطابق تیار کیا گیا ہے، مؤثر رسک مینجمنٹ کلچر کو فروغ دیتا ہے اور یہ یقینی بناتا ہے کہ بینک میں معاوضے کا عمل بینک کے مقاصد کے مطابق ہو۔ اس کے نتیجے میں، مالیاتی نتائج کے خطرات اور ذمہ داریوں سے منسلک ایک منصفانہ، معروضی، شفاف اور مستحکم معاوضہ پالیسی رکھی گئی ہے۔ معاوضے کے طریقوں سے متعلق اسٹیٹ بینک کے رہنما خطوط کے تحت ضروری انکشافات مالیاتی گوشواروں کے نوٹ نمبر 28.1 اور 41 میں دیئے گئے ہیں اور اس سالانہ رپورٹ کے گورننس سیکشن کا بھی جز ہیں۔

بینک کے پاس ایک بہترین وضع شدہ اور منظم ضابطہ اخلاق موجود ہے۔ بینک کی ماہر انڈسٹری ایکشن پالیسی اصلاحی عمل اور معاملات کو منصفانہ طریقے اور تیزی سے نمٹانے کیلئے باضابطہ فریم ورک مہیا کرتی ہے۔ پالیسی یقینی بناتی ہے کہ ایچ آر امور کا شفاف انداز میں انتظام کیا جائے اور وہ ان واقعات کی نشاندہی کرے جہاں ملازم کی کارکردگی یا طرز عمل بینک کے طے شدہ معیارات پر پورا نہیں اترتا ہے۔

ہماری ویل بلوور پالیسی لوگوں (اندرونی اور بیرونی) کو اپنے تحفظات کا اظہار کرنے، بے ضابطگیوں/غلطیوں/CFT/AML/بدعنوانی سے متعلق امور کو رپورٹ کرنے، مالی بدعنوانیوں کو سامنے لانے میں مدد دینے، وٹو کہ وہی کی روک تھام وغیرہ سے بلا خوف، انتقامی کارروائی، نقصان دہ نتائج سے نامزد شدہ اتھارٹی کو آگاہ کرنے کا موقع فراہم کرتی ہے۔

کارپوریٹ گورننس:

سویری بینک میں کارپوریٹ گورننس سے مراد بینک کے مختلف حصہ داروں کے مابین طے شدہ حقوق اور ذمہ داریاں ہیں، جن کی وضاحت کیلئے طے شدہ قوانین، پالیسیز اور طریقہ کار ہیں جو کہ پورے ادارے میں مناسب منتقلی، شفافیت اور محاسبہ کو مد نظر رکھتے ہوئے طے کئے گئے ہیں۔ بورڈ آف ڈائریکٹرز اس بات کیلئے پرعزم ہیں کہ سیکورٹیز اینڈ ایکسچینج کمیشن اور اسٹیٹ بینک آف پاکستان کی جانب سے کارپوریٹ گورننس کی طے شدہ شرائط پر عمل درآمد کو یقینی بنائیں۔ بورڈ آف ڈائریکٹرز بینک کی مینجمنٹ کو اسٹرٹیجک لیڈر شپ کی فراہمی کیلئے ذمہ دار ہیں۔ بینک نے کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں کو اپنایا ہے اور بینک کا اس کوڈ کی تعمیل کا بیان اس سالانہ رپورٹ کا حصہ ہے۔

بینک کے بورڈ آف ڈائریکٹرز کی ساخت:

بینک نے ڈائریکٹرز (بشمول ایگزیکٹو ڈائریکٹر) کی تقرری کیلئے شیئرز ہولڈرز کی جانب سے سالانہ اجلاس عام میں ڈائریکٹرز کی نامزدگی سے لے کر ان کی تقرری اور SBP کی جانب سے موزوں اور مناسب ٹیسٹ کلیئر ٹیک ایس ای پی اور اسٹیٹ بینک کے انتظامی تقاضوں کی تعمیل کی ہے۔ بینک لحد کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی بھی تعمیل کرتا ہے، جس کے تحت کمپنیوں کے بورڈ میں کم از کم ایک خاتون ڈائریکٹر کی نمائندگی ضروری ہے اور اسٹیٹ بینک کی ایک خاتون خود مختار ڈائریکٹر کی تقرری کے ضابطے کی بھی تعمیل کر رہا ہے۔

بورڈ آف ڈائریکٹرز کا انتخاب 27 مارچ 2023 کو طلب کئے گئے بینک کے 31 ویں سالانہ اجلاس عام میں ہوا، جس میں ریٹائر ہونے والے ڈائریکٹر جناب محمد رشید ظاہر کی جگہ جناب طارق حفیظ ملک کو خود مختار ڈائریکٹر کے طور پر منتخب کیا گیا۔

سال کے دوران، جناب محتشم احمد ایشانی کو یکم اپریل 2023 سے نافذ العمل تین سال کی مدت کیلئے بینک کے پریزیڈنٹ اور چیف ایگزیکٹو آفیسر کے طور پر دوبارہ تعینات کیا گیا۔ ڈائریکٹرز کے انتخاب کے بعد سے بورڈ آف ڈائریکٹرز کی تشکیل میں مزید کوئی تبدیلی نہیں کی گئی ہے۔

بورڈ آف ڈائریکٹرز کی موجودہ ساخت یہ ہے:

ڈائریکٹرز کی کل تعداد: بشمول پریزیڈنٹ اور چیف ایگزیکٹو آفیسر 08

مرد 07

عورت 01

نام	کلیئرگی
جناب جمیل حسن ہمدانی جناب طارق حفیظ ملک محترمہ نوین سلیم مرچنٹ	خود مختار ڈائریکٹرز
جناب علاؤ الدین بے فراستہ جناب نور الدین بے فراستہ جناب احمد اے بے فراستہ جناب منظور احمد (این آئی ٹی کے نمائندے)	نان ایگزیکٹو ڈائریکٹرز
جناب محتشم احمد ایشانی*	ایگزیکٹو ڈائریکٹر
محترمہ نوین سلیم مرچنٹ	خود مختار خاتون ڈائریکٹر

* کمپنیز ایکٹ 2017 کے سیکشن 188 کی شق 3 کے مطابق پریزیڈنٹ اور چیف ایگزیکٹو ڈائریکٹر تصور کئے گئے۔



بینک کا کیپٹل اسٹرکچر:

ریگولیٹری اہداف سے زیادہ کیپٹل بینک کے ساتھ بینک موزوں سرمائے کا حامل رہا۔ اسٹیٹ بینک آف پاکستان نے کووڈ 19 پھیلنے کے بعد ریگولیٹری ریلیف اقدامات میں بینکوں کیلئے کیپٹل ایڈیکوئیٹی کے لئے عمومی ریگولیٹری ضروریات کو نرم کر دیا تھا، جو کہ سال 2023 بھی جاری رہیں۔ بینکوں کیلئے مطلوبہ کم از کم کیپٹل ایڈیکوئیٹی ریشو فی الحال 11.5 فیصد ہے۔

بینک کے بنیادی سرمائے کو 4 بلین روپے کے پرنسپل ADT1 انسٹرومنٹ سے سہارا ملا ہے، جو 2018 میں جاری کیا گیا تھا، اور 2022 میں جاری کردہ ٹیز II ٹرم فننس سرٹیفکیٹ کی رقم 4 بلین روپے بھی اس میں شامل ہے۔ شرائط و ضوابط اور انسٹرومنٹس کی تفصیلات ان مالی بیانات کے جڑ کے طور پر ظاہر کی گئی ہیں۔ سال کے دوران، مارچ 2023 میں شیئر ہولڈرز کے سالانہ اجلاس عام میں باضابطہ منظوری کے بعد بینک کے مجاز حصص کیپٹل کو بڑھا کر 21 بلین روپے کر دیا گیا تاکہ نئے اجراء یا کسی ممکنہ تبدیلی کے ذریعے جس کا اختیار SBP کے ضوابط کے تحت بیان کردہ پوائنٹ آف نان وائی ایبلٹی ایونٹ (اگر کوئی ہو) کی صورت میں دیا جاسکتا ہے، سرمائے میں مزید اضافے کا تصفیہ کیا جاسکے۔

31 دسمبر 2023 کو بینک کا کیپٹل ایڈیکوئیٹی ریشو 18.44 فیصد اور لیوریج ریشو 4.02 فیصد ہے۔ بینک کے لیکویڈیٹی کورینج ریشو اور خالص مستحکم فنڈنگ ریشو اس وقت بالترتیب 241.46 فیصد اور 193.90 فیصد ہیں، جو ریگولیٹری تقاضوں سے کافی زیادہ ہیں۔

سال کے دوران، اسٹیٹ بینک آف پاکستان نے BPRD سرکلر لیٹر نمبر 07 مورخہ 13 اپریل 2023 کے ذریعے، IFRS 9 انفعول انسٹرومنٹس کے نفاذ کی تاریخ کو آگے بڑھا دیا جو یکم جنوری 2024 سے یا اس کے بعد شروع ہونے والے ادوار کیلئے مؤثر ہوگا۔ اسٹیٹ بینک نے اپنے پچھلے سرکلرز میں IFRS 9 کے نفاذ کیلئے تفصیلی رہنما خطوط پہلے ہی فراہم کر دیے ہیں تاکہ پوری صنعت میں معیار کے آسان اور مستقل نفاذ کو یقینی بنایا جاسکے، جس میں بنیادی طور پر نئے معیار کو اپنانے کے نتیجے میں اضافی انکشاف کی ضروریات کے ساتھ آئندہ مدت سے لاگو ہونے والے سالانہ ادوار عبوری مالیاتی رپورٹنگ فارمیٹس کی تجدید بھی شامل ہے جن کا اطلاق اگلی عبوری اور سالانہ رپورٹنگ مدت سے ہوگا۔

IFRS 9 کو اپنانے کی مؤثر تاریخ میں توسیع کے بعد، بینکوں کو اسٹیٹ بینک آف پاکستان 9 IFRS کے مطابق ابتدائی مالیاتی گوشواروں کو بیک وقت جمع کرنا جاری رکھنا تھا۔ اس کے مطابق، بورڈ آف ڈائریکٹرز کی رسک مینجمنٹ اینڈ کمپلائنس کمیٹی وقتاً فوقتاً معیار کو نافذ کرنے میں بینک کی پیشرفت کی نگرانی کرتی رہی ہے۔

اس معیار کو ابتدائی طور پر اپنانے پر متوقع اثرات کا انکشاف مالیاتی بیانات میں کیا گیا ہے، جس کا اثر یکم جنوری 2024 سے شروع ہونے والی رپورٹنگ مدت کیلئے برقرار رکھی گئی ایکویٹی کی ایڈجسٹمنٹ میں ظاہر ہوگا۔

ہیومن ریسورس:

سویری بینک میں، ہم مسلسل کوشش کرتے ہیں کہ اچھے ملازمین کو مائل اور تیار کیا جائے اور انہیں مسلسل اپنے ساتھ شامل رکھا جائے جو کام کے صحت مند اور مفید ماحول کیلئے ہماری میراث کا جزو ہے۔ ہم اپنے ملازمین کے تجربے کی قدر کرتے ہیں اور ان کے بہتر اطمینان کیلئے اقدامات کی کوشش کرتے ہیں۔ ہمارا کام ماحول اعلیٰ اخلاقی معیار کو برقرار رکھتے ہوئے صارف کی اہمیت اور خدمت کو فعال انداز میں فروغ دیتا ہے۔ ہماری ایچ آر پالیسیوں کا مقصد ایک ایسے ماحول کو فروغ دینا ہے جہاں عملہ کو عزت، قدر، حوصلہ افزائی، اور مناسب سلوک کا احساس ہو۔ ایسے ماحول کی تشکیل کیلئے ہمارے قائدین رول ماڈل ہیں۔

ہماری ہیومن ریسورسز لرننگ اینڈ ڈیولپمنٹ ڈیویژن ٹیم پوری کوشش کرتی ہے کہ ہمارے ملازمین کو سیکھنے کے معیاری تجربات تک رسائی حاصل ہو جو ان کے علم اور صلاحیتوں کو بہتر بنانے میں مددگار ہو۔ اس سال متعدد اقدامات پر غور کیا گیا، ٹیم نے ہمارے لرننگ مینجمنٹ سسٹم "SoneriEnable" میں کئی ای لرننگ ماڈیولز شامل کئے ہیں۔ ان ماڈیولز میں انفارمیشن سکیورٹی سے متعلق آگاہی، مساوات اور شمولیت، معذور افراد (PWDs)، اخلاقی طرز عمل، کارکردگی کے انتظامی عمل اور سافٹ ویئر کی برآمدات، انفارمیشن ٹیکنالوجی (IT) اور IT فعال خدمات (ITeS) سے متعلقہ ماڈیولز شامل ہیں۔ ان ماڈیولز کے ذریعے ہمارا عملہ اپنی ڈیجیٹل گھروں سے بھی بڑے اطمینان سے مختلف قسم کے انٹرایکٹیو ای لرننگ ماڈیولز، اسسٹمنٹس، ای کتابوں اور سیکھنے کی مختلف دیگر چیزوں تک آسان رسائی حاصل کر رہا ہے۔

لرننگ اینڈ ڈیولپمنٹ میں جدید ٹیکنالوجی کے علاوہ، ہمارے ویمن ڈیولپمنٹ پروگرام - پرواز اور اس سے منسلک مینجمنٹ پروگرام کا آغاز کیا گیا جو ہمارے عملے کی خواتین کو بہترین قائدانہ صلاحیت پیدا کرنے کیلئے سینئر رہنماؤں سے مسلسل رہنمائی حاصل کرنے کا موقع فراہم کرتا ہے، تاکہ مستقبل کی حکمت عملی کے حوالے سے ان کی صلاحیتوں میں اضافہ ہو، باصلاحیت خواتین کے کیریئر کی تیز رفتار ترقی کو یقینی بنایا جائے اور انہیں وہ رہنمائی اور معاونت فراہم کی جائے جس سے وہ سینئر انتظامیہ میں شمولیت کی جانب بڑھ سکیں۔ اس سال، پروگرام کے آغاز میں، 45% سے زیادہ مینجمنٹ حاصل کرنے والوں کو ان کے کارمندی یا گریڈ میں ترقی دی گئی، جو پروگرام کی کامیابی کا ثبوت ہے۔

سال کے دوران، بینک نے صنفی حساسیت اور کام کی جگہ پر ہر اسان کئے جانے کے حوالے سے مختلف ورکشاپس کا اہتمام کیا۔ ان ورکشاپس کا مقصد ایک بااختیار، حوصلہ افزا، اور بہتر کام کا ماحول بنانے کیلئے کام کی جگہ پر ہر جنس کی شمولیت سیکھنے میں مدد دینا تھا۔ اس طرح کے پروگرام بنیادی طور پر فرنٹ لائن کے لوگ یعنی ایریا اور برانچ مینجرز، برانچ آپریشن مینجرز اور دوسرے سینئر عملہ کیلئے تھے جنہیں برانچ اور محکموں میں صنفی مساوات کی تربیت کی گئی۔ معذور افراد (PWDs) بھی بینک کی اولین ترجیح رہے ہیں۔ ہم ایک جامع ادارہ ہیں جس کے دروازے مختلف صلاحیتوں کے حامل باصلاحیت لوگوں کیلئے ہمیشہ کھلے ہیں۔

کاروباری جائزہ:

بینک نے 31 دسمبر 2023 کو ختم ہونے والے سال میں منافع قبل از ٹیکس (PBT) 12,357.115 ملین روپے اور منافع بعد از ٹیکس (PAT) 6,075.460 ملین روپے حاصل کیا جو گزشتہ سال میں بالترتیب 4,554.021 ملین روپے اور 1,883.243 ملین روپے تھا۔ بینک کی فی حصص آمدنی 2022 کے 1.7082 روپے فی حصص کے مقابلے میں 2023 میں 5.5108 روپے فی حصص ریکارڈ کی گئی جو 222.61 فیصد سال بسال بہتری کی نشاندہی کرتی ہے۔

31 دسمبر 2023 کو ختم ہونے والے سال کیلئے بینک کی نیٹ مارک اپ آمدنی (NII) پچھلے سال کے 11.267 ملین روپے کے مقابلے میں 22.759 ملین روپے رہی۔ دگنا اضافہ اسپریڈز میں مسلسل بہتری سے سال بسال 102.00 فیصد اضافے کی نشاندہی کرتا ہے۔ مدت کی نان مارک اپ آمدنی میں بھی 25.23 فیصد سال بسال اضافہ ہوا اور گزشتہ سال کے 5.157 ملین روپے کے مقابلے میں بڑھ کر 6.459 ملین روپے تک پہنچ گئی، جس کی بنیادی وجہ بہتر فیس اور کمیشن آمدنی تھی، جس میں 26.97 فیصد سال بسال اضافہ ہوا۔ اس کے نتیجے میں، بینک کی مجموعی آمدنی میں بھی 12.793 ملین روپے یا 77.89 فیصد سال بسال کی نمایاں بہتری آئی۔

سال کے آخر میں بینک کی سرمایہ کاری 310.341 ملین روپے رہی جو گزشتہ سال کے اختتام پر 258.007 ملین روپے تھی۔ سال کی اختتامی پوزیشن میں 50 ملین روپے کی رقم شامل نہیں، جو 30 دسمبر 2023 کو بعض سرکاری سیکورٹیز کی میعاد ختم ہونے کے بعد دیگر اثاثوں کے اندر حکومت پاکستان سے قابل وصول بنیاد پر دوبارہ درجہ بند اور ریکارڈ کی گئی تھی۔ اس رقم سمیت، سرمایہ کاری پر سال بسال نمو 39.66 فیصد ہے۔ سال کیلئے بینک کی اوسط خالص سرمایہ کاری سال 2022 کے 305.092 ملین روپے کے مقابلے میں 315.418 ملین روپے رہی۔ موجودہ سال کیلئے سرمایہ کاری سے آمدنی متاثر کن طور پر بڑھ کر 60.609 ملین روپے ہو گئی جو گزشتہ سال 37.005 ملین روپے تھی۔ خالص سرمایہ کاری منافع میں بھی سال 2022 کے 12.13 فیصد کے مقابلے میں 19.21 فیصد کی نمایاں بہتری ہوئی۔

اسٹیٹ بینک آف پاکستان کی طرف سے پالیسی ریٹ میں اضافے کی بنیاد پر لون بک کی بتدریج اضافی قیمت کے تعین کے بعد، ایڈوانسز پر خالص منافع میں بھی سال بہتری ہوتی رہی اور گزشتہ سال کے 12.43 فیصد کے مقابلے میں رواں سال کیلئے 19.04 فیصد رہا۔ اگرچہ بینک کے اوسط خالص ایڈوانسز گزشتہ سال کے 193.590 ملین روپے کے مقابلے میں کم ہو کر سال 2023 کیلئے 179.648 ملین روپے رہے، موجودہ سال کیلئے ایڈوانسز سے مجموعی آمدنی بڑھ کر 34.211 ملین روپے ہو گئی جو گزشتہ سال 24.076 ملین روپے تھی۔

مجموعی ڈپازٹس کے لحاظ سے رواں سال کی تیسری سہ ماہی کے دوران، بینک نے 500 ملین روپے کے تاریخی نمبر کو عبور کیا، اور سال کے آخر میں بینک کے مجموعی ڈپازٹس گزشتہ سال کے 409.643 ملین روپے کے مقابلے میں 517.869 ملین روپے رہے۔ یہ 108.226 ملین روپے یا 26.42 فیصد کی نمایاں بہتری ظاہر کرتا ہے۔ اوسط کے حوالے سے بھی پورٹ فولیو میں 56.890 ملین روپے یا 14.40 فیصد سال بسال اضافہ ہوا۔ 31 دسمبر 2023 کو ختم ہونے والے سال کیلئے بینک ڈپازٹس کی لاگت بڑھ کر 13.00 فیصد ہو گئی جو گزشتہ سال 8.85 فیصد تھی۔ بینک CASA 31 دسمبر 2023 کو 79.22 فیصد تھا (دسمبر 2022: 79.19 فیصد)۔ کرنٹ اکاؤنٹس مہینہ سال کے آخر میں 30.42 فیصد پورٹ ہوا (دسمبر 2022: 32.73 فیصد)۔ کرنٹ اکاؤنٹ کے اوسط حجم میں 29.681 ملین روپے یا 26.35 فیصد سال بسال کا اضافہ ہوا۔ بینک کی توجہ CASA کے ڈھانچے کو بہتر بنانے اور کرنٹ اکاؤنٹس کو برقرار رکھنے کے ساتھ ساتھ فنڈنگ کی لاگت معقول بنانے اور اعلیٰ ترین معیار کی خدمات فراہمی یقینی بنانے پر مرکوز ہے۔

31 دسمبر 2023 کو بینک کے قرضے 68.742 ملین روپے پورٹ ہوئے۔ جبکہ رواں سال کیلئے مجموعی لاگت بڑھ کر 16.44 فیصد ہو گئی جو گزشتہ سال 10.95 فیصد تھی۔ 30 دسمبر 2023 کو پختہ ہونیوالی سرکاری سیکورٹیز کے اثر سمیت، سال کے آخر میں بینک کا خالص IDR بڑھ کر 69.58 فیصد ہو گیا جو پچھلے سال کے اختتام پر 62.98 فیصد تھا۔ 31 دسمبر 2023 کو ختم ہونیوالے سال کیلئے فنڈنگ کی مجموعی لاگت بڑھ کر 12.58 فیصد ہو گئی جو گزشتہ سال 9.07 فیصد تھی۔

31 دسمبر 2022 کو ختم ہونے والے سال کیلئے نان مارک اپ اخراجات سال 2022 کے 12.245 ملین روپے کے مقابلے میں 15.471 ملین روپے رہے جو 26.35 فیصد اضافے کی نشاندہی کرتا ہے، یہ مہنگائی کے بڑھتے ہوئے رجحانات کے درمیان سخت لاگت کے نظم و ضبط کا اشارہ ہے۔ بورڈ آف ڈائریکٹرز کی ہدایت کے مطابق انتظامیہ نے سال کے دوران لاگت کی مجموعی سطح کو ہدف کے اندر رکھنے کیلئے لاگت کو درست کرنے کے سخت اقدامات کا نفاذ کیا ہے۔

31 دسمبر 2023 کو ختم ہونے والے سال کیلئے قرضوں اور ایڈوانسز اور سرمایہ کاری کیلئے خالص پروویڈنسی رقم 1,389.282 ملین روپے رہی۔ گزشتہ سال میں 374.569 ملین روپے کا خالص رپورٹل بک کیا گیا تھا۔ موجودہ مدت میں زیر غور چارج بنیادی طور پر بنی درجہ بندیوں کے اثر کے ساتھ ساتھ ریکارڈ شدہ FSV فوائد کی کمی کی نمائندگی بھی کرتا ہے جو پچھلی درجہ بندی میں شامل تھی۔ انتظامیہ نے احتیاط کے ساتھ مجموعی پورٹ فولیو کی نگرانی جاری رکھی ہے تاکہ انفیکشن کے خطرے سے بچیں اور مناسب سطح پر کوریج کو برقرار رکھیں۔

31 دسمبر 2023 کو بینک کا نان پرفارمنگ لونز ٹوٹل ایڈوانسز ریٹو 4.90 فیصد (دسمبر 2022: 4.71 فیصد) ہے۔ مخصوص پروویڈنگ کوریج بہتر ہو کر 80.01 فیصد (دسمبر 2022: 71.61 فیصد) پر ہو گئی ہے۔

31 دسمبر 2023 کو ختم ہونے والے سال کیلئے بینک کی مجموعی مؤثر ٹیکس کی شرح 50.83 فیصد رہی (دسمبر 2022: 58.65 فیصد)۔



مالیاتی محاذ پر، استحکام کے اقدامات کے کامیاب نفاذ کے نتیجے میں آمدنی میں نمایاں اضافہ ہوا جس نے اخراجات کی نمو کو کم کیا، اور جی ڈی پی کے فیصد کے طور پر مالیاتی خسارے میں کمی واقع ہوئی۔ محتاط اخراجات کے انتظام نے بھی غیر ضروری اخراجات کو کنٹرول کرنے میں ایک اہم کردار ادا کیا ہے، تاہم، زیادہ مارک اپ ادائیگیوں کا چیلنج اب بھی برقرار ہے، اور یہ توقع کی جاسکتی ہے کہ آمدنی میں اضافہ اور محتاط اخراجات پر کنٹرول کے مقررہ اہداف حاصل کرنے کیلئے حکومت موجودہ مالیاتی حکمت عملی برقرار رکھے۔

بلند بیرونی خطرات کی وجہ سے درپیش چیلنجز اور میکرو اکنامک اور بیرونی عدم توازن کو پائیدار طریقے سے حل کرنے کیلئے درکار کوششوں کے باوجود، مجموعی اقتصادی منظر نامہ امید افزا ہے، جس کی نشاندہی افراط زر کے دباؤ میں کمی، زراعت میں مثبت نقطہ نظر، اعلیٰ تعدد کے اشاریوں میں مثبت رجحانات سے ظاہر ہونے والے صنعتی شعبے میں ممکنہ بحالی کے آثار، درآمدات اور سازگار بیرونی ماحول سے ہوتی ہے۔

زراعت اور صنعت کی قیادت میں مالی سال 2024 کی پہلی سہ ماہی میں حاصل کی گئی 2.13 فیصد نمو کے ساتھ ایک پُر امید معاشی نقطہ نظر بھی واضح ہے۔ مزید برآں، دوہرے خسارے میں کمی ہونے کا مطلب یہ ہے کہ معاشی انتظام بہتر ہو رہا ہے۔ یہ بہترین اور زیادہ پائیدار اقتصادی ترقی کی طرف پیش رفت کی بنیاد ہے۔ لہذا آنے والے مہینوں میں اس مثبت رجحان میں شدت آنے کی توقع ہے۔

مشرق وسطیٰ میں جاری علاقائی تنازع اور بحیرہ احمر کے بحران سے پہلے ہی سپلائی میں رکاوٹ اور بڑھتی ہوئی شینگ لاگت سے عالمی تجارت کو نقصان پہنچا رہا ہے۔ فروری میں ہونے والے انتخابات کے بعد نئی حکومت کیلئے سب سے بڑا چیلنج معیشت کو درپیش اندرونی اور بیرونی دباؤ سے نمٹنا ہوگا۔ مستقبل میں میکرو اکنامک استحکام کو یقینی بنانے کیلئے محتاط معاشی انتظام اور بہترین ساختی اصلاحات کی ضرورت ہوگی۔

بینک کی کارکردگی اور کاروبار کا عملی جائزہ:

31 دسمبر 2023 کو ختم ہونے والے سال کیلئے بینک کی مالی پوزیشن اور آپریٹنگ نتائج کا خلاصہ مندرجہ ذیل ہے:

31 دسمبر کو مالیاتی کیفیت

2022	2023
----- (روپے بلین میں) -----	
208,434	205,754
258,007	310,341
579,760	658,562
409,643	517,869
21,146	28,613

ایڈوانسز - نیٹ

سرمایہ کاری - نیٹ

مجموعی اثاثے

ڈپازٹس اور دیگر کھاتے

شیر، ہولڈرز کی ایکویٹی

2022	2023
----- (روپے بلین میں) -----	
11,267	22,759
5,157	6,459
16,424	29,218
12,245	15,471
4,179	13,746
(375)	1,389
4,554	12,357
1,883	6,075
1.7082	5.5108

سالانہ مالیاتی کارکردگی

نیٹ مارک اپ آمدنی

نان مارک اپ آمدنی

کل آمدنی

نان مارک اپ اخراجات

پروویژنز اور ٹیکسیشن سے قبل منافع

پروویژنز / (ریورسلز) اور نقصانات

منافع قبل از ٹیکس

منافع بعد از ٹیکس

فی حصص آمدنی (روپے میں)

ڈائریکٹر رپورٹ

برائے مالیاتی سال 2023

ہم نہایت مسرت کے ساتھ سوئیری بینک لمیٹڈ (بینک) کے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2023 کو ختم ہونے والے سال کیلئے آڈٹ شدہ مالیاتی گوشواروں اور آڈیٹرز رپورٹ کے ساتھ سوئیری بینک لمیٹڈ (بینک) کی ڈائریکٹرز رپورٹ پیش کر رہے ہیں۔

اقتصادی جائزہ:

پاکستان کی معیشت کو مالی سال 23 میں شدید معیشتی چیلنجز کا سامنا کرنا پڑا، بڑھتے ہوئے بیرونی دباؤ کے درمیان، اہم اشاریے دباؤ میں رہے۔ مقامی اور بیرونی جھکوں سے اقتصادی سرگرمیوں میں کمی، بشمول اندرونی سیاسی غیر یقینی صورتحال، درآمدات اور سرمائے کے بہاؤ پر حکومتی پابندیاں، 2022 میں تباہ کن سیلاب کے مسلسل اثرات، اشیاء کی عالمی قیمتوں میں اضافہ اور عالمی سطح پر سختی کی وجہ سے اقتصادی سرگرمیوں میں کمی سے مالی سال 23 میں جی ڈی پی 0.2 فیصد سکڑ گئی۔ گھریلو قیمتوں، مالیاتی اور بیرونی اکاؤنٹس اور شرح مبادلہ پر نمایاں دباؤ رہا۔

تاہم، مالی سال 24 کے آغاز پر حالیہ اشاریوں نے معاشی سرگرمیوں میں کچھ بہتری دکھانا شروع کر دی ہے۔ 2 فیصد متوقع شرح نمو کے ساتھ مالی سال 24 میں حقیقی جی ڈی پی کی بحالی کی توقع ہے کیونکہ زرعی شعبے میں سیلاب کے بعد کی بحالی نے کٹر و مجموعی طلب جس کی وجہ سے صنعت اور خدمات کے شعبوں میں اب بھی پست سرگرمی ہے، کی تلافی کی ہے۔ درمیانی مدت میں ٹھوس پالیسیاں اور طویل عرصے سے زیر التواء ڈھانچہ جاتی اصلاحات کا نفاذ ٹھوس سرمایہ کاری اور برآمدات کے ساتھ معاشی ترقی میں تیزی کا باعث بنے گا۔

2023 میں، پاکستان میں 31 فیصد کی غیر معمولی اوسط مہنگائی کی شرح نظر آئی، جس کی وجہ خوراک، گیس، بجلی اور ایندھن کی بڑھتی ہوئی قیمتیں ہیں۔ مہنگائی کے بڑھتے ہوئے رجحانات کی وجہ سے SBP نے پالیسی ریٹ میں 600 بیس پوائنٹس اضافہ کیا، جو دسمبر 2022 میں 16 فیصد سے بڑھ کر جون 2023 میں 22 فیصد کی تاریخی بلند ترین سطح پر پہنچ گیا۔ دسمبر 2023 میں ہونے والے MPC کے آخری اجلاس میں، اسٹیٹ بینک کی MPC نے پالیسی کی شرح تبدیل نہ کرتے ہوئے اسے 22 فیصد پر برقرار رکھنے کا فیصلہ کیا۔

آگے بڑھتے ہوئے، ہیڈلائن CPI افراط زر مالی سال 24 کی دوسری ششماہی میں 20 فیصد (سال بسال) سے اوپر رہنے کا امکان ہے کیونکہ گیس اور بجلی کے نرخوں میں حالیہ اضافے سے توانائی کی مسلسل بلند افراط زر کا امکان ہے، جبکہ خوراک اور بنیادی افراط زر میں بتدریج کمی آنے کی توقع ہے۔ واضح مثبت عملداری میں ایک حقیقی پالیسی کی شرح کو برقرار رکھنے سے کیونکہ افراط زر میں نرمی آتی ہے اور یہ طلب کے نئے دباؤ یا افراط زر کی توقعات میں اضافے کی کسی بھی علامت پر رد عمل ظاہر کرتی ہے تو افراط زر کی توقعات کے از سر نو تعین اور مالی سال 24 کی دوسری ششماہی کے بعد سے بنیادی افراط زر کو کم کرنے میں مدد ملے گی، بشرطیکہ درآمدات پر انتظامی سختی دوبارہ شروع نہ ہو۔

مالی سال 23 کی دوسری ششماہی میں درآمدات میں گہرے سکڑاؤ کے باعث سرپلس کے ایک سلسلے کے بعد، مالی سال 24 کی پہلی ششماہی میں کرنٹ اکاؤنٹ واپس خسارے میں آ گیا۔ مالی سال 24، جولائی تا دسمبر کیلئے کرنٹ اکاؤنٹ خسارہ 831 ملین ڈالر رہا، جو گزشتہ سال اسی مدت میں 3.63 بلین ڈالر سے بہت کم ہے۔ مالی سال 24، جولائی تا دسمبر کیلئے ایف ڈی آئی 862.6 ملین ڈالر تک پہنچ گئی، جو کہ گزشتہ سال کے مقابلے میں 35 فیصد اضافے کی نشاندہی کرتی ہے، جب کہ ایکسیج کپینیز سے متعلق ڈھانچہ جاتی اصلاحات اور نتیجتاً، انٹر بینک مارکیٹ اور اوپن مارکیٹ میں شرح مبادلہ کے ہم آہنگ ہونے کی وجہ سے مالی سال 24، جولائی تا دسمبر میں ترسیلات زر 13.4 بلین ڈالر رہیں۔

جولائی 2023 میں بین الاقوامی مالیاتی فنڈ (IMF) کے اسٹیٹڈ ہائی آرٹیکل (SBA) کی منظوری نے نئی بیرونی مالی اعانت کے دروازے کھول دیئے اور ادائیگیوں کے توازن کا بحران ٹل گیا۔ قلیل المدتی معاشی استحکام کا انحصار SBA کے مضبوط نفاذ اور مسلسل مالی پابندی اور بیرونی مالیاتی آمد پر ہے۔ آئی ایم ایف کے ایگزیکٹو بورڈ نے حال ہی میں پہلا جائزہ مکمل کیا ہے اور 3 بلین ڈالر کے SBA پروگرام کے تحت پاکستان کیلئے 700 ملین ڈالر کی دوسری قسط جاری کرنے کی منظوری دے دی ہے۔

اسٹیٹ بینک آف پاکستان کے مجموعی ذخائر مالی سال 23 کے آخر میں 4.5 بلین ڈالر سے دسمبر 2023 کے آخر میں 8.0 بلین ڈالر تک نمایاں طور پر بڑھ گئے ہیں، جس کی وجہ اسٹیٹ بینک کی آمد اور خریداری کے وعدوں کی تکمیل ہے۔ فارن ایکسیج (FX) مارکیٹ کے حالات معمول پر آنے کے ساتھ، توقع ہے کہ آنے والے مہینوں میں قدرے مضبوط ترسیلات کے ساتھ درآمدات میں اضافہ ہوگا، جس کے نتیجے میں مالی سال 24 کیلئے کرنٹ اکاؤنٹ خسارے (CAD) کا تخمینہ 5.7 بلین ڈالر ہوگا۔

مالی سال 24، جولائی تا دسمبر کے دوران، برآمدات مجموعی طور پر 19.1 بلین ڈالر اور درآمدات، اشیاء اور خدمات پر مجموعی طور پر 30.4 بلین ڈالر خرچ ہوئے، جس کے نتیجے میں تجارتی خسارہ 11.4 بلین ڈالر رہا۔ اسی طرح، ترسیلات زر اور برآمدی کمائی میں اضافہ آنے والے دنوں میں تجارتی خسارے کو سنبھالنے کیلئے اہم ہے۔

REPORT OF SHARI'AH BOARD TO THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER 2023

By the grace of Almighty Allah, the year under review was the 18th year of Islamic commercial banking for Soneri Bank Limited, while the Board of Directors and Executive Management are solely responsible to ensure that the operations of Soneri Bank Limited – Mustaqeem Islamic Banking are conducted in a manner that comply with Shari’ah principles at all times. We are required to submit a report on the overall Shari’ah Compliance environment of Soneri Bank Limited – Mustaqeem Islamic Banking.

To form an opinion on the overall Shari’ah Compliance environment as required by the regulatory framework, the Shari’ah Compliance Department (SCD) of the bank needs to carried out reviews, on test check basis, of each class of transactions, the relevant documentation and process flows. Further, the reports of the Internal Shari’ah Audit and External Shari’ah Audit also form the basis of this report.

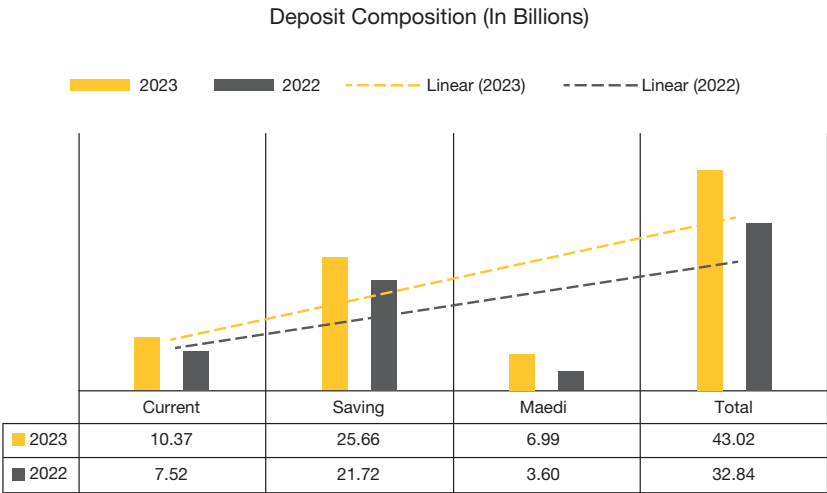
The year 2023 presented formidable challenges for the nation, marked by diminishing dollar reserves, import limitations, escalating fuel expenses, surging inflation, and an increasing discount rate, among other factors. These adversities significantly affected both businesses and the livelihoods of individuals. Nevertheless, it is worth noting that we are a resilient society, and in the face of such challenges, we consistently emerge stronger as a Nation and as a Bank.

The Shari’ah Board hereby present the Annual Shari’ah Board report regarding affairs of the Soneri Bank Mustaqeem Islamic Banking:

During the year ended December 31, 2023, Shari’ah Board of Soneri Bank Mustaqeem Islamic Banking held four meetings to review various matters which included, among others, new products and services, product modifications, concepts, transactions, structures, processes, and Shari’ah issues referred to them. To ensure that, apart from the quarterly meetings, SCD remained in close coordination with Shari’ah Board.

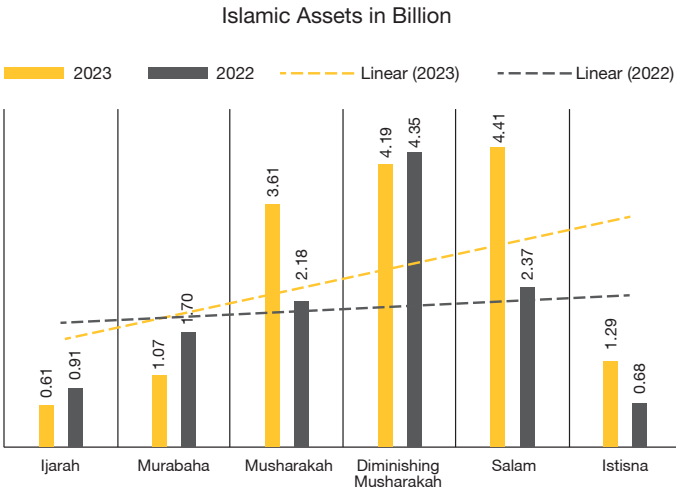
Deposit Composite:

It is very encouraging to report that the Islamic Banking deposit has increased by 37%, the composition of the deposit is dominated by CASA which stood at 84% of the total deposits. The same can be viewed as follows:



Asset Review:

The asset portfolio has also shown an increment of 50% and stood at PKR 18.35 Bn as compare to 2022. The main modes of financing used for the bank’s Islamic financing consist of Diminishing Musharakah (23%), Murabaha (6%), Salam (24%), Running Musharakah (20%), Istisna (7%) and Ijarah (3%). We hope to see the trend continue to remain in the upward direction as shown in the trend line.



To strengthen and broaden the functions of Shari’ah control, the Shari’ah Compliance Department under the supervision of Resident Shari’ah Board Member supported the asset team to understand and assess the customers’ business needs and give their due feedback on the process flows.



Additionally, to maintain the high level of compliance, the SCD performed random physical inspections of Islamic financing transactions.

Shari'ah Compliance:

The commitment of the Board of Directors and Management in building the overall Shari'ah compliance environment of the Bank is commendable. The Bank's Shari'ah Compliance Department (SCD) experienced the management's utmost support in discharging its functions. The SCD strives to bring about continuous improvement in the Shari'ah compliance environment of the Bank. In this regard, SCD, in compliance of the SBP and Shari'ah Board directives in coordination with IBD and Risk Management Department devised a mechanism for identifying and reporting Shari'ah non-compliance risk to Board of Directors and its sub-committee. During the year, RSBM supported the SCD in issuing different Shari'ah guidelines. The function of Shari'ah Review of transactions is carried out by SCD in two different levels i.e. Pre-Execution review through process flows, visits to the customers and monitoring the disbursement if necessary and post execution review on a sample check basis through its annual review. It is necessary to mention that Resident Shari'ah Board Member also visited branches to assess the overall Shari'ah compliant environment. SCD carried out Shari'ah Review of different departments/functions of Head office and branches across the country during the year. The SCD presented Shari'ah Review reports, Internal and External Shari'ah Audit reports to Shari'ah Board for determining corrective actions.

Trainings of Islamic Banking Staff:

It is encouraging to note that the Bank's learning and development Department on our advice conducted various Islamic Banking training for the employees posted in Islamic Banking Group.

Board of Directors and Executives Trainings:

Learning & Development Department organized learning session for Board of Directors and Management Committee members in line with the regulatory requirement to keep them abreast with the best practices. It is pleasure to report that the Senior Management was very enthusiastic to explore Islamic Banking opportunities. These regular trainings are expected to enhance their knowledge and give them better insight.

Conclusion:

Based on the reports of Internal Shari'ah Audit, External Shari'ah Audit and different Shari'ah compliance checks carried out from time to time and according to best of our knowledge, we are of the view that:

- i. The Bank has complied by and large with Shari'ah rules and principles in the light of fatawa, rulings and guidelines issued by its Shari'ah Board.
- ii. The Bank has complied with the directives, regulations, instructions and guidelines related to Shari'ah compliance issued by SBP in accordance with the rulings of SBP's Shari'ah Board.
- iii. Bank has a well-defined system in place in form of Shari'ah Compliance Review and Internal Shari'ah Audit to ensure that the earning realized from the sources or means prohibited by Shari'ah shall be identified.
- iv. During the year, an amount of Rupees One million four hundred seven thousand five hundred and ninety-one only (PKR 1,407,591/-) were collected as charity from various customers on account of delay in payments. Total amount of Rupees One million four hundred seven thousand five hundred only (PKR 1,407,500/-) was disbursed for charitable purposes as per the Charity Policy approved by Shari'ah Board and Board of Directors.
- v. Based on the Shari'ah Compliance review and Shari'ah Audit report, we are of the opinion that profit distribution was generally found in conformity with Shari'ah rules & principles.

We pray to Almighty Allah, for the success of Islamic Banking and provide us the guidance to adhere to his Shari'ah in day to day operations and forgive our mistakes.

And Allah knows best

“اللهم أرنا الحق حقا وارزقنا اتباعه وأرنا الباطل باطلا وارزقنا اجتنابه”

Mufti Ehsan Waqar Ahmad
Chairman Shari'ah Board

Mufti Bilal Ahmed Qazi
Shari'ah Board Member

Mufti Abid Shah
Shari'ah Board Member

Mufti Samiullah Arif
Shari'ah Board Member

Mufti Muhammad Zahid
Resident Shari'ah Board Member

Dated: 31 January 2024



ٹرانزیکشنز کے شرعیہ ریویو کا کام شریعہ کمپلائنس ڈپارٹمنٹ (SCD) کے ذریعے دو مختلف درجوں میں کیا جاتا ہے یعنی پری ٹرانزیکشن ریویو، جس میں ٹرانزیکشنز کا طریقہ کار، کسٹمرز سے ملاقاتیں اور گزشتہ دوری ہو تو فیڈ بک کی ادائیگی کی نگرانی شامل ہیں۔ اور پوسٹ ٹرانزیکشن ریویو، جس کی بنیاد پر سالانہ جائزہ کے ذریعے کیا جاتا ہے۔ یہاں یہ بات قابل ذکر ہے کہ ریزینڈنٹ شریعہ بورڈ ممبر نے بھی برائے نکل کا دورہ کیا تاکہ شریعہ کمپلائنس ماحول کا جائزہ لے سکیں۔

شریعیہ کمپلائنس ڈپارٹمنٹ (SCD) نے دوران سال ملک بھر میں موجود برانچز اور ہیڈ آفس کے مختلف شعبوں/کاموں کا شرعی جائزہ لیا۔ شریعہ کمپلائنس ڈپارٹمنٹ (SCD) نے شریعہ ریویو بورڈ پورٹس، انٹرنل اور ایکسٹرنل شریعہ آڈٹ رپورٹس شریعہ بورڈ کو پیش کیں تاکہ شریعہ بورڈ کی رائے لے کر اصلاحی اقدامات کا تعین کیا جاسکے۔

اسلامک بینکنگ اسٹاف کی ٹریننگ:

یہ بات حوصلہ افزاء ہے کہ بینک کے لرننگ اینڈ ڈیولپمنٹ ڈپارٹمنٹ نے ہماری ہدایات کے مطابق اسلامک بینکنگ گروپ کے اسٹاف کیلئے اسلامک بینکنگ کی مختلف ٹریننگز کا انعقاد کرایا۔

بورڈ آف ڈائریکٹرز اور ایگزیکٹوز کی ٹریننگ

بینک کے لرننگ اینڈ ڈیولپمنٹ ڈپارٹمنٹ کی جانب سے بورڈ آف ڈائریکٹرز اور مینجمنٹ کمیٹی ممبرز کیلئے ریگولیٹری تقاضوں کے مطابق اسلامک بینکنگ سے متعلق سیشنز کا انعقاد کرایا گیا۔ یہ بات قابل مسرت ہے کہ بینک کی اعلیٰ انتظامیہ اسلامک بینکنگ کا دائرہ کار بڑھانے کے لئے کافی پراعتماد نظر آئی۔ ہمیں امید ہے کہ مستقل بنیادوں پر اس طرح کی ٹریننگز کا انعقاد ان کی معلومات میں مزید اضافہ کرے گا۔

خلاصہ:

وفاقاً قضا کے لئے انٹرنل شریعہ آڈٹ، ایکسٹرنل شریعہ آڈٹ اور مختلف شریعہ کمپلائنس ریویو رپورٹوں کی بنیاد پر اور ہماری بہترین معلومات کے مطابق ہم اس نتیجے پر پہنچے ہیں کہ:

(i) بینک، شریعہ بورڈ کی جانب سے جاری کردہ فتاویٰ، احکامات اور گائیڈ لائنز کی روشنی میں شرعی قوانین اور اصولوں کی پیروی کر رہا ہے۔

(ii) بینک، اسٹیٹ بینک آف پاکستان کے شریعہ بورڈ کے قوانین کے مطابق جاری کردہ شریعہ کمپلائنس سے متعلق احکامات، ریگولیشنز، ہدایات اور گائیڈ لائنز پر عمل پیرا ہے۔

(iii) بینک کے پاس شریعہ کمپلائنس ریویو اور انٹرنل شریعہ آڈٹ کی صورت میں ایک قابل اعتماد نظام موجود ہے جس کی بنیاد پر ممنوعہ یا غیر شرعی ذرائع سے حاصل ہونے والی آمدنی کی نشاندہی کی جاتی ہے۔

(iv) اس سال مختلف کسٹمرز نے لیٹ پیمنٹ کی مد میں مبلغ چودہ لاکھ سات ہزار پانچ سو اکیانوے روپے (-/1,407,591 روپے) بطور چیریٹی بینک کو دیئے گئے۔ چودہ لاکھ سات ہزار پانچ سو روپے (-/1,407,500) شریعہ بورڈ اور بورڈ آف ڈائریکٹرز کی منظور کردہ چیریٹی پالیسی کے مطابق خیراتی مقاصد میں خرچ کر دیئے گئے۔

(v) شریعہ کمپلائنس ریویو اور شریعہ آڈٹ رپورٹ کی بنیاد پر ہم نے نفع کی تقسیم کے طریقہ کار کو مجموعی طور پر شرعی اصول و ضوابط کے مطابق پایا۔

ہم دعا گو ہیں کہ اللہ تعالیٰ اسلامک بینکنگ کو مزید ترقی دے، اور ہمیں اپنی روزمرہ کی زندگی میں شریعت پر عمل پیرا ہونے کی توفیق دے اور ہماری کوتاہیوں سے درگزر کرے۔ آمین

واللہ اعلم بالصواب

”اللهم أرنا الحق حقاً وارزقنا اتباعه وأرنا الباطل باطلا وارزقنا اجتنابه“

مفتی احسان وقار احمد

چیئر مین شریعہ بورڈ

مفتی عابد شاہ

شرعیہ بورڈ ممبر

مفتی بلال احمد قاضی

شرعیہ بورڈ ممبر

مفتی محمد زاہد

ریزینڈنٹ شریعہ بورڈ ممبر

مفتی سمیع اللہ عارف

شرعیہ بورڈ ممبر

تاریخ: 31 جنوری 2024

شریہ بورڈ رپورٹ

برائے بورڈ آف ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والے مالی سال کیلئے

الحمد للہ یہ سویری بینک کی اسلامی کمرشل بینکنگ کا اٹھارہواں سال تھا۔ بورڈ آف ڈائریکٹرز اور اعلیٰ انتظامیہ اس بات کے یقینی اور حتمی ذمہ دار ہیں کہ مستقیم اسلامک بینکنگ، سویری بینک لمیٹڈ کے تمام معاملات ہمہ وقت شرعی اصولوں کے مطابق ہوں۔ البتہ ہم مستقیم اسلامک بینکنگ، سویری بینک لمیٹڈ کے معاملات کے شریعت کے مطابق ہونے کی مجموعی صورتحال پر رپورٹ پیش کرنا چاہتے ہیں۔

ریگولیٹری قوانین کی بنیاد پر بینک کے معاملات کے مجموعی طور پر شریعت کے مطابق ہونے پر رائے پیش کرنے کے لئے بینک کے شریعہ کمپلائنس ڈپارٹمنٹ (SCD) کو جانچ پڑتال کی بنیاد پر بینک کے ہر طرح کے لین دین سے متعلقہ دستاویزات اور عملی طریقہ کار کا جائزہ لینا ہوتا ہے، مزید برآں انٹرنل اور ایکسٹرنل شریعہ آڈٹ کی رپورٹ کو بھی اس رپورٹ کی بنیاد بنایا جاتا ہے۔

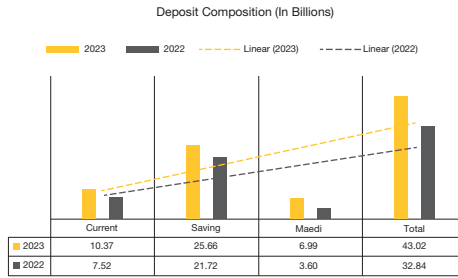
سال 2023 ملک کیلئے بہت بڑے چیلنجز لے کر آیا ہے، جن میں ڈالر کے کم ہوتے ڈالر، درآمدی پابندیاں، ایندھن کی بڑھتی ہوئی قیمتیں، بڑھتی ہوئی مہنگائی اور پالیسی ریٹ میں اضافہ شامل ہیں۔ ان مشکلات نے کاروبار اور لوگوں کی زندگیوں پر نمایاں اثر ڈالا ہے۔ تاہم، قابل غور بات یہ ہے کہ ہم ایک مضبوط معاشرہ ہیں اور اس طرح کے چیلنجز کا مقابلہ کرنے میں، ہم ایک قوم اور ایک بینک کے طور پر مسلسل مضبوط ہوئے ہیں۔

شریہ بورڈ یہاں مستقیم اسلامک بینکنگ، سویری بینک لمیٹڈ کے امور سے متعلق اپنی سالانہ شریعہ بورڈ رپورٹ پیش کرتا ہے:

31 دسمبر 2023 کو ختم ہونے والے سال کے دوران، مستقیم اسلامک بینکنگ، سویری بینک لمیٹڈ کے شریعہ بورڈ نے مختلف معاملات کا جائزہ لینے کیلئے چارٹریٹڈ منصفین، جن میں دیگر معاملات کے ساتھ ساتھ نئی پروڈکٹس اور خدمات، پروڈکٹس میں کی تبدیلیاں، نئے تصورات، ٹرانزیکشنز، عملی ڈھانچے، طریقہ کار اور وہ شرعی مسائل شامل تھے جو شریعہ بورڈ کو بھیجے گئے تھے۔ سہ ماہی شریعہ بورڈ میٹنگز کے علاوہ بھی شریعہ کمپلائنس ڈپارٹمنٹ شرعی رہنمائی کیلئے مستقل طور پر شریعہ بورڈ کے ساتھ مشاورت میں رہا۔

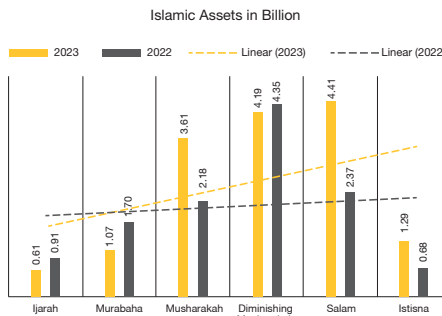
ڈپازٹ کی صورتحال:

یہ بات حوصلہ افزاء ہے کہ اسلامک بینکنگ ڈپازٹ میں 37% اضافہ ہوا۔ ڈپازٹ کا بڑا حصہ CASA پر مشتمل رہا، جو کل ڈپازٹ کا 84% رہا۔ جس کی جھلک مندرجہ ذیل چارٹ میں دیکھی جاسکتی ہے:



اٹاؤں کا جائزہ:

اٹاؤں کے پورٹ فولیو میں بھی 50% کا اضافہ دکھایا گیا ہے اور یہ 2022 کے مقابلے میں 18.35 بلین روپے پر کھڑا ہے۔ بینک کی اسلامی مالی اعانت کے لیے استعمال کیے جانے والے فنڈنگ کے اہم طریقوں میں Diminishing Musharakah (23%)، مراہقہ (6%)، سلم (24%)، رنگ مشارکہ (20%)، استصناع (7%) اور جارہ (3%) رہا۔ ہم امید کرتے ہیں کہ یہ رجحان اوپر کی سمت میں برقرار رہے گا جیسا کہ ٹریڈنڈ لائن میں دکھایا گیا ہے۔



شریہ کے کنٹرولز کو مضبوط کرنے کیلئے شریعہ کمپلائنس ڈپارٹمنٹ نے ریزیڈنٹ شریعہ بورڈ ممبر کی قیادت میں اپنا کردار ادا کیا اور اس سلسلے میں بزنس ٹیم کے ساتھ مل کر کنٹرولز کی کاروباری ضروریات اور بزنس ماڈل کو سمجھ کر ان کی بہتر سے بہتر شرعی طریقہ بتویل کی طرف رہنمائی کی۔

مزید برآں، شریعہ کمپلائنس کے معیار کو بہتر اور مضبوط بنانے کیلئے شریعہ کمپلائنس ڈپارٹمنٹ نے مختلف مواقع پر اسلامی فنڈنگ ٹرانزیکشنز کی آنکھیں بھی کیں۔

شریہ کمپلائنس:

بینک کے مجموعی شریعہ کمپلائنس کے ماحول کی تعمیر و ترقی میں بورڈ آف ڈائریکٹرز اور انتظامیہ کا عزم قابل تعریف ہے۔ بینک کے شریعہ کمپلائنس ڈپارٹمنٹ (SCD) نے اپنی ذمہ داریوں کی انجام دہی میں انتظامیہ کی جانب سے بھرپور تعاون محسوس کیا۔

شریہ کمپلائنس ڈپارٹمنٹ (SCD) بینک کے شریعہ کمپلائنس ماحول میں مسلسل بہتری لانے کی کوشش کرتا ہے۔ اس سلسلے میں SCD نے اسٹیٹ بینک آف پاکستان اور شریعہ بورڈ کی ہدایات کی تعمیل میں اسلامک بینکنگ ڈویژن اور رسک مینجمنٹ ڈپارٹمنٹ کے ساتھ مل کر بورڈ آف ڈائریکٹرز اور اس کی ذیلی کمیٹی کو شریعہ ناں کمپلائنس رسک کی نشاندہی اور پورنگ کا طریقہ کار وضع کرنے میں اپنا کردار ادا کیا۔ دوران سال ریزیڈنٹ شریعہ بورڈ ممبر (RSBM) نے مختلف شریعہ گائیڈ لائنز جاری کرنے میں شریعہ کمپلائنس ڈپارٹمنٹ (SCD) کے ساتھ تعاون کیا۔

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS 2019

YEAR ENDED 31 DECEMBER 2023

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

1. The total number of Directors is eight (8) including the President and Chief Executive Officer as per the following:

Male	07
Female	01

2. The composition of Board is as follows:

Category	Names
Independent Directors**	Mr. Jamil Hassan Hamdani Mr. Tariq Hafeez Malik Ms. Navin Salim Merchant
Non-Executive Directors	Mr. Alauddin J. Feerasta Mr. Nooruddin Feerasta Mr. Ahmed A. Feerasta Mr. Manzoor Ahmed (NIT Nominee)
Executive Directors*	Mr. Muhtashim Ahmad Ashai (President & Chief Executive Officer)
Female Independent Director	Ms. Navin Salim Merchant

* He is a deemed Director as per the criteria given under Clause 3 of Section 188 of the Companies Act, 2017 ("the Act").

**The Independent Directors meet the criteria of independence as laid down under Section 166 of the Act.

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including the 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 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 the minutes of the meeting of the Board.
8. The Board of Directors has a formal policy and transparent procedures for the remuneration of Directors in accordance with the Act and these Regulations.
9. As at 31 December 2023, the following Directors/Executives have acquired Directors' Training Certification:

a) Directors' Training

Name of Directors	Category	Directors' Training Program
Mr. Alauddin J. Feerasta	Chairman/Non-Executive Director	Certificate of Director Education conducted by Pakistan Institute of Corporate Governance ("PICG")
Mr. Ahmed A. Feerasta	Non-Executive Director	
Mr. Jamil Hassan Hamdani	Independent Director	
Mr. Manzoor Ahmed (Nominee NIT)	Non-Executive Director	
Mr. Tariq Hafeez Malik	Independent Director	Certificate in Company Direction by Institute of Directors, UK
Ms. Navin Salim Merchant	Independent Director	Directors' Training Program conducted by the Institute of Business Administration ("IBA")



Further, a Director namely, Mr. Nooruddin Feerasta duly comply with the exemption criteria provided under Clause 2 of Regulation 19 of Listed Companies (Code of Corporate Governance) Regulation, 2019.

Additionally, our Directors have also attended various workshops, seminars and courses Mr. Alauddin J. Feerasta, Chairman, Mr. Nooruddin Feerasta and Mr. Manzoor Ahmed, Directors had participated in a three days' workshop on "Corporate Governance & Duties Excellence" held in Malaysia.

b) Executives' Training

Names of Executives	Designation	Directors' Training Program
Mr. Muhtashim Ahmad Ashai	President & CEO	Directors' Training Program by ICAP
Mr. Amin A. Feerasta	Deputy CEO	Certificate of Director Education by PICG
Mr. Muhammad Altaf Butt	Company Secretary	Certificate in Company Direction (International) by Institute of Directors, UK

10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with the 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 as given below:

a) Audit Committee of the Board

Names of Directors	Position
Mr. Jamil Hassan Hamdani	Chairman
Mr. Nooruddin Feerasta	Member
Mr. Tariq Hafeez Malik	Member
Ms. Navin Salim Merchant	Member

b) Credit Committee of the Board

Names of Directors	Position
Mr. Nooruddin Feerasta	Chairman
Mr. Alauddin Feerasta	Member
Mr. Muhtashim Ahmad Ashai	Member
Mr. Ahmed A. Feerasta	Member
Mr. Manzoor Ahmed	Member

c) Human Resource and Remuneration Committee of the Board*

Names of Directors	Position
Mr. Manzoor Ahmed	Chairman
Mr. Jamil Hassan Hamdani	Member
Ms. Navin Salim Merchant	Member

*The committee has majority of independent directors, however considering extensive experience of a Non-Executive Director related to Human Resource and Remuneration matters, Non-Executive director has been appointed as Chairman, which is also in line with the revised Guidelines on Remuneration Practices 2017 issued by the State Bank of Pakistan.

d) Risk & Compliance Committee of the Board

Names of Directors	Position
Mr. Manzoor Ahmed	Chairman
Mr. Muhtashim Ahmad Ashai	Member
Mr. Jamil Hassan Hamdani	Member
Mr. Ahmed A. Feerasta	Member



e) Committee of Independent Directors of the Board

Names of Directors	Position
Ms. Navin Salim Merchant	Chairperson
Mr. Jamil Hassan Hamdani	Member
Mr. Tariq Hafeez Malik	Member

f) IT Committee of the Board

Names of Directors	Position
Mr. Ahmed A. Feerasta	Chairman
Mr. Manzoor Ahmed	Member
Mr. Muhtashim Ahmad Ashai	Member
Mr. Tariq Hafeez Malik	Member

g) Cost Rationalisation Committee of the Board

Names of Directors	Position
Mr. Jamil Hassan Hamdani	Chairman
Mr. Nooruddin Feerasta	Member
Mr. Ahmed Feerasta	Member
Mr. Manzoor Ahmed	Member

*Cost Rationalization Committee (CRC) was a specific purpose committee, which upon achieving its assigned task in line with their TORs has been dissolved by the Board in its 198th meeting held on 27 April 2023

13. The Terms of Reference of the aforesaid Committees have been formed, documented, and advised to the Committees for compliance.
14. The frequency of the meetings (quarterly/half yearly/yearly) of the Committees were as per the following:

Board's Committees	Frequency
Audit Committee	At least once every quarter of the financial year
Credit Committee	
Human Resource & Remuneration Committee	
Risk & Compliance Committee	
IT Committee	
Committee of Independent Directors	Once every financial year
Cost Rationalisation Committee	As and when deemed necessary (special purpose committee)

15. The Board has set up an effective Internal Audit Function, which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.
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 the International Federation of Accountants' (IFAC) guidelines on the 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, dependant and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Bank.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except, in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all the requirements of regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with.

Regulation No.7A as notified vide S.R.O.906(I)/2023 dated 07 July 2023 was not applicable on the Bank, since election of the Directors has already held in our 31st AGM convened on 27 March 2023.

MUHTASHIM AHMAD ASHAI
President & Chief Executive Officer

ALAUDDIN J. FEERASTA
Chairman

Lahore: 31 January 2024

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS



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 Soneri Bank Limited ('the Bank') for the year ended 31 December 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance.

Reference to the statement of Compliance	Description
12 (c)	Based on the extensive experience of Non-Executive Director related to Human Resource and Remuneration matters, Non-Executive Director has been appointed as Chairman of the Human Resource and Remuneration Committee who is not an Independent Director, as required under the regulations.

KPMG Taseer Hadi & Co.
Chartered Accountants
Karachi: 12 February 2024

UDIN: CR202310188EjJnI4PDm

STATEMENT OF INTERNAL CONTROLS

YEAR ENDED 31 DECEMBER 2023



This Statement of Internal Control is based on an ongoing process designed to:

- Identify the significant risks in achieving the bank's policies, aims and objectives.
- Evaluate the nature and extent of those risks.
- Manage these risks efficiently, effectively and economically.

This process was in place for the year ended December 31, 2023.

The Board of Directors have instituted an effective Internal Audit Division which not only monitors compliance with the bank's policies, procedures and controls and reports significant deviations regularly to the Board Audit Committee but also regularly reviews the adequacy of the overall Internal Control system. The observations and weaknesses pointed out by the external auditors are also addressed promptly and necessary steps are taken by the management to eliminate such weaknesses.

It is the responsibility of the bank's management to establish and maintain an adequate and effective system of internal control, to implement sound control procedures and to maintain a suitable control environment. In order to ensure implementation as well as to minimize various regulatory, reputational and compliance risks, the management conducts on site monitoring of branches through periodical visits and Off-Site monitoring through various automated tools such as SAS AML, World Check and Safe Watch Filtration system by Compliance Control & Investigation Group.

The Bank has adopted the internationally accepted COSO (Committee of Sponsoring Organizations of Treadway Commission) Internal Control-Integrated Framework. A reputable advisory firm had been appointed to provide services on implementation of SBP guidelines on Internal Controls over Financial Reporting (ICFR) in the prior years. To further strengthen controls, enhanced governance and monitoring, the management had constituted an Internal Control Unit which is also an integral part of Compliance Control & Investigation Group of the Bank.

In order to ensure consistency in the process of compliance with the relevant guidelines the Bank followed a structured roadmap. Accordingly, the Bank had completed a detailed documentation of the existing processes and controls, together with a comprehensive gap analysis of designed controls and developed remediation plans for the gaps in the Year 2010.

Furthermore, the bank has developed a comprehensive management testing and reporting framework for ensuring ongoing operating effectiveness of majority of key controls and has significantly addressed the design improvement opportunities identified to complete the project related initiatives.

While concerted efforts have always been made to comply with the SBP Guidelines issued, the identification, evaluation, and management of risks within each of the Bank's key activities, and their continued evaluation and changes to procedure remains an ongoing process.

In accordance with SBP directives, the Bank had completed all the stages of ICFR and upon satisfactory completion of ICFR roadmap, the SBP granted waiver from the submission of external auditor Long Form Reports effective 2012.

For the Year 2023, the Bank has also successfully completed the cycle of SBP's Internal Control over Financial Reporting roadmap. As per SBP BSD-1 Circular Letter No. 01 of 2021 of July 06, 2021, the banks which have completed all the stages of ICFR roadmap will continue to prepare Annual Assessment Report but they are allowed to discontinue its yearly submission to SBP. However, as part of SBP supervisory assessments, these reports may be required by SBP for evaluation purposes. Accordingly, the bank will prepare aforementioned Report for the Year 2023 and the same will be presented to Board Audit Committee during the year 2024.

MUHTASHIM AHMAD ASHAI

President & Chief Executive Officer

Lahore: 31 January 2024

REPORT OF AUDIT COMMITTEE



The Audit Committee of the Board comprises four non-executive members including three independent directors, one being the Chairman of the Audit Committee. The members of the Audit Committee bring years of diversified rich experience in senior management positions and strategic roles in commercial banking, investment banking, manufacturing, insurance, and leasing sectors.

The following are the members of the Audit Committee:

- | | | | |
|----|--------------------------|----------|--------------------------|
| 1. | Mr. Jamil Hassan Hamdani | Chairman | (Independent Director) |
| 2. | Mr. Nooruddin Feerasta | Member | (Non-Executive Director) |
| 3. | Mr. Tariq Hafeez Malik | Member | (Independent Director) |
| 4. | Ms. Navin Salim Merchant | Member | (Independent Director) |

During the year under review, the Audit Committee diligently performed its duties and responsibilities in accordance with the Charter of the Committee approved by the Board of Directors, while remaining compliant with the requirements of the Code of Corporate Governance and Prudential Regulations issued by State Bank of Pakistan ("SBP").

The Committee consistently emphasises the strengthening of internal controls and risk management and also oversees the functions of the Internal Audit & Risk Asset Review Group (IA & RARG) and ensures that it has adequate physical, financial, technological, and operational resources along with appropriate human resources who have the required skill-sets, expertise, and training necessary to perform their responsibilities independently and objectively.

The Head IA & RARG reports directly to the Audit Committee. He assists the Audit Committee and the Board of Directors in the discharge of their responsibilities in respect of Internal Control Systems. He periodically reviews, assesses the adequacy and monitors the ongoing effectiveness of the control systems.

The Audit Committee is actively engaged in reviewing the Annual/Half yearly/Quarterly financial statements and internal audit activities, in accordance with the Companies Act, 2017, Code of Corporate Governance Regulation and Committee Charter.

The Audit Committee also recommends the scope and appointment of external auditors, including the finalisation of audit and other fees. The Audit Committee evaluates the qualifications, performance, and independence of the external auditors. In doing so, the Audit Committee considers the quality and efficiency of the services provided by the external auditors, the external auditors' capabilities, technical expertise, and knowledge of the Bank's operations and industry. The Audit Committee ensures compliance with the relevant regulations in regard to the tenor of external auditors and provisions of non-audit services by external auditors to ensure the independence and objectivity of the external auditors.

The Audit Committee recommended to the Board of Directors the appointment of M/s A F. Ferguson & Co. Chartered Accountant, as the statutory auditors of the Bank for the year ending 31 December 2024 for the 1st term, subject to the approval of the Bank's Shareholders in the forthcoming Annual General Meeting.

The Committee's Performance for the year 2023 was assessed internally, and given a "Satisfactory" rating.



REACHING NEW HEIGHTS THROUGH COLLABORATION

STAKEHOLDERS INFORMATION

In the spirit of teamwork, we view our stakeholders as fellow climbers on the challenging ascent towards success. Our commitment to sustainability is akin to carefully navigating a complex mountain terrain, involving proactive dialogue and strategic consultation. By exchanging information and insights, we, as a Bank, ensure that we tread a path that benefits everyone, much like mountaineers working together to reach the summit.

Disteghil Sar at 7,885 meters is the highest mountain in the Hispar Muztagh, a subrange of the Karakoram mountain range, Pakistan.

DEPOSITS
Rs. BILLION **517.87**

CAPITAL
ADEQUACY
RATIO **18.44%**

ON TOP OF OUR GAME

KEY FINANCIAL HIGHLIGHTS

Just as intrepid climbers forge paths to conquer towering peaks, we exhibit a natural talent for propelling our objectives to new heights through exceptional leadership, unwavering skill, and heightened awareness. Our profound financial expertise, akin to the knowledge gained from navigating challenging mountain terrain, grants us a competitive advantage, ensuring we maintain our preeminent position in the field.

TRADE
VOLUMES
Rs. BILLION **904.48**

NUMBER OF
BRANCHES **443**

ADVANCES TO
DEPOSITS
RATIO **41.36%**

SHAREHOLDERS'
EQUITY
Rs. BILLION **28.61**

EARNINGS
PER SHARE
Rupees **5.51**

PROFIT
BEFORE
TAXATION
Rs. BILLION **12.36**

TOTAL
ASSETS
Rs. BILLION **658.56**

Koyo Zom, at 6,872 meters, is the highest peak in the Hindu Raj range, positioned between the Hindu Kush in the west and the Karakoram in the east.

KEY PERFORMANCE INDICATORS



		2023	2022	Variance Compared to 2022	
				Amount	%
Financial					
Investment-Gross	Rs. In Million	310,530	258,099	52,431	20%
Advances-Gross	"	214,210	215,774	(1,564)	-1%
Total Assets	"	658,562	579,760	78,802	14%
Deposits	"	517,869	409,643	108,226	26%
Shareholders' Equity / Net Assets	"	28,613	21,147	7,466	35%
Net Interest Income	"	22,758	11,267	11,491	102%
Non Interest Income	"	6,459	5,157	1,302	25%
Gross Income	"	29,217	16,424	12,793	78%
Profit before provisions	"	13,746	4,179	9,567	229%
Provisions / (reversal) and write-offs - net	"	1,389	(375)	1,764	-470%
Profit Before Taxation	"	12,357	4,554	7,803	171%
Profit After Taxation	"	6,075	1,883	4,192	223%
Trade Volumes	"	904,484	686,944	217,540	32%
Non Financial					
No. of customers	Absolute	683,780	603,722	80,058	13%
No. of new branches opened	"	40	40	-	0%
No. of branches closed	"	-	4	(4)	-100%
No. of new accounts opened	"	129,726	89,499	40,227	45%
No of debit cards issued	"	140,567	107,724	32,843	30%
No of permanent employees	"	4,170	3,518	652	19%
No of virtual / mobile banking customers	"	222,569	154,453	68,116	44%
Key Financial Ratios					
Earnings Per Share	Rs.	5.51	1.71		
Book Value Per Share	"	25.95	19.18		
Share Price	"	10.50	10.00		
Market Capitalization	Rs. In Million	11,576	11,025		
Price Earning Ratio	Times	1.91	5.86		
Return on Equity	%	24.42%	8.80%		
Return on Assets	%	0.98%	0.32%		
Gross Advances to deposit ratio	%	41.36%	52.67%		
Capital Adequacy Ratio	%	18.44%	15.19%		

SIX YEARS'

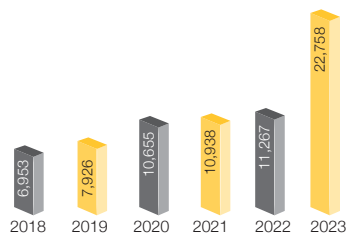
FINANCIAL SUMMARY 2018-2023



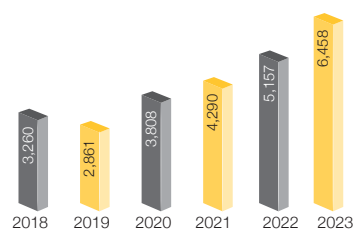
(Rs. In Millions)

	2023	2022	2021	2020	2019	2018
Profit & loss account						
Mark-up / Return / Interest Earned	98,033	63,057	37,133	42,228	38,790	21,600
Mark-up / Return / Non Interest Expensed	75,275	51,790	26,196	31,573	30,864	14,647
Fund based Income	22,758	11,267	10,938	10,655	7,926	6,953
Fee, Commission and exchange Income	6,200	5,322	3,235	2,812	3,016	2,694
Dividend Income and Capital Gain	166	(254)	714	953	(192)	519
Other income	93	89	341	43	37	47
Non Interest Income	6,458	5,157	4,290	3,808	2,861	3,260
Total Income	29,217	16,424	15,228	14,463	10,787	10,213
Non mark-up / interest expenses	15,471	12,245	10,191	9,026	8,129	7,380
Profit before tax and provisions	13,746	4,179	5,037	5,437	2,658	2,833
Provisions / (reversal) and write-offs - net	1,389	(375)	(112)	1,402	(589)	(71)
Profit before tax	12,357	4,554	5,149	4,035	3,247	2,904
Profit after tax	6,075	1,883	2,854	2,400	1,906	1,784
Cash Dividend paid	-	1,102	1,654	1,378	1,102	1,102

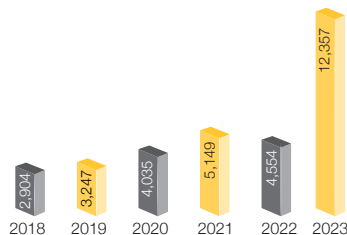
FUND BASED INCOME
(Rs. in Millions)



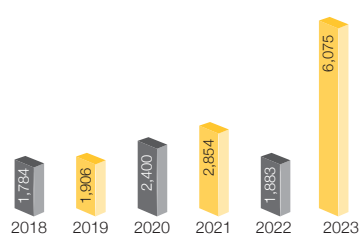
NON-MARK-UP INCOME
(Rs. in Millions)



PROFIT BEFORE TAX
(Rs. in Millions)



PROFIT AFTER TAX
(Rs. in Millions)



SIX YEARS'

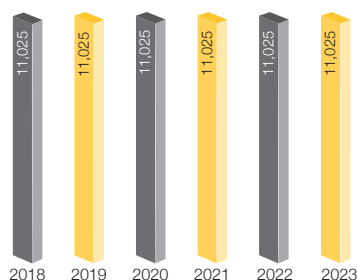
FINANCIAL SUMMARY 2018-2023



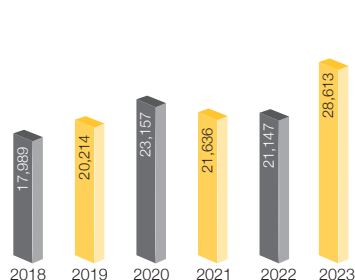
(Rs. In Millions)

	2023	2022	2021	2020	2019	2018
Statement of Financial Position						
Paid up Capital	11,025	11,025	11,025	11,025	11,025	11,025
Reserves	5,133	3,918	3,541	2,970	2,490	2,109
Surplus / (deficit) on revaluation of assets	1,661	(784)	(12)	3,471	1,894	543
Unappropriate Profit	10,794	6,988	7,082	5,691	4,805	4,312
Shareholders' Equity / Net Assets	28,613	21,147	21,636	23,157	20,214	17,989
Total Assets	658,562	579,760	579,489	485,345	442,541	382,498
Earning Assets	516,095	518,780	515,033	423,456	383,160	337,042
Gross Advances	214,210	215,774	173,442	172,693	212,516	194,831
Advances-Net of Provisions	205,754	208,434	165,495	164,545	204,901	186,475
Non-Performing Loans (NPLS)	10,497	10,169	10,314	10,785	10,903	11,357
Investments	310,341	258,007	327,425	249,956	177,056	146,646
Total Liabilities	629,949	558,614	557,853	462,188	422,327	364,509
Deposits and other accounts	517,869	409,643	403,037	345,499	302,083	262,379
Current and Saving deposits (CASA)	410,238	324,404	281,311	237,198	191,110	159,404
Borrowings	68,742	115,728	124,585	87,021	95,705	81,963
Interest bearing liabilities	437,068	399,291	425,121	347,743	330,739	285,135
Contingencies and Commitments	269,273	183,407	228,145	174,804	244,866	200,522

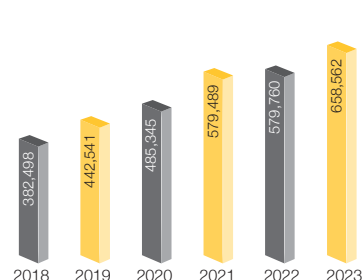
PAID UP CAPITAL
(Rs. in Millions)



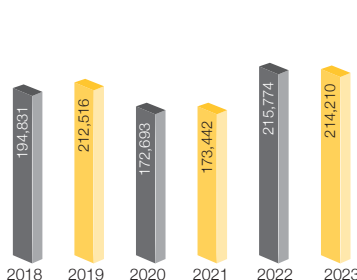
SHAREHOLDERS' EQUITY
(Rs. in Millions)



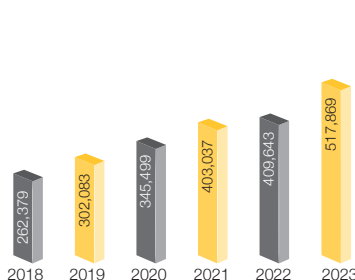
TOTAL ASSETS
(Rs. in Millions)



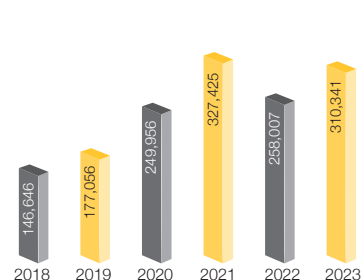
GROSS ADVANCES
(Rs. in Millions)



DEPOSITS
(Rs. in Millions)



INVESTMENTS
(Rs. in Millions)



SIX YEARS'

FINANCIAL SUMMARY 2018-2023



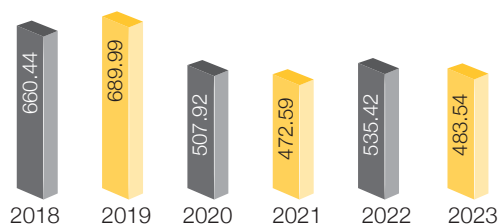
		2023	2022	2021	2020	2019	2018
FINANCIAL RATIOS							
Profit before tax ratio (PBT/total income)	%	42.29%	27.73%	33.81%	27.90%	30.09%	28.43%
Gross Spread (NIM/Interest Income)	"	23.21%	17.87%	29.45%	25.23%	20.43%	32.19%
Non interest income to total income	"	22.10%	31.40%	28.17%	26.33%	26.52%	31.92%
Income /expense ratio (excluding provisions)	Times	1.89	1.34	1.49	1.60	1.33	1.38
Return on average equity (ROE) (including surplus)	%	24.42%	8.80%	12.74%	11.07%	9.98%	9.78%
Return on average assets (ROA)	"	0.98%	0.32%	0.54%	0.52%	0.46%	0.50%
Earning Per Share (EPS before tax)	Rs.	11.21	4.13	4.67	3.66	2.94	2.63
Earning Per Share (EPS after tax)	Rs.	5.51	1.71	2.59	2.18	1.73	1.62
Gross Advances to deposit ratio	%	41.36%	52.67%	43.03%	49.98%	70.35%	74.26%
Net Advances to deposit ratio	"	39.73%	50.88%	41.06%	47.63%	67.83%	71.07%
Break up value per share (net assets based)	"	25.95	19.18	19.62	21.00	18.33	16.32
Earning Assets to total assets	%	78.37%	89.48%	88.88%	87.25%	86.58%	88.12%
Earning assets to interest bearing liabilities	Times	1.18	1.30	1.21	1.22	1.16	1.18
Weighted average cost of deposits	%	13.00%	10.06%	6.15%	5.21%	9.37%	6.12%
CASA to total deposits	"	79.22%	79.19%	69.80%	68.65%	63.26%	60.75%
NPLs to total advances ratio	"	4.90%	4.71%	5.95%	6.25%	5.13%	5.83%
Coverage ratio (Specific Provisions/NPLs)	"	80.00%	71.61%	76.51%	75.17%	69.46%	73.21%
Assets to Equity	Times	23.02	27.42	26.78	20.96	21.89	21.26
Total assets per share	Times	597.34	525.86	525.61	440.22	401.40	346.94
Deposits to shareholders' equity	Times	18.10	19.37	18.63	14.92	14.94	14.58
Risk Adequacy							
Tier I Capital	Rs. in Million	30,159	24,925	22,434	22,845	21,152	18,442
Risk Weighted Assets (RWA)	"	194,171	192,699	183,399	161,785	157,799	159,389
Tier I to RWA	%	15.53%	12.93%	12.23%	14.12%	13.40%	11.57%
Capital Adequacy Ratio	"	18.44%	15.19%	13.82%	16.97%	15.79%	14.70%
Net Return on Average RWA	"	3.14%	1.00%	1.65%	1.50%	1.20%	1.11%
Stock Dividend -%							
Cash dividend per share	%	30.00%*	10.00%	15.00%	12.50%	10.00%	10.00%
Bonus Shares Issued	%	-	-	-	-	-	-
Share Information							
Market Value per share-31 Dec	Rs.	10.50	10.00	9.71	9.95	9.85	12.67
- High during the year	"	11.70	11.00	11.00	13.80	13.24	14.40
- Low during the year	"	8.14	8.50	8.40	7.76	9.01	11.76
Market Capitalization	Rs. in Million	11,576	11,025	10,705	10,970	10,859	13,968
Price to book value (net assets based)		0.40	0.52	0.49	0.47	0.54	0.78
Price to Earning Ratio	Times	1.91	5.86	3.75	4.57	5.70	7.83
Industry Share							
Deposits	%	1.86%	1.82%	1.92%	1.93%	2.06%	1.86%
Advances	"	1.73%	1.81%	1.71%	1.94%	2.51%	2.36%
Non Financial Information							
No of branches	Absolute	443	403	367	340	308	295
No of permanent employees	"	4,170	3,518	3,290	3,097	3,026	2,823
ATMs	"	467	378	351	338	323	316

* Subject to shareholders' approval in the forthcoming AGM

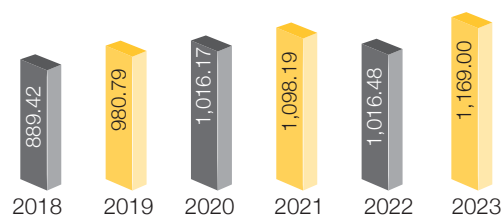


PER BRANCH PERFORMANCE

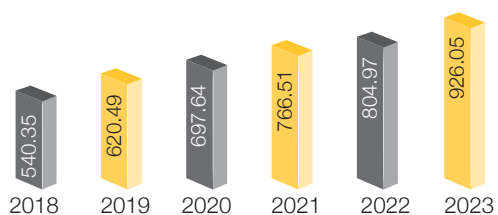
GROSS ADVANCES
(Rs. in Millions)



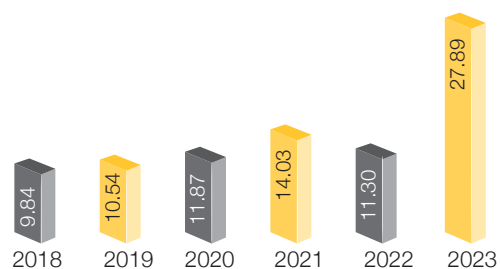
DEPOSITS
(Rs. in Millions)



CASA
(Rs. in Millions)



PROFIT BEFORE TAX
(Rs. in Millions)



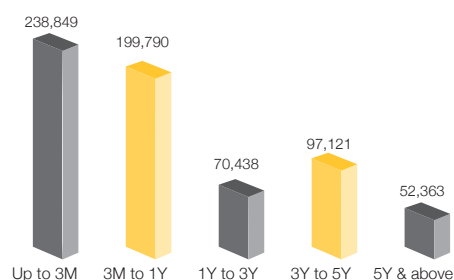
MATURITIES OF ASSETS AND LIABILITIES

31 DECEMBER 2023 (CONTRACTUAL)

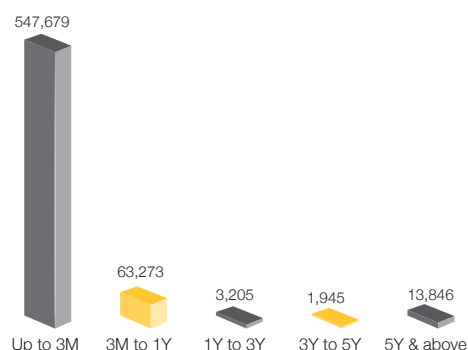


	Total	Up to 3M	3M to 1Y	1Y to 3Y	3Y to 5Y	5Y & above
----- (Rupees in Millions) -----						
Assets						
Cash and balances with treasury banks	44,207	44,207	-	-	-	-
Balances with other banks	1,459	1,459	-	-	-	-
Lending to financial institutions	-	-	-	-	-	-
Investments - net	310,341	459	165,578	57,689	78,349	8,266
Advances - net	205,754	116,111	29,596	9,374	16,252	34,421
Fixed assets	17,195	457	2,813	3,265	2,486	8,174
Intangible assets	206	36	88	82	-	-
Deferred tax assets	-	-	-	-	-	-
Other assets - net	79,399	76,120	1,715	28	34	1,502
	658,561	238,849	199,790	70,438	97,121	52,363
Liabilities						
Bills payable	8,738	8,738	-	-	-	-
Borrowings	68,742	56,284	7,015	527	533	4,383
Deposits and other accounts	517,869	464,392	52,224	1,076	177	-
Sub-ordinated loans	7,998	-	2	3	3	7,990
Deferred tax liabilities - net	889	-	889	-	-	-
Other liabilities	25,712	18,265	3,143	1,599	1,232	1,473
	629,948	547,679	63,273	3,205	1,945	13,846

ASSETS
(Rs. in Millions)



LIABILITIES
(Rs. in Millions)



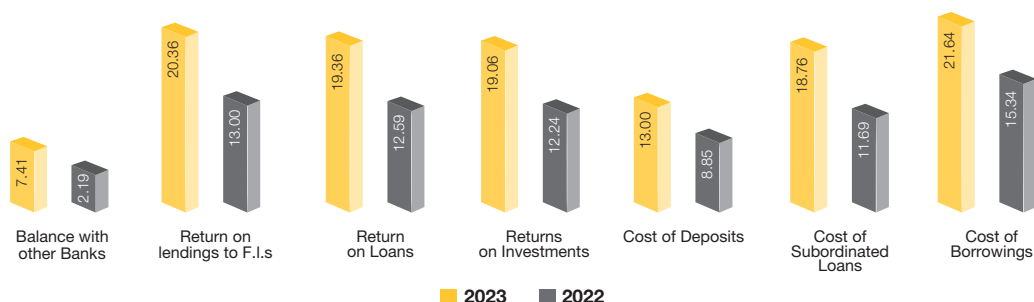
KEY INTEREST BEARING ASSETS AND LIABILITIES



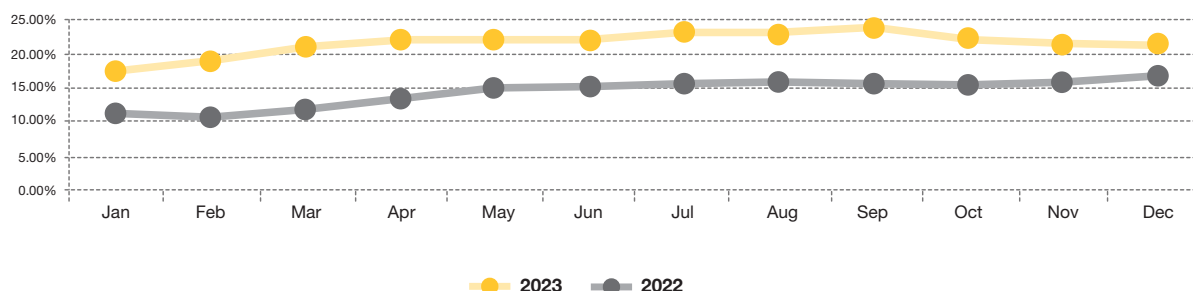
	2023			2022		
	Avg. Vol. (Rs. in Millions)	Effective Interest Rate %	Interest (Rs. in Millions)	Avg. Vol. (Rs. in Millions)	Effective Interest Rate %	Interest (Rs. in Millions)
Interest Bearing Assets						
Balance with other Banks	1,781	7.41	228	2,034	2.19	45
Lending to Financial Institutions	14,660	20.36	2,985	14,852	13.00	1,931
Advances (excluding NPLs)	176,676	19.36	34,211	191,209	12.59	24,076
Investments (excluding equity investments)	318,067	19.06	60,609	302,330	12.24	37,005
Interest Bearing Liabilities						
Deposits and other accounts	452,084	13.00	58,766	395,193	8.85	34,963
Sub-ordinated loan	8,000	21.64	1,731	6,959	15.34	1,068
Borrowings*	75,329	18.76	14,129	131,047	11.69	15,316

* Includes FCY swap cost

EFFECTIVE INTEREST RATE ON ASSETS AND LIABILITIES



KIBOR-6 MONTHS



STATEMENT OF VALUE ADDITION



Value added

Net Interest Income	22,758
Non interest income	6,458
Non-markup expenses excluding staff costs, depreciation, amortization, donation and WWF	(8,405)
(Provision) / reversal and write off against advances, investments & others	(1,389)

Value added available for distribution

To employees

- Salaries, allowances and other benefits

To Government

- Income tax
- Worker Welfare fund

To providers of capital

- Cash Dividends*

To Society

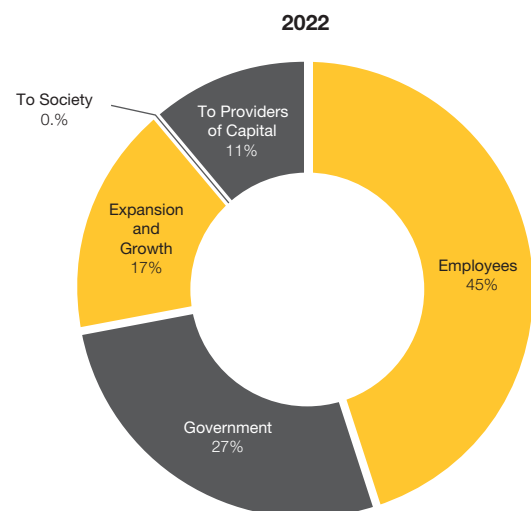
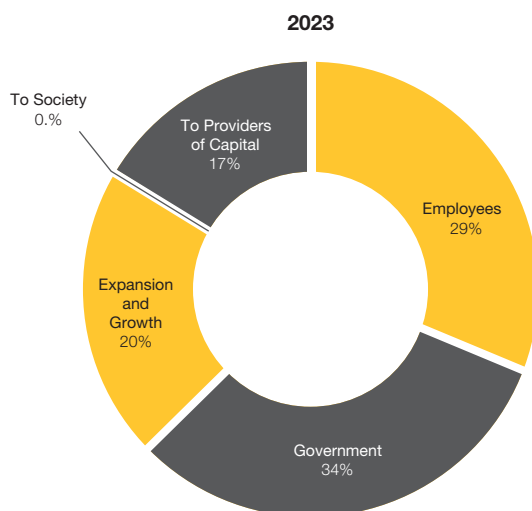
- Donations

To expansion and growth

- Depreciation on Fixed Assets
- Amortization
- Retained in business

2023		2022	
(Rs. in Millions)	%	(Rs. in Millions)	%
22,758		11,267	
6,458		5,157	
(8,405)		(6,425)	
(1,389)		375	
<u>19,423</u>		<u>10,374</u>	
5,678	29%	4,674	45%
6,281	33%	2,671	26%
252	1%	99	1%
3,306	17%	1,102	11%
51	0%	46	0%
886	5%	743	7%
199	1%	258	2%
2,770	14%	782	8%
<u>19,423</u>	<u>100%</u>	<u>10,374</u>	<u>100%</u>

* Subject to shareholders' approval in the forthcoming AGM



QUARTERLY PERFORMANCE

2023 & 2022 (Rupees in Million)



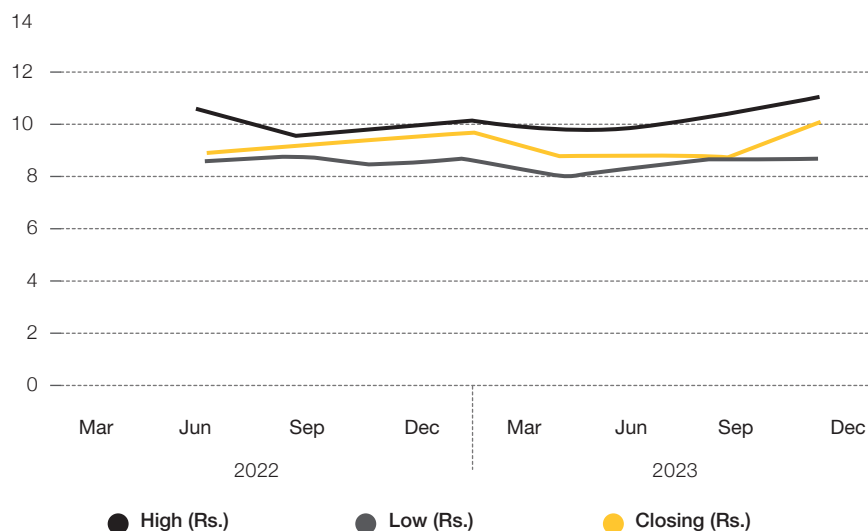
Profit & Loss Account	2023				2022			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Interest / Return / Non Interest Income								
Mark-up / Return / Interest Earned	28,489	25,917	23,926	19,701	18,050	17,743	14,893	12,371
Mark-up / Return / Interest Expensed	(21,831)	(19,941)	(18,641)	(14,862)	(14,542)	(15,184)	(12,572)	(9,492)
Net Mark-up Interest Income	6,658	5,976	5,285	4,839	3,508	2,559	2,321	2,879
Non-mark-up / interest income	1,798	1,772	1,118	1,770	1,090	2,163	1,063	841
Non-mark-up / interest expenses	(4,466)	(3,948)	(3,560)	(3,497)	(3,242)	(3,270)	(2,942)	(2,791)
(Provisions) / reversals and write offs	(72)	(570)	(330)	(417)	(150)	32	504	(11)
Profit before taxation	3,918	3,230	2,513	2,695	1,206	1,484	946	918
Taxation	(1,988)	(1,612)	(1,475)	(1,206)	(618)	(734)	(944)	(375)
Profit after taxation	1,930	1,618	1,038	1,489	588	750	2	543
Statement of Financial Position								
ASSETS								
Cash and balances with treasury	44,207	48,392	41,372	34,562	27,420	35,936	39,283	31,105
Balances with other banks	1,459	1,632	5,275	3,220	1,939	3,717	1,712	1,270
Lending to financial institutions	-	15,834	4,876	51,848	52,339	23,676	29,494	32,100
Investment-net	310,341	349,158	287,031	302,066	258,007	274,298	300,903	361,067
Advances-net	205,754	182,752	185,908	173,798	208,434	194,752	201,400	160,827
Fixed assets	17,195	15,254	14,395	13,231	12,593	11,461	11,676	11,535
Intangible assets	206	240	258	271	328	383	352	400
Deferred tax assets	-	540	1,396	1,672	891	463	907	325
Other assets	79,399	29,977	31,586	18,252	17,810	20,300	21,572	17,373
Total Assets	658,561	643,779	572,097	598,920	579,761	564,986	607,299	616,002
Liabilities								
Bills payable	8,738	7,116	8,658	6,951	7,386	4,852	8,525	7,303
Borrowings	68,742	63,858	30,225	100,300	115,728	78,442	106,643	205,666
Deposits and other accounts	517,869	510,478	474,143	443,004	409,643	434,017	445,864	360,034
Sub-ordinated loans	7,998	7,999	7,999	8,000	8,000	6,992	6,992	6,992
Deferred tax liabilities -net	889	-	-	-	-	-	-	-
Other liabilities	25,712	29,357	28,606	20,045	17,857	19,616	19,595	15,669
Total Liabilities	629,948	618,808	549,631	578,300	558,614	543,919	587,619	595,664
Equity								
Share Capital	11,025	11,025	11,025	11,025	11,025	11,025	11,025	11,025
Reserves	5,133	4,747	4,423	4,216	3,918	3,800	3,650	3,650
Un-appropriated profit	10,794	9,263	7,950	7,098	6,988	6,528	5,907	5,885
Surplus on revaluation of assets	1,661	(64)	(932)	(1,719)	(784)	(286)	(902)	(222)
Total Equity	28,613	24,971	22,466	20,620	21,147	21,067	19,680	20,338

MARKET STATISTICS OF SNBL SHARES

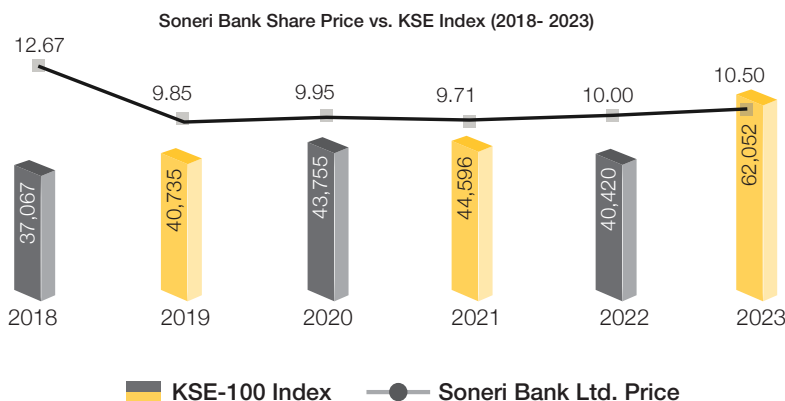


Year	Market Share Price Trend			
	Quarter end	High (Rs.)	Low (Rs.)	Closing (Rs.)
2022	March	11.00	8.70	9.15
	June	9.90	8.99	9.45
	September	10.11	8.50	9.80
	December	10.50	8.90	10.00
2023	March	10.10	8.14	9.00
	June	10.38	8.51	9.10
	September	10.88	8.94	8.96
	December	11.70	8.80	10.50

Market Share Price Trend



Historical Trend vs. KSE Index
(2018-2023)



Year ended	2018	2019	2020	2021	2022	2023
Share Price (Rs.)	12.67	9.85	9.95	9.71	10.00	10.50
KSE-100TM Index	37,067	40,735	43,755	44,596	40,420	62,052

SIX YEARS' VERTICAL ANALYSIS

STATEMENT OF FINANCIAL POSITION / PROFIT & LOSS



	2023		2022		2021		2020		2019		2018	
Statement of Financial Position	Rs. in Mln	%	Rs. in Mln	%	Rs. in Mln	%	Rs. in Mln	%	Rs. in Mln	%	Rs. in Mln	%
Assets												
Cash and balances with treasury banks	44,207	7%	27,420	5%	35,197	6%	29,964	6%	33,961	8%	26,020	7%
Balances with other banks	1,459	0%	1,939	0%	2,427	0%	4,268	1%	2,075	0%	1,180	0%
Lending to financial institutions	-	0%	52,339	9%	22,113	4%	8,956	2%	1,202	0%	3,921	1%
Investment-net	310,341	47%	258,007	45%	327,425	57%	249,956	52%	177,056	41%	146,646	38%
Advances-net	205,754	31%	208,434	36%	165,495	29%	164,545	34%	204,901	46%	186,475	49%
Fixed assets	17,195	3%	12,593	2%	11,145	2%	11,911	2%	8,329	2%	6,239	2%
Intangible assets	206	0%	328	0%	433	0%	408	0%	467	0%	454	0%
Deferred tax assets-net	-	0%	891	0%	178	0%	-	-	-	-	-	-
Other assets	79,399	12%	17,810	3%	15,076	3%	15,337	3%	14,550	3%	11,563	3%
Total Assets	658,561	100%	579,761	100%	579,489	100%	485,345	100%	442,541	100%	382,498	100%
Liabilities and Equity												
Bills payable	8,738	1%	7,386	1%	6,901	1%	6,708	1%	3,961	1%	3,994	1%
Borrowings	68,742	10%	115,728	20%	124,585	21%	87,020	18%	95,705	22%	81,963	21%
Deposits and other accounts	517,869	79%	409,643	71%	403,037	70%	345,499	71%	302,083	67%	262,379	69%
Subordinated debt	7,998	1%	8,000	1%	6,993	1%	6,994	1%	6,995	2%	6,996	2%
Deferred tax liabilities-net	889	0%	-	0%	-	0%	1,533	0%	951	0%	120	0%
Other liabilities	25,712	5%	17,857	3%	16,337	3%	14,434	3%	12,632	3%	9,057	2%
Total Liabilities	629,948	96%	558,614	96%	557,853	96%	462,188	95%	422,327	95%	364,509	95%
Net Assets	28,613	4%	21,147	4%	21,636	4%	23,157	5%	20,214	5%	17,989	5%
Represented by												
Share Capital	11,025	2%	11,025	2%	11,025	2%	11,025	2%	11,025	2%	11,025	3%
Reserves	5,133	1%	3,918	1%	3,541	1%	2,970	1%	2,490	1%	2,109	1%
Surplus / (Deficit) on revaluation of assets	1,661	0%	(784)	0%	(12)	0%	3,471	1%	1,894	0%	543	0%
Un-appropriated profit	10,794	2%	6,988	1%	7,082	1%	5,691	2%	4,805	2%	4,312	1%
	28,613	4%	21,147	4%	21,636	4%	23,157	5%	20,214	5%	17,989	5%
Profit & Loss Account												
Interest / Return / Non Interest Income												
Mark-up / Return / Interest Earned	98,033	94%	63,057	92%	37,133	90%	42,228	92%	38,790	93%	21,600	87%
Fee, Commission and Exchange income	6,199	6%	5,322	8%	3,235	8%	2,812	6%	3,016	7%	2,694	11%
Capital Gain and Dividend Income	166	0%	(254)	0%	714	2%	953	2%	(192)	0%	519	2%
Other income	93	0%	89	0%	341	1%	43	0%	37	0%	47	0%
Total Income	104,491	100%	68,214	100%	41,423	100%	46,036	100%	41,651	100%	24,860	100%
Mark-up / Return / Non Interest Expense												
Mark-up / Return / Non Interest Expensed	75,275	72%	51,790	76%	26,196	63%	31,573	69%	30,864	74%	14,647	59%
Non mark-up / interest expenses	15,471	15%	12,245	18%	10,191	25%	9,026	20%	8,129	20%	7,380	29%
Provisions / (reversal) and write-offs - net	1,389	1%	(375)	-1%	(112)	0%	1,402	3%	(589)	-1%	(71)	0%
Taxation	6,281	6%	2,671	4%	2,294	6%	1,635	4%	1,341	3%	1,120	5%
Total Expenses	98,416	94%	66,331	97%	38,569	93%	43,636	95%	39,745	95%	23,076	93%
Profit after taxation	6,075	6%	1,883	3%	2,854	7%	2,400	5%	1,906	5%	1,784	7%

SIX YEARS' HORIZONTAL ANALYSIS

STATEMENT OF FINANCIAL POSITION / PROFIT & LOSS



	2023	2023 vs. 2022	2022	2022 vs. 2021	2021	2021 vs. 2020	2020	2020 vs. 2019	2019	2019 vs. 2018	2018	2018 vs. 2017
	Rs. in Mn	%	Rs. in Mn	%	Rs. in Mn	%	Rs. in Mn	%	Rs. in Mn	%	Rs. in Mn	%
Statement of Financial Position												
Assets												
Cash and balances with treasury banks	44,207	61%	27,420	-22%	35,197	17%	29,964	-12%	33,961	31%	26,020	34%
Balances with other banks	1,459	-25%	1,939	-20%	2,427	-43%	4,268	106%	2,075	76%	1,180	3%
Lending to financial institutions	-	-100%	52,339	137%	22,113	147%	8,956	645%	1,202	-69%	3,921	-40%
Investment-net	310,341	20%	258,007	-21%	327,425	31%	249,956	41%	177,056	21%	146,646	25%
Advances-net	205,754	-1%	208,434	26%	165,495	1%	164,545	-20%	204,901	10%	186,475	14%
Fixed assets	17,195	37%	12,593	13%	11,145	-6%	11,911	43%	8,329	33%	6,239	-3%
Intangible assets	206	-37%	328	-24%	433	6%	408	-13%	467	3%	454	288%
Deferred tax assets-net	-	-	891	401%	178	100%	-	-	-	-	-	-
Other assets	79,399	346%	17,810	18%	15,076	-2%	15,337	5%	14,550	26%	11,563	18%
Total Assets	658,561	14%	579,761	0%	579,489	19%	485,345	10%	442,541	16%	382,498	18%
Liabilities and Equity												
Bills payable	8,738	18%	7,386	7%	6,901	3%	6,708	69%	3,961	-1%	3,994	-18%
Borrowings	68,742	-41%	115,728	-7%	124,585	43%	87,020	-9%	95,705	17%	81,963	27%
Deposits and other accounts	517,869	26%	409,643	2%	403,037	17%	345,499	14%	302,083	15%	262,379	15%
Subordinated debt	7,998	0%	8,000	14%	6,993	0%	6,994	0%	6,995	0%	6,996	133%
Deferred tax liabilities-net	889	100%	-	-	-	-100%	1,533	61%	951	693%	120	-87%
Other liabilities	25,712	44%	17,857	9%	16,337	13%	14,434	14%	12,632	39%	9,057	51%
Total Liabilities	629,948	13%	558,614	0%	557,853	21%	462,188	9%	422,327	16%	364,509	19%
Share Capital	11,025	0%	11,025	0%	11,025	0%	11,025	0%	11,025	0%	11,025	0%
Reserves	5,133	31%	3,918	11%	3,541	19%	2,970	19%	2,490	18%	2,109	20%
Surplus / (Deficit) on revaluation of assets	1,661	-312%	(784)	6433%	(12)	-100%	3,471	83%	1,894	249%	543	-74%
Un-appropriated profit	10,794	54%	6,988	-1%	7,082	24%	5,691	18%	4,805	11%	4,312	19%
Total Equity	28,613	35%	21,147	-2%	21,636	-7%	23,157	15%	20,214	12%	17,989	-3%
Profit & Loss Account												
Interest / Return / Non Interest Income												
Mark-up / Return / Interest Earned	98,033	55%	63,057	70%	37,133	-12%	42,228	9%	38,790	80%	21,600	17%
Fee, Commission and Exchange income	6,199	16%	5,322	65%	3,235	15%	2,812	-7%	3,016	12%	2,694	34%
Capital Gain and Dividend Income	166	-165%	(254)	-136%	714	-25%	953	-596%	(192)	-137%	519	-63%
Other income	93	4%	89	-74%	341	693%	43	16%	37	-21%	47	15%
Total Income	104,491	53%	68,214	65%	41,423	-10%	46,036	11%	41,651	68%	24,860	13%
Mark-up / Return / Non Interest Expense												
Mark-up / Return / Non Interest Expensed	75,275	45%	51,790	98%	26,196	-17%	31,573	2%	30,864	111%	14,647	22%
Non mark-up / interest expenses	15,471	26%	12,245	20%	10,191	13%	9,026	11%	8,129	10%	7,380	5%
(Reversal) / Provisions and write-offs - net	1,389	-470%	(375)	235%	(112)	-108%	1,402	-338%	(589)	730%	(71)	-191%
Taxation	6,281	135%	2,671	16%	2,294	40%	1,635	22%	1,341	20%	1,120	-6%
Total Expenses	98,416	48%	66,331	72%	38,569	-12%	43,636	10%	39,745	72%	23,076	14%
Profit after taxation	6,075	223%	1,883	-34%	2,854	19%	2,400	26%	1,906	7%	1,784	7%

CASH FLOW STATEMENT

DIRECT METHOD



CASH FLOW FROM OPERATING ACTIVITIES

Markup / return / interest and commission receipts
Markup / return / interest payments
Cash payments to employees, suppliers and others

(Increase) / decrease in operating assets

Lendings to financial institutions
Held-for-trading securities
Advances - net
Others assets - (excluding advance taxation)

Increase / (decrease) in operating liabilities

Bills payable
Borrowings
Deposits and other accounts
Other liabilities

Income tax paid

Net cash flow generated from / (used in) operating activities

CASH FLOW FROM INVESTING ACTIVITIES

Net investments in securities
Dividend received
Investment in operating fixed assets (including intangible assets)
Proceeds from sale of non-banking assets
Proceeds from disposal of fixed assets
Net cash flow (used in) / generated from investing activities

CASH FLOW FROM FINANCING ACTIVITIES

Receipts / payments of subordinated debt
Payment of lease liability against right-of-use assets
Dividend paid

Net cash flow used in financing activities

Increase / (decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the period
Cash and cash equivalents at the end of the period

CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

Cash and balances with treasury banks
Balances with other banks

2023	2022
------(Rupees in '000)-----	
112,902,780	73,750,177
(71,295,477)	(50,174,668)
(13,700,239)	(10,945,936)
27,907,064	12,629,573
52,338,662	(30,225,541)
(2,870)	19,627,554
1,144,739	(42,725,176)
(68,903,771)	(7,691,842)
(15,423,240)	(61,015,005)
1,351,780	485,294
(47,473,480)	(9,611,468)
108,226,371	6,606,059
3,618,733	49,490
65,723,404	(2,470,625)
78,207,228	(50,856,057)
(5,548,185)	(2,312,980)
72,659,043	(53,169,037)
(49,536,857)	48,493,108
221,566	386,642
(5,158,492)	(3,122,318)
-	27,501
37,554	21,546
(54,436,229)	45,806,479
(1,600)	1,007,200
(1,305,863)	(1,021,167)
(1,096,566)	(1,643,018)
(2,404,029)	(1,656,985)
15,818,785	(9,019,543)
27,921,618	36,941,161
43,740,403	27,921,618
44,206,702	27,420,328
(466,299)	501,290
43,740,403	27,921,618



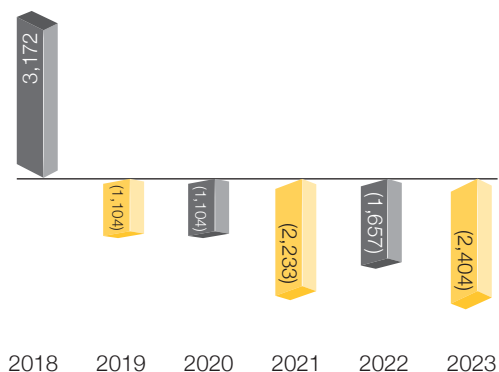
CASH FLOW STATEMENT

INDIRECT METHOD

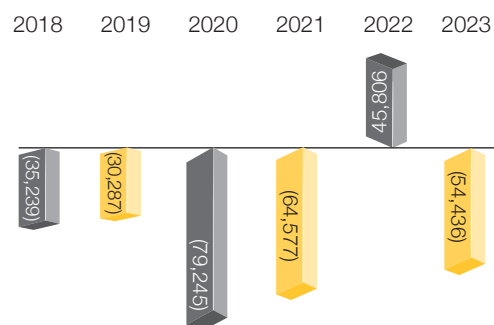
(Rupees in Million)

INDIRECT METHOD - SUMMARY	2023	2022	2021	2020	2019	2018
Cash flow from financing activities	(2,404)	(1,657)	(2,233)	(1,104)	(1,104)	3,172
Cash flow from investing activities	(54,436)	45,806	(64,577)	(79,245)	(30,287)	(35,239)
Cash flow from operating activities	72,659	(53,169)	69,568	78,586	40,426	38,673
Cash and cash equivalent at the beginning of the year	27,921	36,941	34,183	35,946	26,911	20,305
Cash and cash equivalent at the end of the year	43,740	27,921	36,941	34,183	35,946	26,911

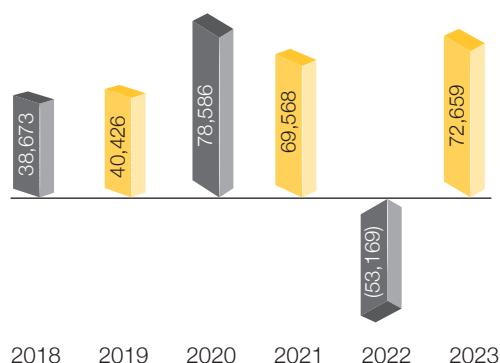
Financing Activities (Rs. in Millions)



Investing Activities (Rs. in Millions)



Operating Activities (Rs. in Millions)



PEAK-DRIVEN COMMITMENT

FINANCIAL STATEMENTS

As resolute as the mountains themselves, we reaffirm our commitment by delivering outstanding results. Our approach, much like the enduring strength of mountains, combines adaptability and sustainability to seamlessly unify and integrate livelihoods and enterprises, creating a landscape of unparalleled synergy.

Located in the Shigar District of Pakistan, Baltoro Glacier is home to some of the world's highest peaks with elevations exceeding 8,000 meters.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Soneri Bank Limited (the Bank), which comprise the statement of financial position as at 31 December 2023, and the profit and loss account, the statement of comprehensive income, the statement of changes in equity and cash flows statement for the year ended, along with unaudited certified returns received from the branches except for thirty five 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 profit and loss account, the statement of comprehensive income, the statement of changes in equity and 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 2023 and of the profit, the 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 the 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 the most significance in our audit of the financial statements of the current period. 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 is the Key Audit Matter:

S.No.	Key Audit Matters	How the matter was addressed in our audit
1	Provision against advances (Refer to note 9.3 to the financial statements) The Bank makes provisions against advances on time-based criteria that involve ensuring all non-performing loans and advances are classified in accordance with the criteria specified in the Prudential Regulations (PRs) issued by the State Bank of Pakistan (SBP). In addition to the criteria, the PRs require a subjective evaluation of the creditworthiness of the borrowers to determine the classification of advances. The Bank has recognized a net provision against loans and advances amounting to Rs. 1,290.455 million in the profit and loss account in the current year. As at 31 December 2023, the Bank holds a provision of Rs. 8,455.870 million against advances. The determination of provision against advances based on the subjective criteria remains an area which involves use of judgement. Because of the significance and the volume of advances relative to the overall statement of financial position of the Bank, we considered the area of provision against advances as a key audit matter.	Our audit procedures to verify provisions against advances, amongst others, include the following: - Assessed the design and tested the operating effectiveness of key controls established by the Bank to identify loss events and for determining the extent of provisioning required against non-performing loans. - Based on our credit review exercise and for a risk-based sample of advances, where the management has not identified as indicators of impairment, challenge the management's assessment by comparing the historical performance, financial ratios, and reports on security maintained with the expected future performance and form our own view whether any impairment indicators are present. - Based on our credit review exercise, where the management has identified as displaying indicators of impairment, assess the number of days overdue, and factors used for the calculation of provision in accordance with the Prudential Regulations. - Analyse the days' past due report and factors used for the calculation of specific provisions required in accordance with Prudential Regulations. - For consumer advances, where the management has not identified any displaying indicators of impairment, compare the general provision calculated with the provision required in accordance with the SBP Prudential Regulations.

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

Management is responsible for the other information. The other information comprises the information included in the Bank's 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 the 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 the accounting and reporting standards as applicable in Pakistan, the requirements of the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017) and for such internal control as the 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, the 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 the 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 judgment and maintain professional scepticism throughout the audit. We also:

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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.
- 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 period 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 to above from the branches have been found adequate for the purpose of our audit;
- b) the statement of financial position, the 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, expenditures 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 **Zeeshan Rashid**.

KPMG Taseer Hadi & Co.
Chartered Accountants
Karachi: 12 February 2024

UDIN: AR2023101881IBo392SI

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023



Note 2023 2022

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

ASSETS

Cash and balances with treasury banks	5	44,206,702	27,420,328
Balances with other banks	6	1,458,642	1,939,303
Lendings to financial institutions	7	-	52,338,662
Investments	8	310,340,877	258,007,046
Advances	9	205,753,709	208,434,160
Fixed assets	10	17,194,592	12,592,776
Intangible assets	11	206,127	327,901
Deferred tax assets - net	18	-	890,621
Other assets	12	79,401,023	17,809,034
		658,561,672	579,759,831

LIABILITIES

Bills payable	14	8,737,971	7,386,191
Borrowings	15	68,741,646	115,728,198
Deposits and other accounts	16	517,868,984	409,642,613
Liabilities against assets subject to finance lease		-	-
Subordinated debt	17	7,998,400	8,000,000
Deferred tax liabilities - net	18	889,037	-
Other liabilities	19	25,712,468	17,856,638
		629,948,506	558,613,640

NET ASSETS

28,613,166 21,146,191

REPRESENTED BY

Share capital	20	11,024,636	11,024,636
Reserves		5,133,056	3,917,964
Surplus / (deficit) on revaluation of assets - net	21	1,661,082	(784,204)
Unappropriated profit		10,794,392	6,987,795
		28,613,166	21,146,191

CONTINGENCIES AND COMMITMENTS

22

The annexed notes 1 to 50 and annexures I to III form an integral part of these financial statements.

Alauddin Feerasta
Chairman

Muhtashim Ahmad Ashai
President & Chief Executive Officer

Mirza Zafar Baig
Chief Financial Officer

Jamil Hassan Hamdani
Director

Manzoor Ahmed
Director

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023



	Note	2023	2022
----- (Rupees in '000) -----			
Mark-up / return / interest earned	23	98,033,321	63,056,613
Mark-up / return / interest expensed	24	75,274,756	51,789,857
Net mark-up / interest income		22,758,565	11,266,756
Non mark-up / interest income			
Fee and commission income	25	3,085,682	2,430,292
Dividend income		221,566	279,629
Foreign exchange income		3,114,159	2,891,741
Income / (loss) from derivatives		-	-
(Loss) / gain on securities - net	26	(55,088)	(533,142)
Other income	27	92,589	88,932
Total non-markup / interest Income		6,458,908	5,157,452
Total income		29,217,473	16,424,208
Non mark-up / interest expenses			
Operating expenses	28	15,153,572	12,119,039
Workers' Welfare Fund - net	29	252,439	99,472
Other charges	30	65,065	26,245
Total non mark-up / interest expenses		15,471,076	12,244,756
Profit before provisions		13,746,397	4,179,452
Provisions / (reversals) and write offs - net	31	1,389,282	(374,569)
Extraordinary / unusual items		-	-
Profit before taxation		12,357,115	4,554,021
Taxation	32	6,281,655	2,670,778
Profit after taxation		6,075,460	1,883,243
----- (Rupees) -----			
Basic earnings per share	33	5.5108	1.7082
Diluted earnings per share	34	5.5108	1.7082

The annexed notes 1 to 50 and annexures I to III form an integral part of these financial statements.

Alauddin Feerasta
Chairman

Muhtashim Ahmad Ashai
President & Chief Executive Officer

Mirza Zafar Baig
Chief Financial Officer

Jamil Hassan Hamdani
Director

Manzoor Ahmed
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023



Note	2023	2022
	----- (Rupees in '000) -----	
Profit after taxation for the year	6,075,460	1,883,243
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of investments - net of tax	1,781,072	(586,994)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement loss on defined benefit obligations - net of tax	39.8.2 (24,798)	(31,082)
Movement in surplus on revaluation of fixed assets - net of tax	21.1 734,417	(100,605)
Movement in surplus on revaluation of non banking assets - net of tax	3,287	(217)
	712,906	(131,904)
Total comprehensive income	8,569,438	1,164,345

The annexed notes 1 to 50 and annexures I to III form an integral part of these financial statements.

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CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023



Note	2023	2022
----- (Rupees in '000) -----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	12,357,115	4,554,021
Less: dividend income	221,566	279,629
	12,135,549	4,274,392
Adjustments:		
Depreciation on fixed assets	10.3 885,522	743,290
Depreciation on ijarah assets	245,257	186,097
Depreciation on right-of-use assets	10.2 910,907	758,677
Depreciation on non-banking assets	28 3,241	3,797
Amortisation	11 199,409	257,826
Finance charge on lease liability against right-of-use assets	19.2 648,639	442,962
Gain on termination of lease	27 (11,348)	(20,255)
Provision / (Reversals) and write offs - net	31 1,389,282	(374,569)
Reversal of provision for diminution in the value of investments	8.3 (249)	(293)
Gain on sale of fixed assets - net	27 (33,959)	(27,756)
Gain on sale of non-banking assets	27 -	(462)
Provision for Workers' Welfare Fund - net	29 252,439	99,472
Unrealised gain on revaluation of investments classified as held-for-trading	26 -	-
	4,489,140	2,068,786
	16,624,689	6,343,178
(Increase) / decrease in operating assets		
Lendings to financial institutions	52,338,662	(30,225,541)
Held-for-trading securities	(2,870)	19,627,554
Advances	1,144,739	(42,725,176)
Others assets (excluding advance taxation)	(62,208,518)	(3,305,615)
	(8,727,987)	(56,628,778)
Increase / (decrease) in operating liabilities		
Bills payable	1,351,780	485,294
Borrowings	(47,473,480)	(9,611,468)
Deposits	108,226,371	6,606,059
Other liabilities	8,205,855	1,949,658
	70,310,526	(570,457)
Income tax paid	(5,548,185)	(2,312,980)
Net cash flow generated / (used in) from operating activities	72,659,043	(53,169,037)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(51,094,167)	53,143,430
Net investments in held-to-maturity securities	1,557,310	(4,650,322)
Dividends received	221,566	386,642
Investments in fixed assets	(5,158,492)	(3,122,318)
Proceeds from sale of non-banking assets	-	27,501
Proceeds from sale of fixed assets	37,554	21,546
Net cash flow (used in) / generated from investing activities	(54,436,229)	45,806,479
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of subordinated debt - net	(1,600)	1,007,200
Payment of lease liability against right-of-use assets	(1,305,863)	(1,021,167)
Dividend paid	(1,096,566)	(1,643,018)
Net cash flow used in financing activities	(2,404,029)	(1,656,985)
Increase / (decrease) in cash and cash equivalents	15,818,785	(9,019,543)
Cash and cash equivalents at beginning of the year	27,921,618	36,941,161
Cash and cash equivalents at end of the year	36 43,740,403	27,921,618

The annexed notes 1 to 50 and annexures I to III form an integral part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023



Note	Share capital	Statutory reserve (a)	Surplus / (deficit) on revaluation of		Unappropriated profit	Total
			Investments	Fixed assets / Non Banking assets		
----- (Rupees in '000) -----						
Balance as at 31 December 2021	11,024,636	3,541,315	(2,329,237)	2,317,073	7,081,754	21,635,541
Comprehensive income for the year						
Profit after taxation for the year ended 31 December 2022	-	-	-	-	1,883,243	1,883,243
Other comprehensive income / (loss)						
- Movement in surplus on revaluation of investments - net of tax	-	-	(586,994)	-	-	(586,994)
- Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	(31,082)	(31,082)
- Movement in surplus on revaluation of fixed assets - net of tax	-	-	-	(100,605)	-	(100,605)
- Movement in surplus on revaluation of non banking assets - net of tax	21.2	-	-	(217)	-	(217)
	-	-	(586,994)	(100,822)	1,852,161	1,164,345
Transfer to statutory reserve	-	376,649	-	-	(376,649)	-
Transfer from surplus on revaluation of assets to unappropriated profit on disposal - net of tax	-	-	-	(385)	385	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	21.1	-	-	(83,839)	83,839	-
Transactions with owners recorded directly in equity						
Final cash dividend for the year ended 31 December 2021 at Rs 1.50 per share	-	-	-	-	(1,653,695)	(1,653,695)
Balance as at 31 December 2022	11,024,636	3,917,964	(2,916,231)	2,132,027	6,987,795	21,146,191
Comprehensive income for the year						
Profit after taxation for the year ended 31 December 2023	-	-	-	-	6,075,460	6,075,460
Other comprehensive income / (loss)						
- Movement in surplus on revaluation of investments - net of tax	-	-	1,781,072	-	-	1,781,072
- Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	(24,798)	(24,798)
- Movement in surplus on revaluation of fixed assets - net of tax	-	-	-	734,417	-	734,417
- Movement in surplus on revaluation of non banking assets - net of tax	21.2	-	-	3,287	-	3,287
	-	-	1,781,072	737,704	6,050,662	8,569,438
Transfer to statutory reserve	-	1,215,092	-	-	(1,215,092)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	21.1	-	-	(73,490)	73,490	-
Transactions with owners recorded directly in equity						
Final cash dividend for the year ended 31 December 2022 at Rs 1.00 per share	49.1	-	-	-	(1,102,463)	(1,102,463)
Balance as at 31 December 2023	11,024,636	5,133,056	(1,135,159)	2,796,241	10,794,392	28,613,166

(a) This represents reserve created under section 21(f)(a) of the Banking Companies Ordinance, 1962.

(b) As explained in note 9.3.4 to these financial statements, unappropriated profit includes an amount of Rs. 729.318 million - net of tax as at 31 December 2023 (31 December 2022: Rs. 895.703 million) representing additional profit arising from availing forced sales value benefit for determining provisioning requirement which is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

The annexed notes 1 to 50 and annexures I to III form an integral part of these financial statements.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023



1 STATUS AND NATURE OF BUSINESS

Soneri Bank Limited ("the Bank") was incorporated in Pakistan on 28 September 1991 as a public limited bank under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). Its registered office and central office are situated at 2nd Floor, 307- Upper Mall Scheme, Lahore, Punjab and at 10th Floor, PNSC Building, M.T. Khan Road, Karachi respectively. The shares of the Bank are quoted on Pakistan Stock Exchange Limited. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and operates with 443 branches including 45 Islamic banking branches, 15 Islamic banking windows. (2022: 403 branches including 40 Islamic banking branches, 15 Islamic banking windows and 01 sub branch) in Pakistan. The credit rating of the Bank is disclosed in note 37 to the financial statements.

2 BASIS OF PRESENTATION

These financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BSD Circular No. 02, dated 25 January 2018.

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. 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 appropriate portion of mark-up thereon. However, the Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS), issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the provisions of Companies Act, 2017.

The financial results of all Islamic banking branches and windows of the Bank have been consolidated in these financial statements for reporting purposes, after eliminating material intra branch transactions / balances. The same are disclosed in Annexure II to these financial statements.

2.1 STATEMENT OF COMPLIANCE

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 (IFRSs) 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 (ICAP) 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) from time to time.

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017, or the directives issued by 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.

2.1.1 The SBP, vide its BSD Circular Letter no.10 dated 26 August 2002 has deferred the applicability of International Accounting Standard (IAS) 39, Financial Instruments, Recognition and Measurement and International Accounting Standard 40, Investment Property, for banking companies till further instructions. Moreover, SBP vide BPRD circular no. 4, dated 25 February 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, the SECP, through S.R.O 411(1) / 2008 dated 28 April 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

The Bank has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. These amendments did not result in any changes to the accounting policies themselves and did not impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and assessed that information disclosed in Note 4 Significant accounting policies is in line with the amendments.



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

2.2.1 There are certain new standards, amendments and interpretations of and to existing accounting standards that are mandatory for the Bank's accounting periods beginning on or after 1 January 2023. These are considered not to be relevant or do not have any significant impact on the Bank's operations and are therefore, not disclosed in these financial statements.

2.3 Standards, interpretations of and amendments to published accounting and reporting standards that are not yet effective

2.3.1 IFRS 9 Financial Instruments

As directed by SBP via BPRD Circular Letter No. 7 of 2023 dated 13 April 2023, IFRS 9 Financial Instruments is effective for periods beginning on or after 01 January 2024, for banks.

IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. The standard includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

The SBP, vide its earlier BPRD Circular No. 3 of 2022 dated 05 July 2022 provided detailed instructions on implementation of IFRS 9 (the Application Instructions) for ensuring smooth and consistent implementation of the standard across banks. Furthermore, the SBP vide its BPRD Circular No. 02 of 2023 dated 09 February 2023, had also shared the revised formats for the preparation of the annual / interim financial statements for Banks, which will be applicable for reporting periods beginning on or after 01 January 2024 as per BPRD Circular Letter No. 7 of 2023 dated 13 April 2023.

During the year 2023, the management of the Bank continued to perform parallel run assessments for IFRS 9, taking into account the SBP's IFRS 9 application instructions. The assessments were based on available information that existed at respective parallel run reporting cut offs, and were subject to changes that could arise from further reasonable and supportable information being made available to the Bank at the time of finalizing the impact for initial application of IFRS 9. Banks expect an increase in the loss allowance resulting in a negative impact on equity. In addition, Banks will implement changes in classification of certain financial instruments. These changes and impacts for the Bank are discussed below:

2.3.1.1 Classification and measurement

Under the new standard, classification and measurement of financial assets depends on how these are managed (the entity's business model) and their contractual cash flow characteristics. Debt securities that do not meet the Solely Payment of Principal and Interest (SPPI) criteria are required to be measured at FVTPL regardless of the business model in which they are held. The entity's business model in which financial assets are held will determine whether the financial assets are to be measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL'). Equity instruments are generally measured as Fair Value through Profit & Loss (FVTPL) unless the Bank elects for an irrevocable option to designate the same as Fair Value through Other Comprehensive Income (FVTOCI) at initial recognition. The Bank has analyzed the impact of initial application of IFRS 9 on its financial assets as follows:

Equity Securities

Under the new standard, the Bank is expected to continue measuring equity securities at fair value.

For (certain) quoted equity shares currently held as available-for-sale (AFS) with gains and losses recorded in OCI, the Bank will apply the option to present fair value changes in OCI, and, therefore, the application of IFRS 9 will not have a significant impact. However, in accordance IFRS 9 requirements, fair value gain or losses recognition in OCI will not be recycled to profit and loss account on derecognition of these securities.

(For those) quoted equity shares currently held as available-for-sale (AFS) with gains and losses recorded in OCI for which FVOCI election is not made, will, instead, be measured at fair value through profit or loss (FVTPL), with marked to market impacts recorded in profit and loss account for future periods. The AFS reserve related to those securities, which is currently presented as accumulated OCI, will be reclassified from revaluation surplus/deficit to retained earnings, however, there will be no impact on overall equity with respect to such classification.

Unquoted equity securities are also required to be measured at fair value under IFRS 9. However, SBP's initial application instructions allowed relaxation to banks till 31 December 2023 to carry these investments under the current prudential regulation regime at lower of cost or breakup value. With deferment of applicability of the standard to periods beginning on or after 01 January 2024, Banks have asked the SBP to move forward its relaxation for one more year. Currently, the Bank is in the process for valuation of these securities.



Debt securities and Loans and advances

Debt securities currently classified as AFS and those which pass SPPI test, are expected to be measured at fair value through OCI under IFRS 9 as the business model is to hold the assets to collect contractual cash flows, but also to sell those investments. Debt securities currently classified as HTM and those which pass SPPI test are expected to be measured at amortized costs under IFRS 9 as the business model is to hold the assets to collect contractual cash flows.

For certain debt securities which are currently classified as AFS and the Bank has decided to designate the same under the Held to Collect Business Model with the intention to collect the future cash flows on initial recognition as permitted under the standard, the mark to market gain/(loss) pertaining to these securities will be reversed from the Surplus/deficit and adjusted against the book value of securities at initial recognition. This will have an impact on the overall retained earnings which will be consolidated in the opening retained earnings adjustment under IAS 8 (modified retrospective application criteria) in addition to the ECL impact.

2.3.1.2 Impairment

The impairment requirements under IFRS 9, apply to financial assets measured at Amortised Cost and FVOCI (other than equity instruments), loans and receivables, 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 (SICR), an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL is recognised are in 'stage 1'; financial assets that are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is an objective evidence of impairment, so are considered to be in default or otherwise credit impaired, are in 'stage 3'.

The assessment of credit risk and the estimation of ECL should be unbiased and probability-weighted, and would incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL would take into account the time value of money.

Based on the requirements of IFRS 9 and SBP's IFRS 9 application instructions, the Bank has performed an ECL assessment taking into account the key elements such as assessment of SICR, Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These elements are described below:

- PD: The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information.
- LGD: It is an estimate of magnitude of loss sustained on any facility upon default by a customer. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor. It is the difference between contractual cash flows due and those that the Bank expects to receive, including any form of collateral.
- EAD: the expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortisation, pre-payments and forward-looking information where relevant.

For the purpose of calculation of ECL, the Bank has used 5 years data till 31 December 2022 and going forward, one more year's data shall be included until the Bank has at least 10 years data.

Significant increase in credit risk (SICR)

A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument when compared to that expected at the time of initial recognition. It is not assessed in the context of an increase in the ECL. The Bank uses a number of qualitative and quantitative measures in assessing SICR. Quantitative measures relate to deterioration of Obligor Risk Ratings (ORR) or where principal and / or interest payments are 60 days or more past due. Qualitative factors include unavailability of financial information and pending litigations.

Based on the level of increase in credit risk, the Bank shall calculate 12 month ECL for assets which did not have a SICR i.e., Stage 1 or a lifetime expected loss for the life of the asset (for assets which demonstrated a SICR) i.e., Stage 2.

At every reporting date, the Bank shall assess whether there has been a SICR since the initial recognition of the asset. If there is a SICR, the asset must be assigned to the appropriate stage of credit impairment (Stage 2 or 3).

Under the SBP's instructions, credit exposure (in local currency) guaranteed by the Government and Government Securities are exempted from the application of ECL Framework. Moreover, until implementation of IFRS 9 has stabilized, Stage 1 and stage 2 provisions would be made as per IFRS 9 ECL criteria and Stage 3 provisions would be made considering higher of IFRS 9 ECL or provision computed under existing PRs' requirements on a segment basis.

As required by the Application Instructions, financial assets may be reclassified out of stage 3 if they meet the requirements of Prudential Regulations (PR) issued by SBP. Financial assets in stage 2 may be reclassified to stage 1 if the conditions that led to a SICR no longer apply.

2.3.1.3 Presentation and disclosure

IFRS 9 also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of Bank's disclosure about its financial instruments particularly in the year of adoption of the standard.

The revised format for annual as well as interim financial statements issued by the State Bank of Pakistan vide BPRD Circular No 03 of 2023 dated 9 February 2023 addresses the presentation and disclosure requirement of adoption of IFRS 9 as applicable in Pakistan.

2.3.1.4 Loan / financing related fee

Loan origination / commitment fees that are regarded as compensation to the lender for an ongoing involvement with the acquisition of a financial instrument would be recognized over the life of the related loan. However, if the commitment expires without the lender making the loan, the fee would be recognised as revenue earned.

2.3.1.5 Additional requirements and exceptions introduced by SBP Instructions

State Bank of Pakistan has enforced the application of IFRS 9 in its entirety except for some exceptions and additional requirements. A high-level comparison of such exceptions that are relevant to the Bank is as follows:

(i) Use of Fair Value Option for financial assets

IFRS 9 allows entities to irrevocably designate, at initial recognition, a financial asset as measured at FVTPL if doing so eliminates or significantly reduces any 'accounting mismatch' that would otherwise arise from measuring assets or liabilities or recognising gains and losses on them on different bases. SBP instructions state that banks may apply the fair value option if, in addition to the IFRS 9 criterion, (a) it is consistent with a documented risk management strategy, and (b) fair values are reliable at inception and throughout life of the instrument. Nonetheless, banks should avoid this option for financial instruments that are categorized as Level 3 in terms of the IFRS 13 hierarchy.

(ii) Unquoted equity securities

SBP as part of its initial instructions advised banks to measure investment in unquoted equity securities at lower of cost or breakup value till 31 December 2023. In case where the breakup value of such securities is less than the cost, the difference of the cost and the breakup value will be classified as loss and provided for by charging it to the Profit and Loss account.

(iii) Rebuttable presumptions about default and SICR

IFRS 9 includes a rebuttable presumption that a default does not occur later than 90 days past due and it also presumes that there is SICR if credit exposure is more than 30 days past due. In order to bring consistency, SBP has allowed the backstop to the rebuttable presumption of days past due of credit portfolio against a specific credit facility and its stage allocation under IFRS 9 as mentioned in Annexure-C of BPRD Circular no 3 of 2022. However, banks are free to choose more stringent days past due criteria.

(iv) Transfer out of stage 3

An exposure cannot be upgraded from Stage 3 to Stage 1 directly and should be upgraded to Stage 2 initially. For the purpose of reversal of provisions, the PRs requirements will be followed for Stage 3 assets in the transition phase.

(v) Income recognition on impaired assets

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 Prudential Regulations issued by SBP.

(vi) Expected Credit Loss Model (ECL)

Credit exposure (in local currency) guaranteed by the Government and Government Securities are exempted from the application of ECL Framework. Moreover, until implementation of IFRS 9 has stabilized, a two-track approach is required i.e. Stage 1 and stage 2 provisions are to be made as per IFRS 9 ECL while stage 3 provisions are to be made as higher of IFRS 9 ECL or PR's requirement as for each segment.

(vii) Impact of Provisions on Regulatory Capital

The banks are allowed to include provisions for Stage 1 and Stage 2 in Tier 2 capital up to a limit of 1.25% of total credit risk-weighted assets. In order to mitigate the impact of ECL provisioning on capital, a transitional arrangement is allowed to the banks to absorb the impact on regulatory capital. Accordingly, banks, which choose to apply transitional arrangement, may implement this arrangement in accordance with SBP's Guideline for absorption of ECL for CAR Purposes as mentioned in Annexure-C of BPRD Circular no 3 of 2022.



2.3.1.6 Impact of adoption of IFRS 9

The actual impact of adopting IFRS 9 on the Bank's financial statements in the year 2024 may not be accurately estimated because it will be dependent on the financial instruments that the Bank would hold during next year and economic conditions at that time as well as accounting elections and judgements that it will make in future. Nevertheless, the Bank has performed a preliminary assessment of the potential impact of adoption of IFRS 9 based on its statement of financial position as at 31 December 2023.

Based on the Bank's assessment, the IFRS 9 requirements are expected to have an impact on the classification and measurement of some of its financial assets and financial liabilities.

The total estimated adjustment (net of tax) of the adoption of IFRS 9 on the opening balance of the Bank's equity at 1 January 2024 is given below:

- A decrease of approximately Rs. 947 million (net of tax) related to impairment requirements; and
- An increase of approximately Rs. 1,353 million (net of tax) related to classification and measurement requirements, other than impairment based on business model adoption at the date of initial recognition for certain debt securities.

Impact on regulatory capital

The introduction of IFRS 9 will result in reduction in regulatory capital of the Banks, which is likely to reduce their lending capacity and ability to support their clients. In order to mitigate the impact of expected credit loss (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 must apply 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 impact of adoption of IFRS 9 on the capital ratios of the Bank are as follows:

	As per current Reporting requirements	As per IFRS 9 impairment changes	IFRS 9 impairment changes and Reclassification
- Common Equity Tier 1 Capital Adequacy ratio	13.69%	13.58%	13.58%
- Tier 1 Capital Adequacy Ratio	15.53%	15.43%	15.43%
- Total Capital Adequacy Ratio	18.44%	18.35%	19.05%
- CET 1 available to meet buffers (as a percentage of risk weighted assets)	7.79%	7.58%	7.58%

The Bank will continue to refine its expected credit loss model and embed its operational processes which may change the actual impact on adoption, although parallel runs have been carried out till the third quarter of 2023, the new systems and associated controls in place have not been operational for a more extended period.

2.3.1.7 Governance, ownership and responsibilities

The Bank has adopted a governance framework requiring the Risk, Finance, Operations, Internal Audit and IT functions to effectively work together to ensure input from all business lines. IFRS 9 requires robust credit risk models that can predict Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

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

- Quantitative Validation: Expected credit loss (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 Bank's Finance Division will ensure preparation of disclosures and incorporation of the impacts on the financial statements of the Bank. Finance Division shall identify, prepare and extract the data required for the risk parameters modelling and ECL calculations, and shall ensure that all disclosures as required by the accounting standard and the SBP formats and guidelines are made.

The Risk Management Division will perform the back testing of ECL at least on yearly basis and will be responsible for the independent validation of the risk parameters / risk models; including PD, LGD and CCF etc., that are used to compute the ECL which would be carried out as per the policy.

As per the Bank's policy, the Bank's Internal Audit function will carry out periodic review of IFRS 9 methodology and impacts calculated by the Management.

2.3.2 Amendments to IAS 1 - Classification of liabilities as current or non-current - The amendments apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8. The amendments are not likely to have an impact on the financial statements of the Bank.

2.3.3 Amendments to IAS 1 - Non-current Liabilities with Covenants - The amendments aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above). The amendments are not likely to have an impact on the financial statements of the Bank.

2.3.4 Amendment to IFRS 16 - Lease Liability in a Sale and Leaseback transaction - The amendment adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact. The amendment is not likely to have an impact on the financial statements of the Bank.

2.3.5 Furthermore, following standards, amendments and interpretations of approved accounting standards will be effective for the accounting periods as stated below:

Standard, Interpretation or Amendment

Effective date (annual periods beginning on or after)

Lack of Exchangeability - Amendments to IAS 21

January 01, 2025

2.3.5.1 Amendments to IAS 21 - Lack of Exchangeability - The amendments aim to clarify:

- when a currency is exchangeable into another currency; and
- how an entity estimates a spot rate when a currency lacks exchangeability.

Further, entities will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted. The amendments are not likely to have an impact on the financial statements of the Bank.



3 BASIS OF MEASUREMENT

3.1 Accounting convention

These financial statements have been prepared under the historical cost convention, except that certain fixed assets and non-banking assets acquired in satisfaction of claims are stated at revalued amounts less accumulated depreciation, certain investments and commitments in respect of forward exchange contracts have been marked to market and are carried at fair values, right-of-use assets and their related lease liabilities are measured at present values adjusted for depreciation, interest cost and lease repayments respectively, and staff retirement benefits are carried at present values.

3.2 Functional and presentation currency

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

3.3 Critical accounting estimates and judgements

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires the management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgement 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 judgements were made by the management in the application of accounting policies are as follows:

- i) classification and provisioning against investments (notes 4.3, 4.16.1 and 8);
- ii) classification and provisioning against loans and advances (notes 4.4 and 9);
- iii) current and deferred taxation (notes 4.15, 18, 22.3.1, 22.3.3 and 32);
- iv) accounting for defined benefit plan (notes 4.12.1 and 39);
- v) depreciation, amortisation methods, useful lives and revaluation of fixed assets and intangibles (notes 4.5.1, 4.6, 10 and 11);
- vi) ijarah assets (notes 4.4.1 and Annexure II - note 3.1);
- vii) right of use assets and related lease liabilities (notes 4.7 and 19.2);
- viii) provisions and contingent assets and liabilities (notes 4.17 ,14 and 22);
- ix) impairment of assets (notes 4.16 and 8.3);
- x) workers welfare fund (note 29);
- xi) Valuation of non-banking assets acquired in satisfaction of claims (notes 4.9 and 12.1.2); and
- xii) Remuneration framework and related disclosures (note 4.12.3 , 28.1 and 41).

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied and adopted in the preparation of these financial statements are set out below. Further, accounting policies related to material class of accounts doesn't necessarily means it is material. These policies have been consistently applied to all years presented, and to all material transactions.

4.1 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement represent cash in hand and balances with treasury banks, balances with other banks in current and deposit accounts, national prize bonds, if any, and overdrawn nostro accounts.

4.2 Lendings to / borrowings from financial and other 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 subject to a repurchase agreement (repo) are retained in the financial statements as investments and the counter party liability is included in borrowings. The differential in sale and repurchase value is recognised 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.

Securities held as collateral are not recognized in the financial statements, unless these are sold to third parties, in which case the obligation to return them is recorded at fair value as a trading liability under borrowings from financial institutions.

(c) Lending under margin trading system

Securities purchased under margin financing are recorded as "lendings to financial institutions" at the fair value of the consideration given. All margin financing transactions are accounted for on the transaction date. Income on margin financing is accrued over the period of the contract.

(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.

(f) Bai Muajjal

Bai Muajjal transactions are reported as part of lendings to financial institutions, except for transactions with the Government of Pakistan through SBP, which are reported as part of investments. In the case of Bai Muajjal transactions, the Bank sells shariah compliant instruments on credit to customers. 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 carrying value at the time of sale is accrued and recorded as income over the life of the transaction.

(g) Musharaka / Mudaraba

In Musharaka / Mudaraba (Letters of placement), the Bank invests in the Shariah compliant business pools of the financial institutions at the agreed profit and loss sharing ratio.

4.3 Investments

The Bank classifies its investments as follows:

Held for trading

These represent securities, which are either acquired for the purpose of generating profit from short-term fluctuations in market prices, interest rates or dealer's margin or are securities included in the portfolio in which a pattern of short-term profit making exists.

Held to maturity

These are securities with fixed or determinable payments and maturity, which the Bank has the positive intent and ability to hold till maturity.



Available for sale

These are investments, other than those in subsidiaries and associates, if any, that do not fall under the held for trading or held to maturity categories.

4.3.1 Initial measurement

Investments other than those categorised as held for trading are initially recognised at fair value which includes transaction costs associated with the investment. Investments categorised as held for trading are initially recognised at fair value, and transaction costs are expensed in the profit and loss account.

All purchases and sales of investments that require delivery within the time frame established by regulations or market conventions are recognised at the trade date. Trade date is the date on which the Bank commits to purchase or sell the investment.

4.3.2 Subsequent measurement

Held for trading

These are measured at subsequent reporting dates at fair value. Gains and losses on re-measurement are included in the profit and loss account.

Held to maturity

These are measured at amortized cost using the effective interest rate method, less any impairment loss recognized to reflect irrecoverable amounts.

Available for sale

Quoted securities classified as available for sale investments are measured at subsequent reporting dates at fair value. Any surplus or deficit arising thereon is kept in a separate account shown in the statement of financial position as part of the equity and is taken to the profit and loss account when realized upon disposal or when the investment is considered to be impaired.

Unquoted equity securities are valued at the lower of cost and break-up value. The break-up value of these securities is calculated with reference to the net assets of the investee Bank as per the latest available audited financial statements. A decline in the carrying value is charged to the profit and loss account. A subsequent increase in the carrying value, upto the cost of the investment, is credited to the profit and loss account. Investments in other unquoted securities are valued at cost less impairment, if any.

Provisions for diminution in the value of term finance certificates and Sukuks are made as per the ageing criteria prescribed by the Prudential Regulations issued by the SBP. Provision for diminution in the value of other securities is made after considering objective evidence of impairment, if any.

4.4 Advances

Advances are stated net of specific and general provisions. Specific provision for advances are made in accordance with the requirements of the Prudential Regulations and other directives issued by SBP and charged to the profit and loss account. General provision against consumer and small / medium enterprises financings portfolio is maintained as per the requirements of the Prudential Regulations issued by SBP. Advances are written off when there is no realistic prospect of recovery. In addition to conventional products, the Bank also offers various Islamic financing products which mainly include the following:

4.4.1 Islamic financings and related assets

Murabaha

Murabaha financings are reflected as receivables at the invoiced amount. Actual sales and purchases are not reflected, as the goods are purchased by the customer as an agent of the Bank and all documents relating to purchase are in the customer's name. However, the profit on that sale revenue not due for payment is deferred and is recognised on a time proportion basis. Funds disbursed under Murabaha financing arrangements for purchase of goods are recorded as "Advance Against Murabaha" in advances.

Salam

Salam financings are reflected as receivables at the invoiced amount. Profit not due for payment is deferred and is recognised on a time proportion basis. Funds disbursed under Salam financing arrangements for purchase of goods are recorded as "Advance Against Salam" in advances.

Running Musharaka

Running Musharakah is the economic equivalent of conventional running finance. The Bank and the customer enter a Musharakah (transaction or business partnership arrangement) where the Bank agrees to finance the operating activities of the customer's business and share the profit or loss at a pre-agreed ratio. Profit is provisionally recognised on an accrual basis and is adjusted once the customer declares the final profit after issuance of audited financial statements.

Diminishing Musharaka

In Diminishing Musharaka financing, the Bank enters into Musharaka based on Shirkat-ul-mulk for financing an agreed share of fixed asset (e.g. house, land, plant or machinery) with its customers. The customers pay periodic profit as per the agreement for the utilisation of the Bank's Musharaka share and also periodically purchase the Bank's share over the tenure of the transaction.

Istisna

In Istisna financing, the Bank places an order to purchase some specific goods / commodities from its customers to be delivered to the Bank within an agreed time. The goods are then sold by the customer on behalf of the bank and the amount hence financed along with profit is paid back to the Bank.

Ijarah assets

Ijarah assets are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged from the date of recognition of ijarah assets on a straight line basis over the period of Ijarah. Impairment of Ijarah assets is determined on the same basis as that of fixed assets.

Ijarah income is recognised in income on an accrual basis as and when the rental becomes due. Impairment of Ijarah rental is determined in accordance with the requirements of the Prudential Regulations and other directives issued by SBP and charged to the profit and loss account.

4.5 Fixed assets and depreciation

4.5.1 Tangible assets - owned

Fixed assets (other than land and building) are stated at cost less accumulated depreciation and impairment losses, if any. Building is carried at revalued amount less any accumulated depreciation and subsequent impairment losses, if any. Land is carried at revalued amount less subsequent impairment losses, if any.

Depreciation on all fixed assets (excluding land which is not depreciated) is charged using the straight line method in accordance with the rates specified in note 10.3 to the financial statements after taking into account residual values, if significant. The residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. Depreciation on additions is charged from the month the assets are available for use while in the case of assets disposed of, it is charged upto the date of disposal.

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 expenditure are charged to the profit and loss account as and when incurred.

Land and buildings are revalued by independent, professionally qualified valuers with sufficient regularity to ensure that the net carrying amount does not differ materially from their fair value. An increase arising on revaluation is credited to the surplus on revaluation of fixed assets account. A decrease arising on revaluation of fixed assets is adjusted against the surplus of that asset or, if no surplus exists, is charged to the profit and loss account as an impairment of the asset. A surplus arising subsequently on an impaired asset is reversed through the profit and loss account up to the extent of the original impairment.

Surplus on revaluation of fixed assets (net of associated deferred tax) to the extent of the incremental depreciation charged on the related assets is transferred to unappropriated profit.

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 and losses on disposal of fixed assets are credited / charged to the profit and loss account currently, except that the related surplus on revaluation of fixed assets (net of deferred taxation) is transferred directly to unappropriated profit.



4.5.2 Capital work in progress

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.

4.6 Intangible assets and amortisation

Intangible assets having a definite useful lives are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortised on the basis of the estimated useful life over which economic benefits are expected to flow to the Bank. The residual values, useful lives and amortisation method are reviewed and adjusted, if appropriate, at each reporting date.

Subsequent costs are included in the asset's carrying amounts 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.

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 taken to the profit and loss account in the period in which they arise.

4.7 Right-of-use assets and related lease liability

4.7.1 Right-of-use assets

On initial recognition, right-of-use assets are measured at an amount equal to initial 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 be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenor.

Right-of-use assets are depreciated over their expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the month in which the leases are entered into. No depreciation is charged in the month in which the leases mature or are terminated.

4.7.2 Lease liability against right-of-use assets

Lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Bank's incremental borrowing rate. The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or change in lease terms. These remeasurements of lease liabilities are recognised as adjustments to the carrying amount of related right-of-use assets after the date of initial recognition. Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the profit and loss account as markup expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

4.8 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.

4.9 Non-banking assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are initially recorded at cost. These assets are revalued at each year end date of the statement of financial position. An increase in market value over the acquisition cost is recorded as a surplus on revaluation. A decline in the market value is adjusted against the surplus of that asset, if any, or if no surplus exists, is charged to the profit and loss account as an impairment. A subsequent increase in the market value of an impaired asset is reversed through the profit and loss account up to the extent of the original impairment. All direct costs of acquiring title to the asset are charged immediately to the profit and loss account. However, this revaluation surplus shall not be admissible for calculating bank's/DFI's Capital Adequacy Ratio (CAR) and exposure limits under Prudential Regulations. The surplus can be adjusted upon realization of sale proceeds.

Depreciation on non-banking assets acquired in satisfaction of claims is charged to the profit and loss account in line with depreciation charged on fixed assets.

These assets are generally intended for disposal. Gains and losses realised on the disposal of such assets are disclosed separately from gains and losses realised on the disposal of fixed assets. If such asset is subsequently used by the Bank for its own operations, the assets, along with any related surplus, are transferred to fixed assets.

4.10 Borrowings / deposits and their cost

Borrowings / deposits are recorded at the proceeds received. Borrowing / deposit costs are recognised as an expense in the period in which these are incurred.

4.10.1 Deposits - Islamic Banking

Islamic Banking deposits are generated on the basis of two modes i.e. Qard and Modaraba. Deposits taken on Qard basis are classified as 'Current Account' and Deposits generated on Modaraba basis are classified as 'Savings Account' and 'Fixed Deposit Accounts'. No profit or loss is passed on to current account depositors. Profits realised in investment pools are distributed in pre-agreed profit sharing ratio. Rab-ul-Maal (customer) share is distributed among depositors according to weightages assigned at the inception of profit calculation period. Mudarib (Bank) can distribute its share of profit to Rab-ul-Maal upto a specified percentage of its profit. Profits are distributed from the pool so the depositors (remunerative) only bear the risk of assets in the pool during the profit calculation period. Asset pools are created at the Bank's discretion and the Bank can add, amend, transfer an asset to any other pool in the interests of the deposit holders. In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of Investments.

4.11 Subordinated debt

Subordinated 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.

4.12 Employee benefits

4.12.1 Defined benefit plan

The Bank operates an approved funded gratuity scheme for its permanent employees. The Bank's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Bank, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Bank determines the net interest expense (income) on the net defined benefit liability (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss account.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit and loss. The Bank recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Gratuity is payable to employees on completion of the prescribed qualifying period of service under the scheme.

4.12.2 Defined contribution plan

The Bank operates an approved funded provident fund scheme for all its permanent employees. Equal monthly contributions are made, both by the Bank and its employees, to the Fund at the rate of 8.33% of basic salaries of the employees.

4.12.3 Remuneration framework

In order to align the remuneration practices in Pakistan with the international standards and best practices, the SBP issued Guidelines on Remuneration Practices through its BPRD circular no. 02 dated March 03, 2016, which were subsequently revised through BPRD Circular No. 01 dated 25 January 2017.



In accordance with these guidelines, the Bank has developed a comprehensive remuneration framework. The aim of this framework is to promote an effective risk management culture, and to ensure that the remuneration practice at the Bank is in line with the Bank's objectives taking into consideration all risks that the Bank may face. As a result, a fair, objective, transparent and sound remuneration policy, aligned with risks and responsibilities of Financial Intermediation has been put in place. The framework has been reviewed and recommended by the Board's Human Resource & Remuneration Committee (BHRRC) and approved by the Board of Directors (BoD).

Under the policy, all employees across the Bank who are materially responsible for risk taking - Material Risk Takers (MRTs), or risk controlling activities - Material Risk Controllers (MRCs) are identified. The remuneration of these MRTs and MRCs is dependent upon the achievement of performance measured through risk-adjusted balance scorecards which include financial and non-financial/ qualitative performance indicators including compliance with internal policies/ procedures/ controls, customer experience, as well as certain risk-adjusting factors (negative earners) such as regulatory compliance, frauds, complaints etc. All other individuals who do not fall within the criteria of MRTs and MRCs continue to be governed through the Bank's existing HR policy. The features of total compensation i.e. fixed remuneration as well as variable remuneration offered through performance bonuses have been disclosed in note 41 to these financial statements.

A certain portion of the variable compensation of the MRTs and MRCs is subjected to mandatory deferrals for a defined period, thus creating alignment between the employees' and stakeholders' interests and reinforcing that compensation is appropriately linked to longer-term sustainable performance. Deferred remuneration, especially with risk adjustments, improves risk-taking incentives because the amount ultimately received by employees can be made to depend on risk outcomes, and shall vest proportionately over the deferral period following the year of variable remuneration award, subject to any malus trigger adjustments. Under the Bank's framework, the deferral percentages range between 10 to 15 percent while the deferral period is set at three years.

The payouts for variable compensation for the performance years for MRTs and MRCs is based on the revised mechanism which takes into consideration factors (such as position within the organization, roles and responsibilities, risk alignment, and performance against KPIs) for differentiating the variable pays across employees or group of employees under the framework. Furthermore, the balanced scorecards used for performance assessment also take into consideration that MRCs are remunerated independently of the functions they oversee. As approved by the Board, and as allowed under the SBP's Guidelines on Remuneration Practices, the deferral amount retained for performance years is set aside and managed by the Bank internally, with a team of members from amongst the internal management responsible for oversight and subsequent payouts.

4.13 Foreign currencies

4.13.1 Foreign currency transactions

Foreign currency transactions are translated into rupees at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in the foreign currencies are expressed in rupee terms at the exchange rates ruling on the reporting date. Outstanding forward foreign exchange contracts and foreign bills purchased are valued at the forward rates applicable to the respective maturities. Exchange gains and losses are included in the profit and loss account.

4.13.2 Translation gains and losses

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

4.13.3 Commitments

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

4.14 Revenue recognition

Revenue is recognised to the extent that the economic benefit associated with a transaction will flow to the Bank and the revenue can be reliably measured.

- Mark-up income / interest on advances and returns on investments are recognised on a time proportion basis using the effective yield on the arrangement / instrument except that mark-up / return on non-performing advances and investments is recognised on receipt basis. Interest / return / mark-up on rescheduled / restructured advances and investments is recognised as permitted by SBP except where, in the opinion of the management, it would not be prudent to do so.
- Fee, commission and brokerage income is recognised upon performance of obligations. Fees for ongoing account management are charged to the customer's account on monthly basis. Transaction based fees are charged to the customer's account when the transaction takes place.

- Dividend income from investments is recognised when the Bank's right to receive the dividend is established.
- Premium or discount on acquisition of investments is amortised using effective yield method and taken to profit and loss account.
- Gains and losses on disposal of investments and certain fixed assets are taken to the profit and loss account in the year in which they arise.
- Profits on Bai Muajjal lendings are recognised on a straight line basis.

4.15 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the 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.

4.15.1 Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws and at the prevailing rates for taxation on income earned by the Bank. 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. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criterias are met.

4.15.2 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. Deferred tax is calculated at the rates that are expected to apply to the period when the differences are expected to reverse based on tax rates that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

The Bank also recognises deferred tax asset / liability on deficit / surplus on revaluation of fixed assets, non banking assets acquired in satisfaction of claims and AFS securities which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS) 12, 'Income Taxes'.

4.16 Impairment

4.16.1 Impairment on investments

Impairment loss in respect of investments categorised as available for sale (except term finance certificates and sukuk) and held to maturity is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in the fair value of a listed equity investment below its cost is also considered an objective evidence of impairment. Provision for diminution in the value of term finance certificates and sukuks is made as per the requirements of the Prudential Regulations issued by SBP. In case of impairment of available for sale securities the cumulative loss that has been recognised in surplus / deficit on revaluation of securities in the statement of changes in equity is transferred to the profit and loss account. For investments categorised as held to maturity, the impairment loss is recognised in the profit and loss account.

4.16.2 Impairment on non financial assets

At each reporting date, the Bank reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.



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 and loss account reducing the carrying amounts of the non financial assets in the CGU on a pro rata basis.

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.

4.17 Provisions and contingent assets and liabilities

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 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.

Contingent assets are not recognised and are also not disclosed unless an inflow of economic benefits is probable. Contingent liabilities are not recognised but disclosed unless the probability of an outflow of resources embodying economic benefits are remote.

4.18 Provision for guarantee claims and other off balance sheet obligations

Provision for guarantee claims and other off-balance sheet obligations are recognised when intimated and where reasonable certainty exists for the Bank to settle the obligation. Charge to profit and loss account is stated net of expected recoveries.

4.19 Financial instruments

4.19.1 Financial assets and liabilities

Financial instruments carried on the balance sheet include cash and balances with treasury banks, balances with other banks, lendings to financial institutions, investments, advances, certain receivables, bills payable, borrowings from financial institutions, deposits and other accounts, sub-ordinated debt and other payables. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

4.19.2 Derivative financial instruments

Derivative financial instruments, if any, are initially recognised at fair value on the date on which a derivative contract is entered into and are, subsequently, remeasured at fair value using appropriate valuation techniques. All derivative financial instruments are carried as assets when fair value is positive and liability when fair value is negative. Any change in the fair value of derivative financial instruments is taken to the profit and loss account.

4.19.3 Off-setting

Financial assets and financial liabilities are off-set and the net amount is reported in the financial statements when there exists a legally enforceable right to set-off 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.

4.20 Basic and diluted 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 attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

4.21 Dividend and appropriation to reserves

Dividend and appropriation to reserves after the reporting date, except appropriations which are required by law are recognised as liability in the Bank's financial statements in the year in which these are approved.

4.22 Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing product 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. Segments are reported as per the Bank's functional structure and are as follows:

(a) Business segments

(i) Retail

It includes all retail related lendings and banking services (including staff, consumer and SME financing) as well as deposits mobilized from Retail branches.

(ii) Corporate

Corporate banking includes financing and services provided to corporate customers including services in connection with mergers and acquisitions, underwriting, privatisation, securitisation, syndication, Initial Public Offers (IPOs), etc. It also includes deposits mobilized from Corporate branches.

(iii) Islamic

This includes Islamic branches income and expenses.

(iv) Trading and sales

It includes fixed income, equity, foreign exchanges, lendings and repos.

(v) Others

It includes the Bank's head office related activities and other activities not specifically tagged to the segments above.

(b) Geographical segment

The operations of the Bank are currently based only in Pakistan. Therefore, geographical segment is not relevant.

5	CASH AND BALANCES WITH TREASURY BANKS	Note	2023	2022
			----- (Rupees in '000) -----	
	In hand			
	Local currency			
	Foreign currencies		10,251,296	8,412,634
			1,850,057	981,843
			12,101,353	9,394,477
	With State Bank of Pakistan in			
	Local currency current accounts	5.1	26,541,383	14,872,762
	Foreign currency current accounts	5.2	1,327,568	1,081,211
	Foreign currency deposit accounts against			
	foreign currency deposits mobilised	5.3	2,602,867	1,972,091
			30,471,818	17,926,064
	With National Bank of Pakistan in			
	Local currency current accounts		1,577,832	51,611
	Prize bonds		55,699	48,176
			44,206,702	27,420,328

- 5.1** The local currency current accounts are maintained with SBP as per the requirements of Section 36 of the State Bank of Pakistan Act, 1956. This section requires banking companies to maintain a local currency cash reserve in current accounts opened with SBP at a sum not less than such percentage of its time and demand liabilities as may be prescribed by SBP.
- 5.2** This represents cash reserve account maintained with SBP at an amount equivalent to at least 6% per annum (2023: 6% per annum) of the Bank's foreign currency deposits mobilised under FE-25 scheme and carry NIL return. (2022: NIL return).
- 5.3** This represents special cash reserve maintained with SBP at an amount equivalent to at least 10% per annum (2022: 10% per annum) of the Bank's foreign currency deposits mobilised under FE-25 scheme, which currently carries mark-up rates ranging from 3.57% to 4.35% per annum (2022: 0.00% to 3.14% per annum) and 6% per annum (2022: 6% per annum) special cash reserve requirement on FE-25 deposits maintained by Islamic banking branches.



6 BALANCES WITH OTHER BANKS

Note	2023	2022
	----- (Rupees in '000) -----	
In Pakistan		
In current accounts	6,366	11,646
In deposit accounts	32	32
	6,398	11,678
Outside Pakistan		
In current accounts	6.1 1,452,244	1,927,625
	1,458,642	1,939,303

6.1 This includes Rs. 1,361.942 million (2022: Rs. 1,735.852 million) eligible for Automated Investment Plans. This balance is current in nature with no return on balance. However, if balance is increased over a specified amount, it entitles the Bank to earn interest income from the correspondent banks at agreed rates.

7 LENDINGS TO FINANCIAL INSTITUTIONS

Note	2023	2022
	----- (Rupees in '000) -----	
Call / clean money lendings	7.3 -	1,000,000
Repurchase agreement lendings (reverse repo)	7.2 -	46,338,662
Letters of placements	7.4 -	5,000,000
	-	52,338,662
7.1 Particulars of lendings		
In local currency	-	52,338,662
In foreign currency	-	-
	-	52,338,662

7.2 Securities held as collateral against lendings to financial institutions

	2023			2022		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	----- (Rupees in '000) -----					
Market Treasury Bills	-	-	-	46,338,662	-	46,338,662
Pakistan Investment Bonds	-	-	-	-	-	-
Total	-	-	-	46,338,662	-	46,338,662

7.2.1 The market value of securities held as collateral against repurchase agreement lendings amounted to Rs. NIL (2022: Rs. 46,338.662 million).

7.3 As at 31 December 2023 there was no outstanding lending to any financial institution (2022: Rs. 1.00 million carrying markup at 16% per annum due to mature on 03 January 2023).

7.4 As at 31 December 2023, there was no lending through letters of placement to any financial institution (2022 : Rs. 5.00 million carrying mark-up at rates ranging from 16.05% to 16.15% per annum with maturity latest by 09 January 2023).

8.1	Investments by type	cost				cost			
		(Rupees in '000)							
	Held-for-trading securities								
	Federal Government securities	2,870	-	-	2,870	-	-	-	-
	Shares	-	-	-	-	-	-	-	-
		2,870	-	-	2,870		-	-	-
	Available-for-sale securities								
	Federal Government securities	291,794,084	-	(2,342,976)	289,451,108	239,063,068	-	(4,837,750)	234,225,318
	Shares	807,941	(33,537)	127,448	901,852	2,345,291	(33,537)	(293,574)	2,018,180
	Non-Government debt securities	2,885,131	(96,537)	(10,274)	2,778,320	2,995,332	-	19,682	3,015,014
	Units of mutual funds	500,000	-	-	500,000	489,298	-	(4,552)	484,746
		295,987,156	(130,074)	(2,225,802)	293,631,280	244,892,989	(33,537)	(5,116,194)	239,743,258
	Held-to-maturity securities								
	Federal Government securities	16,706,727	-	-	16,706,727	18,263,788	-	-	18,263,788
	Non Government debt securities	58,533	(58,533)	-	-	58,782	(58,782)	-	-
		16,765,260	(58,533)	-	16,706,727	18,322,570	(58,782)	-	18,263,788
	Total investments	312,755,286	(188,607)	(2,225,802)	310,340,877	263,215,559	(92,319)	(5,116,194)	258,007,046
		2023				2022			
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
		(Rupees in '000)							
	Federal Government securities								
	Market Treasury Bills	76,394,704	-	15,468	76,410,172	33,445,516	-	12,582	33,458,098
	Pakistan Investment Bonds	205,139,071	-	(2,320,239)	202,818,832	206,840,609	-	(4,629,701)	202,210,908
	Ijarah sukuks	26,969,906	-	(38,205)	26,931,701	17,040,731	-	(220,631)	16,820,100
		308,503,681	-	(2,342,976)	306,160,705	257,326,856	-	(4,837,750)	252,489,106
	Units of mutual funds	500,000	-	-	500,000	489,298	-	(4,552)	484,746
	Shares								
	Listed companies	741,141	(27,837)	127,448	840,752	2,278,491	(27,837)	(293,574)	1,957,080
	Unlisted companies	66,800	(5,700)	-	61,100	66,800	(5,700)	-	61,100
		807,941	(33,537)	127,448	901,852	2,345,291	(33,537)	(293,574)	2,018,180
	Non-Government debt securities								
	Listed	1,655,230	-	(14,041)	1,641,189	1,680,230	-	(18,713)	1,661,517
	Unlisted	1,288,434	(155,070)	3,767	1,137,131	1,373,884	(58,782)	38,395	1,353,497
		2,943,664	(155,070)	(10,274)	2,778,320	3,054,114	(58,782)	19,682	3,015,014
	Total investments	312,755,286	(188,607)	(2,225,802)	310,340,877	263,215,559	(92,319)	(5,116,194)	258,007,046



8.2.1 Investments given as collateral

Market Treasury Bills
Pakistan Investment Bonds

2023	2022
----- (Rupees in '000) -----	
21,088,722	-
23,637,724	86,864,245
44,726,446	86,864,245

8.3 Provision for diminution in the value of investments

Opening balance
Charge for the year
Reversal during the year
Closing balance

92,319	92,612
96,537	-
(249)	(293)
188,607	92,319

8.4 Particulars of provision against debt securities

Category of classification

Substandard
Loss
Total

2023		2022	
Non-Performing Investments	Provision	Non-Performing Investments	Provision
----- (Rupees in '000) -----			
386,150	96,537	-	-
58,533	58,533	58,782	58,782
444,683	155,070	58,782	58,782

8.5 Quality of available-for-sale securities

Details regarding quality of available-for-sale (AFS) securities are as follows:

	2023	2022
	Cost/Amortized Cost	
	----- (Rupees in '000) -----	
Federal Government Securities - Government guaranteed		
Market Treasury Bills	76,391,834	33,445,516
Pakistan Investment Bonds	188,432,344	188,576,821
Ijarah Sukuks	26,969,906	17,040,731
	291,794,084	239,063,068

Shares

Listed companies

- Real Estate Investment Trusts
- Oil & Gas Exploration Companies
- Power Generation & Distribution
- Chemical
- Commercial Banks
- Fertilizer
- Textile Composite
- Cement
- Oil & Gas Marketing Companies
- Pharmaceuticals
- Technology & Communication

372,471	456,518
221,192	457,160
117,673	284,797
29,805	29,805
-	420,663
-	201,935
-	162,649
-	115,979
-	93,287
-	40,183
-	15,515
741,141	2,278,491

Unlisted companies

DHA Cogen Limited
ISE Towers REIT Management Company Limited
Pakistan Export Finance Guarantee Agency Limited
1-Link Private Limited

Note	2023		2022	
	Cost	Break-up value	Cost	Break-up value
	----- (Rupees in '000) -----			
8.10	-	-	-	-
8.11	11,100	62,264	11,100	52,988
8.12	5,700	-	5,700	-
	50,000	733,213	50,000	428,290
	66,800	795,477	66,800	481,278

Non-Government debt securities

Listed

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

Unlisted

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

Note	2023	2022
	Cost/Amortized Cost	
	------(Rupees in '000)-----	
	250,000	250,000
	655,230	655,230
	100,000	25,000
	850,000	850,000
	1,855,230	1,780,230
	393,750	551,250
	250,000	250,000
	-	413,852
	386,151	-
	1,029,901	1,215,102
	2,885,131	2,995,332

Equity securities

Listed

Agritech Limited [851,560 (2022: 851,560) shares]		29,805	29,805
Altern Energy Limited [NIL (2022: 5,784,500) shares]		-	125,015
Dolmen City REIT [26,924,500 (2022: 33,000,000) shares]		372,471	456,519
Fauji Fertilizer Company Limited [NIL (2022: 1,900,000) shares]		-	201,935
Glaxosmithkline Pakistan Limited [NIL (2022: 350,000) shares]		-	40,183
Habib Bank Limited [NIL (2022: 2,095,000) shares]		-	168,782
Hub Power Company Limited [1,500,000 (2022: 2,000,000) shares]	8.9	117,673	159,782
MCB Bank Limited [NIL (2022: 1,500,000) shares]		-	210,322
Nishat Mills Limited [NIL (2022: 2,415,000) shares]		-	162,649
Oil and Gas Development Company Limited [1,550,000 (2022: 2,597,451) shares]		146,360	245,267
Pakistan Petroleum Limited [950,000 (2022: 2,690,000) shares]		74,832	211,892
Pakistan Telecommunication Company Limited [NIL (2022: 2,000,000) shares]		-	15,515
Pioneer Cement Limited [NIL (2022: 1,850,000) shares]		-	115,979
Sui Northern Gas Company Limited [NIL (2022: 2,300,000) shares]		-	93,287
The Bank Of Punjab [NIL (2022: 7,000,000) shares]		-	41,559
		741,141	2,278,491

Unlisted

ISE Towers REIT Management Company Limited [3,034,603 (2022: 3,034,603) shares]	8.11	11,100	11,100
Pakistan Export Finance Guarantee Agency Limited [569,958 (2022: 569,958) shares]	8.12	5,700	5,700
1-Link Private Limited [4,999,999 (2022: 4,999,999) shares]		50,000	50,000
		66,800	66,800

Units of mutual funds

Open ended

NIT Islamic Equity Fund [NIL (2022: 11,816,788) Units]	-	89,298
NIT Asset Allocation Fund [NIL (2022: 5,000,000) Units]	-	50,000
	-	139,298

Close end

TPL REIT Fund [50,000,000 (2022: 35,000,000) Units]	500,000	350,000
	500,000	350,000



8.6 Particulars relating to held-to-maturity securities are as follows:

Note	2023	2022
	Cost/Amortized Cost	
	----- (Rupees in '000) -----	
Federal Government Securities - Government guaranteed		
Pakistan Investment Bonds	16,706,727	18,263,788
Non Government debt Securities		
Unlisted		
- Unrated	58,533	58,782
Non Government debt Securities - Total	58,533	58,782

8.6.1 The market value of securities classified as held-to-maturity as at 31 December 2023 amounted to Rs. 14,103.460 million (31 December 2022 : Rs. 15,993.514 million).

8.7 Investments include certain approved government securities which are held by the Bank to comply with the Statutory Liquidity Requirement determined on the basis of the Bank's demand and time liabilities as set out under section 29 of the Banking Companies Ordinance, 1962.

8.8 Federal Government Securities include Pakistan Investment Bonds having book value of Rs. 18.400 million (2022: Rs. 18.400 million) pledged with the State Bank of Pakistan to facilitate T. T. discounting facility for the branches of the Bank. Market Treasury Bills and Pakistan Investment Bonds under Federal Government Securities, are eligible for discounting with the State Bank of Pakistan.

8.9 As at 31 December 2023, 500,000 shares (31 December 2022: 1,500,000 shares) of Hub Power Company Limited have been pledged by the Bank with National Clearing Company of Pakistan Limited as security against its exposure margins in terms of Circular No. 11 dated 23 October 2007 issued by the Securities and Exchange Commission of Pakistan.

8.10 DHA Cogen Limited shares were received under the enforcement of a pledge of third party shares by the consortium banks. These shares were recorded at NIL value and the break-up value of these shares as per the latest available audited financial statements is Rs. (29.10) per share.

8.11 This denotes shares of ISE Towers REIT Management Company Limited, [formerly Islamabad Stock Exchange Limited (ISEL)], acquired in pursuance of corporatisation and demutualisation of ISEL as a public company limited by shares.

8.12 This investment is fully provided. As per the "shares subscription agreement", it can only be sold to an existing investor.

8.13 This includes 4,000 sukuk certificates of WAPDA. These certificates were purchased by the Bank on 29 September 2009 through a market based transaction for a cash consideration of Rs. 19.8 million having a face value of Rs. 20 million. These certificates were available in the seller's CDC account and on completion of the transaction were transferred to the Bank's CDC account.

The Bank through a legal notice clarified the position that it had purchased the aforesaid sukuk certificates from the market for a valuable consideration when these sukuk certificates were already entered in the CDC's Register of seller's account. The Bank had filed a civil suit before civil court Lahore along with other FIs/banks claiming to be the lawful owners of the disputed sukuk bonds and right to receive ijara rentals along with profit/mark-up thereon. The said suit was dismissed vide judgement dated 14 April 2017 against which an appeal/ RFA No. 50966/2017 was filed by the Bank before Lahore High court. The said appeal/RFA has been accepted vide judgement dated 1 December 2021 with the result that judgement passed by the civil court has been reversed/set aside. WAPDA First Sukuk Company Limited has approached the Supreme Court of Pakistan against the judgement of Lahore High Court, representation through legal counsel i.e. Bhandari, Naqvi & Riaz (Advocates, Lahore) has been made in the proceedings before the Supreme Court of Pakistan, the Bank continues to retain full provision against the same.

ADVANCES

	Performing		Non-performing		Total	
	2023	2022	2023	2022	2023	2022
----- (Rupees in '000) -----						
Loans, cash credits, running finances, etc.	181,081,012	189,807,381	8,953,925	8,837,726	190,034,937	198,645,107
Islamic financing and related assets	16,848,624	11,311,777	1,542,583	1,330,909	18,391,207	12,642,686
Bills discounted and purchased	5,783,435	4,486,599	-	-	5,783,435	4,486,599
Advances - gross	203,713,071	205,605,757	10,496,508	10,168,635	214,209,579	215,774,392
Provision against advances						
- Specific	-	-	(8,397,744)	(7,282,106)	(8,397,744)	(7,282,106)
- General	(58,126)	(58,126)	-	-	(58,126)	(58,126)
	(58,126)	(58,126)	(8,397,744)	(7,282,106)	(8,455,870)	(7,340,232)
Advances - net of provision	203,654,945	205,547,631	2,098,764	2,886,529	205,753,709	208,434,160

9.1 Particulars of advances (Gross)

	2023	2022
----- (Rupees in '000) -----		
In local currency	207,450,007	211,710,128
In foreign currencies	6,759,572	4,064,264
	214,209,579	215,774,392

9.2 Advances include Rs. 10,496.508 million (31 December 2022: Rs. 10,168.635 million) which have been placed under non-performing status as detailed below:

Category of Classification	Note	2023		2022	
		Non-performing loans	Provision	Non-performing loans	Provision
		----- (Rupees in '000) -----			
Other Assets Especially Mentioned (OAEM)	9.2.1	7,161	-	30,302	72
Substandard		24,589	6,086	693,550	15,731
Doubtful		1,196,285	572,704	1,439,330	401,739
Loss		9,268,473	7,818,954	8,005,453	6,864,564
		10,496,508	8,397,744	10,168,635	7,282,106

9.2.1 The OAEM category pertains to agriculture finance, small enterprise finance and consumer finance amounting to Rs. 0.289 million (31 December 2022: Rs. 9.586 million), Rs. NIL (31 December 2022: Rs. 0.726 million) and Rs. 6.872 million (31 December 2022: Rs. 19.990 million) respectively.

9.3 Particulars of provision against advances

	Note	2023			2022		
		Specific	General	Total	Specific	General	Total
		----- (Rupees in '000) -----					
Opening balance		7,282,106	58,126	7,340,232	7,891,691	55,955	7,947,646
Charge for the year		2,531,570	-	2,531,570	693,701	2,171	695,872
Reversals		(1,241,115)	-	(1,241,115)	(1,096,157)	-	(1,096,157)
	31	1,290,455	-	1,290,455	(402,456)	2,171	(400,285)
Amounts written off	9.4	(174,817)	-	(174,817)	(207,129)	-	(207,129)
Transfers		-	-	-	-	-	-
Closing balance		8,397,744	58,126	8,455,870	7,282,106	58,126	7,340,232

9.3.1 The general provision against consumer financing is required to be maintained at varying percentages based on the non-performing loan ratio present in the portfolio. These percentages are 1% for secured and 7% for unsecured portfolio. The general provision required against consumer financing as at 31 December 2023 amounted to Rs. 36.135 million (2022: Rs. 51.462 million) as per Prudential Regulations for Consumer Financing. However, the Bank has chosen not to reverse the excess provision amount already held in the books in this regard.



9.3.2 The Bank has maintained general provision against housing finance portfolio at the rate of 0.50% of the performing portfolio. The State Bank of Pakistan vide its circular no. 9 of 2017 dated 22 December 2017 abolished the requirement of maintaining general reserve of 1% against secured Small Enterprise (SE) portfolio, while general reserve to be maintained against unsecured SE portfolio has been reduced from 2% to 1%. Currently, the Bank does not have any unsecured SE portfolio.

9.3.3 Particulars of provision against advances

	2023			2022		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
In local currency	8,397,744	58,126	8,455,870	7,282,106	58,126	7,340,232
In foreign currencies	-	-	-	-	-	-
Total	8,397,744	58,126	8,455,870	7,282,106	58,126	7,340,232

9.3.4 The Bank has availed the benefit of forced sale value of pledged stocks, mortgaged residential and commercial properties held as collateral against non-performing advances as allowed under the Prudential Regulations issued by the State Bank of Pakistan. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 1,430.036 million (31 December 2022: Rs. 1,571.408 million). The additional profit arising from availing this benefit - net of the tax amounts to Rs. 729.318 million (31 December 2022: Rs. 895.703 million). The FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

9.3.5 The SBP has granted relaxation in provisioning requirements in respect of exposures in Dewan Mushtaq Group (DMG). Had this relaxation not been available, provision against loans and advances would have been higher by Rs. 44.930 million (31 December 2022: Rs. 44.930 million).

9.3.6 The Bank has made provision against its non-performing portfolio as per the category of classification of the loans. However, the Bank still holds enforceable collateral realisable through litigation. This enforceable collateral includes mortgage charge etc. against various tangible assets of the borrower including land, building and machinery, stock in trade, etc.

	Note	2023	2022
		----- (Rupees in '000) -----	
9.4 Particulars of write offs:			
9.4.1 Against provisions	9.3	174,817	207,129
Directly charged to profit and loss account		-	-
		174,817	207,129
9.4.2 Write offs of Rs. 500,000/- and above	9.5	174,198	201,978
Write offs of below Rs. 500,000/-		619	5,151
		174,817	207,129

9.5 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(s) during the year ended 31 December 2023 is given in Annexure - I to the financial statements. However, these write offs do not affect the Bank's right to recover the outstanding debts from these customers, unless the write off / waiver has been mutually agreed between the borrower and the Bank as part of the settlement terms.

	Note	2023	2022
		----- (Rupees in '000) -----	
10 FIXED ASSETS			
Capital work-in-progress	10.1	1,484,366	821,696
Right-of-use assets	10.2	4,249,619	3,638,135
Property and equipment	10.3	11,460,607	8,132,945
		17,194,592	12,592,776
10.1 Capital work-in-progress			
Civil works		140,626	128,821
Advances to suppliers and contractors		1,230,731	364,768
Advances against purchase of premises		58,402	292,049
Consultant's fee and other charges		54,607	36,058
		1,484,366	821,696

10.2 Right-of-use assets

	Note	2023 ------(Rupees in '000)-----	2022
Opening balance		3,638,135	2,957,843
Additions during the year		1,522,391	1,438,969
Depreciation for the year	28	(910,907)	(758,677)
Closing balance		<u>4,249,619</u>	<u>3,638,135</u>

10.3 Property and equipment

	2023								
	Freehold land	Leasehold land	Building on Freehold land	Building on Leasehold land	Leasehold Improvements	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Total
	------(Rupees in '000)-----								
At 01 January 2023									
Cost / revalued amount	1,482,292	471,558	415,678	5,045,181	2,220,825	664,590	3,804,977	436,767	14,541,868
Accumulated depreciation	-	-	(96,664)	(2,265,755)	(658,301)	(388,038)	(2,749,566)	(250,599)	(6,408,923)
Net book value	<u>1,482,292</u>	<u>471,558</u>	<u>319,014</u>	<u>2,779,426</u>	<u>1,562,524</u>	<u>276,552</u>	<u>1,055,411</u>	<u>186,168</u>	<u>8,132,945</u>
Year ended 31 December 2023									
Opening net book value	1,482,292	471,558	319,014	2,779,426	1,562,524	276,552	1,055,411	186,168	8,132,945
Additions	160,172	-	244	146,710	839,835	182,563	1,291,304	271,994	2,892,822
Movement in surplus on assets revalued during the year	351,942	56,226	77,317	888,103	-	-	-	-	1,373,588
Disposals / write-offs - cost	-	-	-	-	(8,568)	(8,519)	(72,172)	(21,295)	(110,554)
Disposals / write-offs - Accumulated Depreciation	-	-	-	-	3,066	8,368	68,717	21,295	101,446
Disposals / write-offs - net	-	-	-	-	(5,502)	(151)	(3,455)	-	(9,108)
Depreciation charge	-	-	(13,292)	(175,149)	(122,791)	(50,670)	(444,926)	(78,694)	(885,522)
Impairment reversal against fixed assets	-	-	2,974	-	-	-	-	-	2,974
Other Adjustments - Cost	-	-	38,669	(141,152)	18,369	(88)	-	-	(84,202)
Other Adjustments - Accumulated Depreciation	-	-	(45,440)	100,830	(18,368)	88	-	-	37,110
Closing net book value	<u>1,994,406</u>	<u>527,784</u>	<u>379,486</u>	<u>3,598,768</u>	<u>2,274,067</u>	<u>408,294</u>	<u>1,898,334</u>	<u>379,468</u>	<u>11,460,607</u>
At 31 December 2023									
Cost / revalued amount	1,994,406	527,784	534,882	5,938,842	3,070,461	838,546	5,024,109	687,466	18,616,496
Accumulated depreciation	-	-	(155,396)	(2,340,074)	(796,394)	(430,252)	(3,125,775)	(307,998)	(7,155,889)
Net book value	<u>1,994,406</u>	<u>527,784</u>	<u>379,486</u>	<u>3,598,768</u>	<u>2,274,067</u>	<u>408,294</u>	<u>1,898,334</u>	<u>379,468</u>	<u>11,460,607</u>
Rate of depreciation (years / percentage)	-	-	40 years	40 years	20 years	10 %	20 % - 33%	20%	
	------(Rupees in '000)-----								
	Freehold land	Leasehold land	Building on Freehold land	Building on Leasehold land	Leasehold Improvements	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Total
At 01 January 2022									
Cost / revalued amount	1,482,292	471,558	396,677	4,990,471	1,912,312	585,883	3,476,710	363,778	13,679,681
Accumulated depreciation	-	-	(82,935)	(2,100,085)	(569,855)	(356,733)	(2,471,518)	(225,474)	(5,806,600)
Net book value	<u>1,482,292</u>	<u>471,558</u>	<u>313,742</u>	<u>2,890,386</u>	<u>1,342,457</u>	<u>229,150</u>	<u>1,005,192</u>	<u>138,304</u>	<u>7,873,081</u>
Year ended 31 December 2022									
Opening net book value	1,482,292	471,558	313,742	2,890,386	1,342,457	229,150	1,005,192	138,304	7,873,081
Additions	-	-	19,001	54,710	338,483	94,964	420,628	95,167	1,022,953
Movement in surplus on assets revalued during the year	-	-	-	-	-	-	-	-	-
Disposals / write-offs - cost	-	-	-	-	(29,970)	(16,257)	(92,361)	(22,178)	(160,766)
Disposals / write-offs - Accumulated Depreciation	-	-	-	-	14,145	14,760	89,884	22,178	140,967
Disposals / write-offs - net	-	-	-	-	(15,825)	(1,497)	(2,477)	-	(19,799)
Depreciation charge	-	-	(13,729)	(165,670)	(102,591)	(46,065)	(367,932)	(47,303)	(743,290)
Closing net book value	<u>1,482,292</u>	<u>471,558</u>	<u>319,014</u>	<u>2,779,426</u>	<u>1,562,524</u>	<u>276,552</u>	<u>1,055,411</u>	<u>186,168</u>	<u>8,132,945</u>
At 31 December 2022									
Cost / revalued amount	1,482,292	471,558	415,678	5,045,181	2,220,825	664,590	3,804,977	436,767	14,541,868
Accumulated depreciation	-	-	(96,664)	(2,265,755)	(658,301)	(388,038)	(2,749,566)	(250,599)	(6,408,923)
Net book value	<u>1,482,292</u>	<u>471,558</u>	<u>319,014</u>	<u>2,779,426</u>	<u>1,562,524</u>	<u>276,552</u>	<u>1,055,411</u>	<u>186,168</u>	<u>8,132,945</u>
Rate of depreciation (years / percentage)	-	-	40 years	40 years	20 years	10 %	20 % - 33%	20%	

10.3.1 The cost of fully depreciated property and equipment still in use amounts to Rs. 2,508.656 million (2022: Rs.2,165.719 million).

10.3.2 The Bank's freehold / leasehold land and building on freehold / leasehold land were revalued at 29 December 2023, in line with the Bank's policy, by M/s Harvester Services (Private) Limited (Valuation and Engineering Consultants) on the basis of their professional assessment



of the present market value. As a result of revaluation, the market value of freehold / leasehold land was determined at Rs. 2,522.190 million and building on freehold / leasehold land was determined at Rs. 3,978.253 million.

Had there been no revaluation, the carrying amount of freehold / leasehold land and building on freehold / leasehold land as at 31 December 2023 would have been Rs.1,398.037 million and Rs. 830.775 million respectively (2022: Rs.1,237.865 million and Rs. 725.274 million respectively).

10.3.3 Details of disposals / write offs of property and equipment to executives and other persons with original cost or book value in excess of Rs. 1 million or Rs. 250,000/- respectively (whichever is less) are given in Annexure - III which is an integral part of these financial statements.

11 INTANGIBLE ASSETS

At 01 January 2023

Cost
Accumulated amortisation
Net book value

Year ended 31 December 2023

Opening net book value
Additions:
- directly purchased
Amortisation charge
Closing net book value

At 31 December 2023

Cost
Accumulated amortisation
Net book value

Rate of amortisation (percentage)

Useful life (years)

2023		
Computer software	Trademark	Total
----- (Rupees in '000) -----		
1,815,025	6,315	1,821,340
(1,487,124)	(6,315)	(1,493,439)
327,901	-	327,901
327,901	-	327,901
77,635	-	77,635
(199,409)	-	(199,409)
206,127	-	206,127
1,892,660	6,315	1,898,975
(1,686,533)	(6,315)	(1,692,848)
206,127	-	206,127
20 to 33.33	33.33	
3 to 5	3	

At 01 January 2022

Cost
Accumulated amortisation
Net book value

Year ended 31 December 2022

Opening net book value
Additions:
- directly purchased
Amortisation charge
Closing net book value

At 31 December 2022

Cost
Accumulated amortisation
Net book value

Rate of amortisation (percentage)

Useful life (years)

2022		
Computer software	Trademark	Total
----- (Rupees in '000) -----		
1,662,192	6,315	1,668,507
(1,229,298)	(6,315)	(1,235,613)
432,894	-	432,894
432,894	-	432,894
152,833	-	152,833
(257,826)	-	(257,826)
327,901	-	327,901
1,815,025	6,315	1,821,340
(1,487,124)	(6,315)	(1,493,439)
327,901	-	327,901
20 to 33.33	33.33	
3 to 5	3	

11.1 The cost of fully amortised intangible assets still in use amounts to Rs.1,452.500 million (2022: Rs. 863.697 million).

		Note	2023	2022
			------(Rupees in '000)-----	
12	OTHER ASSETS			
	Income / mark-up accrued in local currency		17,274,210	10,512,226
	Income / mark-up accrued in foreign currencies		57,057	22,376
	Dividend receivable		-	-
	Advances, deposits, advance rent and other prepayments		529,459	431,288
	Advance taxation (payments less provisions)		91,087	727,649
	Non-banking assets acquired in satisfaction of claims	12.1	1,437,684	1,006,268
	Mark to market gain on forward foreign exchange contracts - net		-	105,028
	Stationery and stamps on hand		84,333	32,479
	Due from the State Bank of Pakistan	12.2	52,813,210	52,104
	Acceptances		6,103,700	3,920,514
	Clearing and Settlement account		401,780	770,481
	Claims against fraud and forgeries	12.3	143,443	143,443
	Others		568,762	208,504
	Other assets		79,504,725	17,932,360
	Less: provision held against other assets	12.4	(238,811)	(238,811)
	Other assets - net of provision		79,265,914	17,693,549
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims		135,109	115,485
	Other assets - total		79,401,023	17,809,034
12.1	Market value of non-banking assets acquired in satisfaction of claims	12.1.1 & 12.1.2	1,572,793	1,121,753

12.1.1 The non-banking assets acquired in satisfaction of claims by the Bank were revalued by independent and professional valuers in December 2023. The valuations were carried out by M/s Harvester Services (Pvt) Limited, M/s Arch-e-Decon, M/s. K.G. Traders, M/s. Oceanic Surveyors, M/s Indus Surveyors, M/s. Amir Evaluators, M/s Asrem (Private) Limited, Tristar International Consultant (Pvt) Limited and Al Hadi Financial and Legal Consultant on the basis of professional assessment of present market values and the revalued amount is disclosed in note 12.1.2 to these financial statements.

		Note	2023	2022
			------(Rupees in '000)-----	
12.1.2	Non-banking assets acquired in satisfaction of claims			
	Opening balance		1,121,753	1,145,310
	Acquired during the year	12.1.3	434,250	-
	Disposal during the year	12.1.4	-	(27,039)
	Revaluation	12.1.1	20,032	7,279
	Depreciation		(3,242)	(3,797)
	Closing balance		1,572,793	1,121,753

12.1.3 These represent assets acquired as a result of debt asset swap arrangements entered into by the Bank and certain borrowers. Debt asset swap arrangements entered into during the year resulted in provision reversals against non-performing loans amounting to Rs. 392.177 million (2022: NIL), and a reduction in non-performing loans amounting to Rs. 434.250 million (2022: NIL).

			2023	2022
			------(Rupees in '000)-----	
12.1.4	Gain on disposal of non-banking assets acquired in satisfaction of claims			
	Disposal proceeds		-	27,501
	Less			
	- Cost		-	(28,443)
	- Accumulated Depreciation		-	1,404
			-	(27,039)
	Gain on disposal		-	462

12.2 This includes an amount of Rs. 52.753 billion representing principal balance of Pakistan Investment Bonds (previously classified as part of investments) and related accrued markup thereon, which matured on 30 December 2023 and is now due for settlement. The amount is receivable from the Government of Pakistan.



12.3 This represents amount in respect of fraud and forgery claims relating to cash embezzlement made in the Bank. The Bank has initiated legal proceedings against the alleged and has also taken necessary steps to further strengthen its internal control system.

	Note	2023	2022
		----- (Rupees in '000) -----	
12.4 Provision held against other assets			
Provision held against receivable against fraud and forgeries		143,443	143,443
Others		95,368	95,368
		<u>238,811</u>	<u>238,811</u>

12.4.1 Movement in provision held against other assets

Opening balance	238,811	238,811
Charge for the year	-	-
Amount written-off	-	-
Closing balance	<u>238,811</u>	<u>238,811</u>

13 CONTINGENT ASSETS

There were no contingent assets as at the balance sheet date.

14 BILLS PAYABLE

In Pakistan	8,737,971	7,386,191
Outside Pakistan	-	-
	<u>8,737,971</u>	<u>7,386,191</u>

15 BORROWINGS

Secured

Borrowings from State Bank of Pakistan			
Under export refinance scheme	15.2.1	14,931,546	18,441,811
Long term financing facility for plant and machinery	15.2.2	2,468,723	2,789,676
Refinance scheme for payment of wages and salaries	15.2.3	-	218,252
Temporary economic refinance scheme	15.2.4	2,031,100	2,196,191
Modernisation of SME-Rice Husking	15.2.5	-	1,962
Financing facility for storage of agriculture produce	15.2.6	77,679	119,575
Financing facility for Renewable Energy	15.2.7	902,692	966,487
Under Rupee based discounting	15.2.8	1,900,614	1,209,674
Repurchase agreement borrowings	15.2.9	-	81,750,000
		<u>22,312,354</u>	<u>107,693,628</u>
Repurchase agreement borrowings - other banks	15.2.10	43,585,444	5,647,950
Refinance from Pakistan Mortgage Refinance Company Limited	15.2.11	918,907	948,607
Total secured		<u>66,816,705</u>	<u>114,290,185</u>

Unsecured

Overdrawn nostro accounts	1,924,941	1,438,013
Total unsecured	<u>1,924,941</u>	<u>1,438,013</u>
	<u>68,741,646</u>	<u>115,728,198</u>

15.1 Particulars of borrowings with respect to currencies

In local currency	66,816,705	114,290,185
In foreign currencies	1,924,941	1,438,013
	<u>68,741,646</u>	<u>115,728,198</u>

- 15.2.1** The Bank has entered into an agreement with SBP for extending export finance to its customers. Borrowings under the export refinance scheme of SBP carry interest at rates ranging from 11% to 18% per annum (2022: 8% to 12% per annum). These are secured against demand promissory notes and are due to mature latest by 26 June 2024 (2022: latest by 28 June 2023).
- 15.2.2** These represent borrowings from SBP under scheme for long-term financing facility at rates ranging from 2.0% to 11.5% per annum (2022: 2.0% to 7.5% per annum) and have varying long term maturities due by 06 September 2032 (2022: due by 06 September 2032). Under the agreement, SBP has a right to recover the outstanding amount from the Bank at the respective maturity dates of each finance by directly debiting the current account of the Bank maintained with SBP.
- 15.2.3** As at 31 December 2023, there was no borrowings from SBP under the scheme for payment of wages and salaries. As 31 December 2022, such borrowings having 0% rates for Active Tax Payers and 2% per annum for Non-Filer, the Bank does not have above borrowing portfolio of Non-Filers. The facilities are due to mature latest by 03 January 2023.
- 15.2.4** These represent borrowings from SBP under the scheme for Temporary Economic Refinance (TERF) at the rates of 1% per annum (2022: 1% per annum) and are due to mature latest by 22 December 2032 (2022: 22 December 2032).
- 15.2.5** As at 31 December 2023, there was no borrowings from SBP under the scheme for Modernisation of SME Rice Husking Mills in Sindh. As 31 December 2022, such borrowings carried markup at the rates of 0% per annum and are due to mature latest by 29 September 2023.
- 15.2.6** These represent borrowings from SBP under the scheme for Finance Facility for Storage of Agricultural Produce at the rates ranging from 2% to 3.25% per annum (2022: 2% to 3.25% per annum) and are due to mature latest by 28 March 2026 (2022: 28 March 2026).
- 15.2.7** These represent borrowings from SBP under the scheme for renewable energy at rates ranging from 2% to 3% per annum (2022: 2% to 3% per annum) and are due to mature latest by 19 July 2034 (2022: 19 July 2034).
- 15.2.8** These represent borrowings from SBP under the Rupee based discounting scheme at rates ranging from 1.00% to 2.50% per annum (2022: 1.00% to 1.50% per annum) and are due to mature latest by 13 June 2024 (2022: 23 June 2023).
- 15.2.9** As at 31 December 2023, there was no borrowing with SBP secured against government securities. At 31 December 2022, such borrowing carried mark up rates ranging from 15.23% to 16.23% per annum and were due to mature latest by 03 March 2023.
- 15.2.10** These represent repurchase agreements borrowings executed with a local financial institution at the rates ranging from 22.00% from 22.90% per annum (2022: 16.20% per annum) and are due to mature latest by 02 January 2024 (2022: latest by 03 January 2023). The market value of securities given as collateral against these borrowings as given in note 8.2.1.
- 15.2.11** This is secured against mortgage finance portfolio of the Bank and carries mark-up at the rate of 8.89% per annum (2022: 8.89%) with maturity due on 01 April 2024 (2022: 01 April 2024).

16 DEPOSITS AND OTHER ACCOUNTS

	2023			2022		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
Customers						
Current deposits	119,390,313	12,807,720	132,198,033	105,642,753	10,165,591	115,808,344
Savings deposits	162,868,454	6,901,701	169,770,155	134,307,318	5,765,153	140,072,471
Term deposits	102,422,027	3,244,428	105,666,455	78,744,514	1,730,518	80,475,032
Others	22,036,696	-	22,036,696	16,291,492	-	16,291,492
	406,717,490	22,953,849	429,671,339	334,986,077	17,661,262	352,647,339
Financial Institutions						
Current deposits	2,648,674	657,594	3,306,268	1,170,855	809,242	1,980,097
Savings deposits	82,926,679	-	82,926,679	50,251,906	-	50,251,906
Term deposits	1,964,698	-	1,964,698	4,763,271	-	4,763,271
	87,540,051	657,594	88,197,645	56,186,032	809,242	56,995,274
	494,257,541	23,611,443	517,868,984	391,172,109	18,470,504	409,642,613



	2023	2022
	------(Rupees in '000)-----	
16.1 Composition of deposits		
- Individuals	198,808,284	167,275,471
- Government (Federal and Provincial)	47,003,880	34,423,099
- Public Sector Entities	17,699,092	17,938,495
- Banking Companies	7,057,085	6,682,827
- Non-Banking Financial Institutions	80,331,593	51,183,855
- Private Sector	166,969,050	132,138,866
	<u>517,868,984</u>	<u>409,642,613</u>

16.2 Deposits eligible under Insurance arrangements

In 2018, the SBP set up a fully owned subsidiary – the Deposit Protection Corporation (DPC), with an aim to provide protection to small depositors of banks operating in Pakistan. The Corporation has been set up through promulgation of the Deposit Protection Corporation Act, 2016, (the Act) and commenced its business with effect from 01 June 2018. Membership of the Deposit Protection Corporation is compulsory for all banks scheduled under sub-section (2) of section 37 of the State Bank of Pakistan Act, 1956. Under the arrangement, the objective of DPC would be to protect the depositors to the extent of the guaranteed amount, in case a member bank is notified as a failed institution by SBP.

The framework provided by DPC lays down the methodology for arriving at Eligible Deposits, as well as determining the premium amount payable under the regulations. The premium amount so determined are required to be deposited by all banks with DPC on a quarterly basis.

As at 31 December 2023, the deposits eligible to be covered under insurance arrangements amount to Rs. 274,567 million. (2022 : Rs. 199,467 million).

	Note	2023	2022
		------(Rupees in '000)-----	
17 SUBORDINATED DEBT			
Listed Term Finance Certificates - Additional Tier I	17.1	4,000,000	4,000,000
Listed Term Finance Certificates - Tier II (TFC III)	17.2	3,998,400	4,000,000
		<u>7,998,400</u>	<u>8,000,000</u>

17.1 Listed Term Finance Certificates - Additional Tier I

This denotes rated, listed and unsecured Term Finance Certificates (TFCs) issued as instrument of redeemable capital of Rs. 4,000 million issued under Section 66 of the Companies Act, 2017. The funds raised by the Bank through the issuance of these TFCs have contributed towards the Bank's Additional Tier 1 Capital for meeting its capital adequacy requirements as per Basel III Guidelines set by SBP under BPRD Circular Number 6 dated 15 August 2013. The instrument is sub-ordinated as to the payment of principal and profit to all other indebtedness of the Bank (including the listed term finance certificates - Tier II previously issued by the Bank) and is not redeemable before maturity without prior approval of SBP. Furthermore, these funds are intended to be utilized for the Bank's ongoing business operations in accordance with the Bank's Memorandum and Articles of Association. The key features of the issue are as follows:

Issue amount	Rs. 4,000 million
Issue date	06 December 2018
Maturity date	Perpetual
Rating (Note 37)	"A" by PACRA on 28 December 2023
Security	Unsecured
Profit payment frequency	Semi-annually
Redemption	No fixed or final redemption date
Mark-up	6 Months KIBOR + 2.00% per annum

Call option	The Bank may call the TFCs (either partially or in full), after five (5) years from the date of issuance with the prior approval of SBP. Moreover, and as per Clause iv(b) of Annexure 2 of the Basel III Circular, the Issuer shall not exercise a call option unless the called instrument is replaced with capital of same or better quality. The Call must be subject to a prior notice of not less than 60 days given by the Bank to the investors. The Call Option once announced will not be revocable.
Lock-in-clause (if any)	The TFCs contain a lock-in clause which stipulates that no profit payments would be made if such payments result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Requirement (CAR) or increase any existing shortfalls in MCR and / or CAR.
Loss absorbency clause	The TFCs are also subject to loss absorbency 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 and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC Holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFC' divided by market value per share of the Bank's common equity on the date of trigger of the non-viability event as declared by SBP, subject to a cap of 360,000,000 shares.

17.2 Listed Term Finance Certificates - Tier II

This denotes privately placed, rated and unsecured Term Finance Certificates (TFCs) issued as an instrument of redeemable capital with a tenor of 10 years. The instrument was privately placed and was subsequently listed on the PSX as per the regulatory requirements for listing of privately placed debt securities. The instrument is sub-ordinated as to the payment of principal and profit to all other indebtedness of the Bank, and is not redeemable before maturity without prior approval of SBP. The key features of the issue are as follows:

Issue amount	Rs. 4,000 million
Issue date	26 December 2022
Maturity date	26 December 2032
Rating (Note 37)	"A+" by PACRA on 28 December 2023
Security	Unsecured
Profit payment frequency	Semi-annually
Redemption	Principal is redeemable semi-annually in such a way that 0.36% of the principal will be redeemed in the first 108 months and the remaining principal of 99.64% in two equal semi annual installments of 49.82% each in the last year.
Mark-up	6 Months KIBOR + 1.70% per annum
Call option (if any)	The Bank may call the TFCs (either partially or in full), with prior approval of SBP, any time after five years from the date of issue, subject to not less than 30 days prior notice being given to the investors.
Lock-in-clause (if any)	The TFCs contain a lock-in clause which stipulates that neither interest nor principal may be paid (even at maturity) if such payments will result in shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Requirement (CAR) or Leverage Ratio (LR) or result in an increase in any existing shortfall in MCR or CAR or LR.
Loss absorbency clause	The instrument will be subject to loss absorbency 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 and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC Holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFC' divided by market value per share of the Bank's common equity on the date of trigger of the non-viability event as declared by SBP, subject to the cap of 484,000,000 shares.



18 DEFERRED TAX LIABILITIES - NET

Deductible temporary differences on

- Post retirement employee benefits
- Deficit on revaluation of investments
- Provision against advances, off balance sheet etc.

Taxable temporary differences on

- Surplus on revaluation of fixed assets
- Surplus on revaluation of non banking assets
- Accelerated tax depreciation

2023

At 1 January 2023	Recognised in the profit and loss account	Recognised in other comprehensive income	At 31 December 2023
----- (Rupees in '000) -----			
(42,282)	-	(35,394)	(77,676)
(2,199,963)	-	1,109,320	(1,090,643)
(217,877)	(109,416)	-	(327,293)
(2,460,122)	(109,416)	1,073,926	(1,495,612)
1,018,367	(70,408)	592,079	1,540,038
49,659	(200)	16,745	66,204
501,475	276,932	-	778,407
1,569,501	206,324	608,824	2,384,649
(890,621)	96,908	1,682,750	889,037

2022

At 1 January 2022	Recognised in the profit and loss account	Recognised in other comprehensive income	At 31 December 2022
----- (Rupees in '000) -----			
(15,962)	-	(26,320)	(42,282)
(1,489,185)	-	(710,778)	(2,199,963)
(134,268)	(83,609)	-	(217,877)
(1,639,415)	(83,609)	(737,098)	(2,460,122)
980,895	(63,133)	100,605	1,018,367
42,568	(405)	7,496	49,659
437,731	63,744	-	501,475
1,461,194	206	108,101	1,569,501
(178,221)	(83,403)	(628,997)	(890,621)

Deductible temporary differences on

- Post retirement employee benefits
- Deficit on revaluation of investments
- Provision against advances, off balance sheet etc.

Taxable temporary differences on

- Surplus on revaluation of fixed assets
- Surplus on revaluation of non banking assets
- Accelerated tax depreciation

19 OTHER LIABILITIES

Note 2023 2022
----- (Rupees in '000) -----

Mark-up / return / interest payable in local currency		10,220,222	6,349,028
Mark-up / return / interest payable in foreign currencies		156,055	47,970
Unearned commission and income on bills discounted		242,695	166,490
Accrued expenses		1,237,717	706,079
Acceptances		6,103,700	3,920,514
Unclaimed dividends		110,477	104,580
Mark to market loss on forward foreign exchange contracts - net		61,618	-
Charity fund balance		-	47
Provision against off-balance sheet obligations	19.1	27,475	27,475
Payable to workers' welfare fund		818,007	565,568
Lease liability against right-of-use assets	19.2	5,113,794	4,259,975
Sundry deposits		672,152	575,962
Clearing and Settlement account		286,704	528,074
Others		661,852	604,876
		<u>25,712,468</u>	<u>17,856,638</u>

19.1	Movement in provision held against off-balance sheet obligations	Note	2023 ------(Rupees in '000)-----	2022
	Opening balance	19.1.1	27,475	27,475
	Closing balance		27,475	27,475
19.1.1	This represents provision held against non-fund based obligations of a borrower classified as doubtful.			
19.2	Movement in lease liability against right-of-use assets	Note	2023 ------(Rupees in '000)-----	2022
	Opening balance		4,259,975	3,419,465
	Additions during the year		1,511,043	1,418,715
	Finance cost of lease liability	24.2	648,639	442,962
	Repayments		(1,305,863)	(1,021,167)
	Closing balance		5,113,794	4,259,975
20	SHARE CAPITAL			
20.1	Authorized Capital		2023 ------(Rupees in '000)-----	2022
	2023 ----- (Number of shares) -----		2,100,000,000	1,800,000,000
	Ordinary shares of Rs. 10 /- each		21,000,000	18,000,000
20.1.1	During the year, the shareholders of the Bank in their annual general meeting held on 27 March 2023 have approved the increase in authorised share capital of the Bank to Rs. 21 billion.			
20.2	Issued, subscribed and paid-up capital	Note	2023 ------(Rupees in '000)-----	2022
	2023 ----- (Number of shares) -----		387,397,655	387,397,655
	715,065,826		7,150,659	7,150,659
	1,102,463,481		11,024,636	11,024,636
	Ordinary shares			
	Fully paid in cash		3,873,977	3,873,977
	Issued as bonus shares		7,150,659	7,150,659
			11,024,636	11,024,636
21	SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS			
	Surplus / (deficit) on revaluation of :			
	- Available-for-sale securities	8.1	(2,225,802)	(5,116,194)
	- Fixed assets	21.1	4,267,374	3,084,568
	- Non-banking assets acquired in satisfaction of claims	21.2	135,109	115,485
			2,176,681	(1,916,141)
	Deferred tax on surplus / (deficit) on revaluation of :			
	- Available-for-sale securities		1,090,643	2,199,963
	- Fixed assets	21.1	(1,540,038)	(1,018,367)
	- Non-banking assets acquired in satisfaction of claims	21.2	(66,204)	(49,659)
			(515,599)	1,131,937
			1,661,082	(784,204)



21.1	Surplus on revaluation of fixed assets	Note	2023	2022
			----- (Rupees in '000) -----	
	Surplus on revaluation of fixed assets as at 01 January		3,084,568	3,231,388
	Recognised during the year	10.3	1,373,588	-
	Other adjustments during the year		(47,092)	-
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(73,282)	(83,687)
	Related deferred tax liability on incremental depreciation charged during the year		(70,408)	(63,133)
	Surplus on revaluation of fixed assets as at 31 December		4,267,374	3,084,568
	Less: related deferred tax liability :			
	- revaluation as at 01 January		(1,018,367)	(980,895)
	- revaluation recognised during the year		(473,056)	-
	- other adjustments during the year		23,075	-
	- effect of rate change		(142,098)	(100,605)
	- incremental depreciation charged during the year		70,408	63,133
			(1,540,038)	(1,018,367)
			2,727,336	2,066,201
21.2	Surplus on revaluation of non-banking assets acquired in satisfaction of claims			
	Surplus on revaluation as at 01 January		115,485	109,148
	Recognised during the year		20,032	7,279
	Realised on disposal during the year		-	(676)
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year		(208)	(152)
	Related deferred tax liability on incremental depreciation charged during the year		(200)	(114)
	Surplus on revaluation as at 31 December		135,109	115,485
	Less: related deferred tax liability on:			
	- revaluation as at 01 January		(49,659)	(42,568)
	- revaluation recognised during the year		(9,816)	(3,130)
	- realised on disposal during the year - net of deferred tax		-	291
	- effect of rate change		(6,929)	(4,366)
	- incremental depreciation charged during the year		200	114
			(66,204)	(49,659)
			68,905	65,826
22	CONTINGENCIES AND COMMITMENTS			
	- Guarantees	22.1	37,434,980	30,826,143
	- Commitments	22.2	217,312,272	140,945,224
	- Other contingent liabilities	22.3	14,525,556	11,635,196
			269,272,808	183,406,563
22.1	Guarantees:			
	- Financial guarantees		10,758,920	8,517,649
	- Performance guarantees		24,685,788	21,236,932
	- Other guarantees		1,990,272	1,071,562
			37,434,980	30,826,143
22.2	Commitments:			
	Documentary credits and short-term trade-related transactions			
	- letters of credit		62,140,172	50,561,118
	Commitments in respect of:			
	- forward foreign exchange contracts	22.2.1	154,713,757	86,782,448
	- forward lending	22.2.2	212,314	3,185,490
	Commitments for acquisition of:			
	- fixed assets		219,602	365,741
	- intangible assets		2,427	2,427
	Other commitments	22.2.3	24,000	48,000
			217,312,272	140,945,224

22.2.1	Commitments in respect of forward foreign exchange contracts	Note	2023	2022
			------(Rupees in '000)-----	
	Purchase		83,456,475	48,479,318
	Sale		71,257,282	38,303,130
The maturities of the above contracts are spread over a period of one year.				
22.2.2	Commitments in respect of forward lending			
	Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.2.1	212,314	3,185,490
22.2.2.1	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. The Bank has certain other commitments to extend credit that represent revocable commitments and do not attract any significant penalty or expense in case the facility is withdrawn unilaterally.			
22.2.3	Other commitments		2023	2022
			------(Rupees in '000)-----	
	Donation		24,000	48,000
22.3	Other contingent liabilities		14,525,556	11,635,196
22.3.1	(a) The income tax returns of the Bank have been filed up to tax year 2023 (accounting year ended 31 December 2022). The income tax authorities have issued amended assessment orders against different tax years, thereby creating additional tax demands against which payments have been made as required under the law. The Bank has filed appeals before various appellate forums against these amendments. Assessments from tax year 2003 to 2010 have been decided at the level of Honourable Lahore High Court. The Bank has filed petitions in Honourable Supreme Court of Pakistan for tax years 2003 to 2005 and tax year 2008 to 2010. Incase of an adverse decision, an additional tax liability of Rs. 277.12 million may rise. The department has filed tax references in respect of certain matters with the Honourable Lahore High Court which are currently pending. In case of any adverse decision, an additional tax liability of Rs. 639.57 (which includes impact of certain timing differences as well) may arise for for tax years 2011 and 2012. Honourable LHC has remanded back the proceedings for tax year 2001 to department, which are currently pending hearing and in case of an adverse inference, a demand of Rs. Rs. 1.225 million may arise. Further, assessments for tax years 2013 to 2021 have been decided at the level of Commissioner Inland Revenue (Appeals).The department has filed appeal for tax year 2013, 2020 and 2021 with Appellate Tribunal Inland Revenue which is currently pending and in case of any adverse decision, an additional tax liability of Rs. 6,493.68 million (which includes impact of certain timing differences as well) may arise. The Bank has decided to file appeal for tax years 2014, 2015, 2016 and 2018 with Appellate Tribunal Inland Revenue, which in case of any adverse decision may create an additional tax liability of Rs. 128.74 million. A cross appeal has been filed for tax year 2019 with Appellate Tribunal Inland Revenue, which in case of any adverse decision may create an additional tax liability of Rs. 16.63 million. However, the management is confident that these matters will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in such matters. (b) Tax authorities have passed order for tax year 2017 under section 122(4) of the Income Tax Ordinance, 2001. This order has been passed as a result of audit under section 177 of the Income Tax Ordinance, 2001. The Bank has decided to file an appeal against the order with Commissioner Inland Revenue (Appeals). In case of any adverse decision, an additional tax liability of Rs. 73.07 million may arise. However, the management is confident that the matter will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in such matter. (c) Tax authorities have passed orders for tax years 2008 to 2012, levying Federal Excise Duty on certain items. The Bank filed appeals against these assessments before Appellate Tribunal Inland Revenue, which were decided in favor of Bank and tax demand was deleted in full. The department filed tax reference with Honourable High Court Lahore against the order issued by Appellate Tribunal Inland Revenue, which was set-aside with remanded back directions to Appellate Tribunal Inland Revenue by Honourable High Court Lahore. Provision to the extent of Rs. 81.083 million, created on the recommendation of the State Bank of Pakistan, is still being maintained in the accounts. Management is confident that Appellate Tribunal Inland Revenue will decide the case in favor of the Bank and the Bank may not be exposed to any additional tax liability in these matters. Management is also confident that SBP will allow reversal of this provision based on favorable order passed by Appellate Tribunal Inland Revenue. (d) Honourable High Court Lahore has remanded back the proceeding under section 161/205 of the Income Tax Ordinance 2001 for tax year 2011 to Appellate Tribunal Inland Revenue. It is currently pending hearing and in case of any adverse decision an additional tax liability of Rs. 18.83 million may arise. Tax authorities have filed appeals against orders passed under section 161/205 of the Income Tax Ordinance 2001, for tax years 2014 and 2016 to 2021 with Appellate Tribunal Inland Revenue. These are currently pending and in case of any adverse decision an additional tax liability of Rs. 2,342.16 million may arise. However, the management is confident that the matter will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in these matters.			



- (e) Punjab Revenue Authority has passed orders for years 2015, 2021 and 2022 under section 14, 19 and 35 of the Punjab Sales Tax on Services Act, 2012, creating demands of Rs. 144.688 million and 2,026.09 million respectively, on non-deduction of withholding tax and sales tax. The Bank has filed appeals before Commissioner Inland Revenue (Appeals) against these orders, which are currently pending. Order passed for year 2016 and 2017 has been decided at the level of Commissioner Inland Revenue (Appeals) whereby demands of 46.9 million and 24.79 million respectively, have been upheld. The Bank has filed appeals before Appellate Tribunal Punjab Revenue Authority against these orders, which are currently pending. However, the management is confident that these matters will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in such matters.
- (f) Sindh Revenue Board has passed orders for years 2012 and 2014 under section 23 of the Sindh Sales Tax on Services Act, 2011, creating demands of Rs. 213.43 million and Rs. 142.18 million respectively, on non-deduction of Sindh Sales Tax. The Bank has filed appeals before Commissioner Inland Revenue (Appeals) against these orders, which are currently pending. However, the management is confident that these matters will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in such matters.
- (g) The income tax authorities in Azad Jammu & Kashmir region have issued amended assessment orders for tax years 2013 to tax year 2022, thereby creating additional tax demands which have been paid by the Bank as required under the law. The Bank has decided to file appeal before Commissioner Inland Revenue (Appeals) for tax years 2020 to 2022. In case of an adverse decision, additional tax liability of Rs. 80.847 million may arise. The Bank had filed appeals before Commissioner Inland Revenue (Appeals) against orders from tax year 2013 to 2019, which were decided in favour of the Bank except for tax year 2016. The Bank has filed an appeal against order for tax year 2016 in Appellate Tribunal. In case of any adverse decision, an additional tax liability of Rs. 41.565 million may arise. Department has filed appeals against orders for tax year 2014 to 2019 in Appellate Tribunal, which are still pending. In case of an adverse decision, an additional tax liability of Rs. 263.01 million (excluding tax year 2016) may arise. However, the management is confident that these matters will ultimately be decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in such matters.
- (h) 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 has issued Notification No. SRO.1588(I)/2023 dated November 21, 2023 imposing 40% tax on foreign exchange income of the banks and has 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. 1,021.891 million. However, the Bank filed Constitutional Petition before the Honorable High Court Lahore through its external legal counsel; challenging the same on various legal grounds inter-alia including the following:
- unlawful delegation of powers;
 - absence of necessary conditions mentioned in section 99D;
 - lack of right of appeal to the tax payers; and
 - absence of machinery for declaration, assessment and collection.

Based on these grounds the Honorable High Court has suspended the operation of the SRO. Similar orders have also been passed by the High Courts of Sindh and Islamabad. Moreover, the subject SRO has to be ratified and approved by a functional National Assembly within a period of 90 days from its issuance; failing which it would lapse and would have no legal effect though chances of the same appear to be remote.

On the basis of the aforementioned factors and as per the advice of our learned legal counsel, the management is confident that these matters will ultimately be decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in such matters.

22.3.2 Claims against the Bank which are not acknowledged as debts amounted to Rs. 3.163 million (31 December 2022: Rs. 3.963 million).

22.3.3 The Assistant Commissioner, Inland Revenue vide orders under section 182/140 of the Income Tax Ordinance, 2001 has levied penalties against staff of the Bank amounting to Rs. 30 million and Rs. 0.06 million dated July 1, 2016 and January 12, 2021 respectively. Currently, these matters are pending before Commissioner Inland Revenue (Appeals) subsequent to appeal filed by the staff. In case of any adverse decision in appeals, the Bank reserves the right of recourse on customers for re-imbursement. However, the management is confident that these matters will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability.

22.3.4 A penalty of Rs. 50 million had been imposed by the Competition Commission of Pakistan ("the Commission") on the Bank on account of uncompetitive behaviour and imposing uniform cost on cash withdrawal from ATM transactions dated June 28, 2012. The Bank along with other Banks had filed a constitutional petition before the Competition Appellate Tribunal which has set aside the order of the Commission. Against the said order of the Competition Appellate Tribunal, the Commission has filed an appeal before the Supreme Court of Pakistan, the hearing of which is currently pending. The management of the Bank is confident that the appeal will be decided in the favour of the Bank.

22.3.5 Through the Finance Act, 2008 an amendment was made in the Employees Old Age Benefits Act, 1976 whereby the exemption available to banks and their employees was withdrawn by omission of clause (e) of Section 47 of the said Act and banks and their employees were made liable for contribution to Employee Old Age Benefit Institution. The Lahore High Court, subsequently, nullified the amendments made through the Finance Act, 2008.

Subsequently, several other banks also filed the Constitutional Petition before the Sindh High Court which decided the matter in favour of the banks. As a result of the decision of the Lahore High Court and Sindh High Court, the Bank stopped EOBI contribution w.e.f. February 2012. An appeal was filed by the EOBI in the Supreme Court of Pakistan which has been disposed of by the Honourable Court vide its order dated 10 November 2016 in favour of the Banks. However, EOBI has filed review Petition on 07 March 2019 before the Supreme Court of Pakistan which is currently pending.

In case of any adverse decision by the Supreme Court of Pakistan, a contribution of Rs.364.834 million (up to 31 December 2022: Rs. 281.127 million) will become payable by the Bank to the EOBI. The said amount of Rs. 364.834 million has not been provided in these financial statements as the Bank is confident that the case will be decided in the Bank's favour.

		Note	2023 ------(Rupees in '000)-----	2022
23	MARK-UP / RETURN / INTEREST EARNED			
	Loans and advances		34,211,029	24,075,803
	Investments		60,608,744	37,005,103
	Lendings to financial institutions		2,000,099	1,162,191
	Balances with banks		228,202	44,517
	Placement and call lendings		985,247	755,866
	Income on bai muajjal placements		-	13,133
			<u>98,033,321</u>	<u>63,056,613</u>
24	MARK-UP / RETURN / INTEREST EXPENSED			
	Deposits		58,765,800	34,963,265
	Borrowings		12,386,678	14,430,656
	Subordinated debt		1,731,186	1,067,658
	Cost of foreign currency swaps against foreign currency deposits / borrowings	24.1	1,742,453	885,316
	Finance cost of lease liability	24.2	648,639	442,962
			<u>75,274,756</u>	<u>51,789,857</u>
24.1	A corresponding income of the same amount is recognised in foreign exchange income.			
24.2	This represents finance cost of lease liability against right-of-use assets.			
25	FEE & COMMISSION INCOME			
	Branch banking customer fees		676,301	565,609
	Consumer finance related fees		55,425	58,994
	Debit card related fees		237,049	100,441
	Investment banking / arrangement fees		14,639	56,620
	Credit related fees		164,490	132,947
	Commission on trade		1,267,387	890,621
	Commission on guarantees		154,173	158,397
	Commission on cash management		20,376	13,240
	Commission on remittances including home remittances		24,924	29,170
	Commission on bancassurance		18,100	83,096
	Wealth management income		13,794	8,573
	Rebate income		422,559	314,311
	Others		16,465	18,273
			<u>3,085,682</u>	<u>2,430,292</u>
26	(LOSS) / GAIN ON SECURITIES - NET			
	Realised	26.1	(55,088)	(533,142)
	Unrealised - held for trading	8.1	-	-
			<u>(55,088)</u>	<u>(533,142)</u>
26.1	Realised (loss) / gain on:			
	Federal Government securities		22,858	(13,089)
	Shares		(77,419)	(520,879)
	Mutual funds		(527)	327
	Non-Government debt securities		-	499
			<u>(55,088)</u>	<u>(533,142)</u>



	Note	2023	2022
		------(Rupees in '000)-----	
27 OTHER INCOME			
Gain on sale of fixed assets-net		33,959	27,756
Gain on termination of leases		11,348	20,255
Insurance claim recovered		5,968	3,964
Staff notice period and other recoveries		32,634	27,920
Gain on sale of non-banking assets		-	462
Rental income on properties	27.1	8,680	8,575
		<u>92,589</u>	<u>88,932</u>
27.1	This includes rent earned through certain spaces / floors of Bank's properties let out on rental basis.		
28 OPERATING EXPENSES			
Total compensation expense	28.1	5,677,633	4,674,005
Property expense			
Rent & taxes		150,884	68,309
Insurance		57,717	41,568
Utilities cost		819,225	666,895
Security (including guards)	28.2	668,307	509,772
Repair & maintenance (including janitorial charges)	28.2	392,328	295,963
Depreciation on non-banking assets		3,241	3,797
Depreciation on right-of-use assets	10.2	910,907	758,677
Depreciation on property	10.3	311,232	281,990
		<u>3,313,841</u>	<u>2,626,971</u>
Information technology expenses			
Software maintenance		957,368	543,166
Hardware maintenance		182,294	168,124
Depreciation on computer equipments	10.3	258,057	227,412
Amortisation of intangibles	11	199,409	257,825
Network charges		311,519	251,659
Others		388,492	289,582
		<u>2,297,139</u>	<u>1,737,768</u>
Other operating expenses			
Directors' fees and allowances		38,360	27,700
Fees and allowances to Shariah Board		9,240	8,305
Legal & professional charges		80,463	63,909
Outsourced services costs	28.2 & 38.1	24,961	68,405
Travelling & conveyance		26,272	20,530
NIFT clearing charges		64,077	55,992
Depreciation	10.3	316,233	233,890
Training & development		22,375	23,515
Postage & courier charges		80,916	104,364
Communication		85,890	79,167
Stationery & printing		454,316	328,925
Marketing, advertisement & publicity		81,823	153,765
Donations	28.3	51,260	45,500
Auditors' Remuneration	28.4	16,944	14,244
Brokerage and commission		26,098	23,377
Entertainment		322,174	260,418
Fees and subscription		103,088	101,094
Motor vehicles running expenses		716,987	459,401
Service charges		244,930	168,273
Insurance		53,996	47,918
Repair & maintenance		296,802	256,085
Deposit protection insurance premium	28.5	319,144	267,383
Others		428,610	268,135
		<u>3,864,959</u>	<u>3,080,295</u>
		<u>15,153,572</u>	<u>12,119,039</u>

28.1	Total compensation expense	Note	2023 ------(Rupees in '000)-----	2022
	Managerial Remuneration			
	i) Fixed		2,847,746	2,489,928
	ii) Variable			
	a) Cash Bonus / Awards etc.	28.1.1	578,298	336,627
	b) Bonus & Awards in Shares etc.		-	-
	Charge for defined benefit plan		137,950	122,767
	Contribution to defined contribution plan	40	197,836	167,115
	Rent & house maintenance		1,088,177	914,256
	Staff Car Allowance		363,028	262,665
	Utilities		2,754	2,074
	Medical		258,565	224,747
	Conveyance		751	485
	Entertainment		30,584	21,137
	Group Insurance		165,616	127,238
	Staff Welfare		4,986	3,844
	Others		1,342	1,122
	Sub-total		5,677,633	4,674,005
	Severance Allowance		-	-
	Grand Total		5,677,633	4,674,005

28.1.1 This includes bonus accrual in respect of current performance year (net of reversal), payout for which shall be made in the following year. The aggregate amount of bonus paid in the current year out of accrual held till last year to Directors, Key Management Personnel and other MRTs / MRCs has been disclosed in note 41.1 to these financial statements.

28.2 Total cost for the year relating to outsourcing activities included in operating activities is Rs. 1,064.400 million (2022: Rs 848.986 million) being paid to companies incorporated in Pakistan. The material outsourcing arrangement as specifically disclosed in note 28 along with their nature of services is as follows:

		2023 ------(Rupees in '000)-----	2022
Name of company	Nature of Service		
Prime Human Resource services	Business Development Services	24,961	68,405
28.3	Details of the donations given during the year are as follows:		
	Donee		
	The Aga Khan Health Service, Pakistan	5,000	5,000
	The Aga Khan Medical & University Hospital	40,000	40,000
	The Aga Khan Education Service, Pakistan	5,000	-
	The Citizens Foundation	1,260	-
	Pakistan Crescent Society	-	500
		51,260	45,500

28.3.1 Directors or their spouse have no interest in any of the donee in current and prior year. However, the Bank's Deputy CEO is on the Governance Board of the Aga Khan Medical and University Hospital.

28.4	Auditors' remuneration	2023 ----- (Rupees in '000) -----	2022
	Audit fee	3,215	3,020
	Fee for other statutory certifications	6,050	5,682
	Special certifications and sundry advisory services	4,491	3,042
	Out-of-pocket expenses	3,188	2,500
		16,944	14,244



28.5 This represents the insurance premium paid to the State Bank of Pakistan's Depositors Protection Corporation (DPC) during the year. The premium amount was worked out in accordance with the mechanism specified by DPC during the year, based on eligible deposits position of the Bank as at 31 December 2022. The premium amount payable for the financial year ending 2024 is determined in accordance with the eligible deposits (note 17.2) as at 31 December 2023 and amounts to Rs. 439.334 million (2022: Rs. 319.144 million).

	Note	2023	2022
		------(Rupees in '000)-----	
29 WORKERS' WELFARE FUND - NET			
Workers' Welfare Fund - net	29.1	252,439	99,472

29.1 The bank considers a charge for Workers Welfare Fund (WWF) based on profits earned for respective years, adjusted for any change in expectation of provisions required to be held, in the light of relevant orders / judgements, and legal opinions.

	Note	2023	2022
		------(Rupees in '000)-----	
30 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan (SBP)		65,065	26,245

31 PROVISIONS /(REVERSALS) & WRITE OFFS - NET

Provision / (reversals) for diminution in the value of investments	8.3	96,288	(293)
Provisions / (reversals) against loans & advances - net	9.3	1,290,455	(400,285)
Fixed assets written off		5,513	26,009
Impairment reversal against fixed assets	10.3	(2,974)	-
		1,389,282	(374,569)

32 TAXATION

Current	32.1	6,184,747	2,388,317
Prior years	32.1	-	365,864
Deferred		96,908	(83,403)
		6,281,655	2,670,778

32.1 The Finance Act, 2023 had introduced a retrospective charge on income derived from Federal Government securities for the financial year ending 2021, accordingly a provision for prior years had been booked in this respect in FY 2022. The Bank had challenged the same through its legal counsel in Honorable High Court Lahore, the decision of which is currently pending. Moreover, there are certain amendments which require that super tax at the rate of 10 percent would be applicable for tax year 2023 (accounting year ended December 2022) and onwards in respect of poverty alleviation. Therefore, the Bank has decided to book the Deferred tax asset/ liabilities at 49% considering the same as the enacted rate for foreseeable future.

32.2 Tax related contingencies are disclosed in note 22.3.1 to these financial statements.

	2023	2022
	------(Rupees in '000)-----	
32.3 Relationship between tax expense and accounting profit		
Profit before taxation	12,357,115	4,554,021
Tax at the applicable tax rate of 39% (2022: 39%)	4,819,275	1,776,068
Super Tax @ 10%	1,235,712	455,402
Tax effect on permanent differences	176,216	11,169
Effect of rate change	39,571	90,844
Prior year	-	365,864
Others	10,881	(28,569)
	6,281,655	2,670,778

33	BASIC EARNINGS PER SHARE		2023	2022		
			----- (Rupees in '000) -----			
	Profit for the year		6,075,460	1,883,243		
			----- (Number of Shares) -----			
	Weighted average number of ordinary shares		1,102,463,481	1,102,463,481		
		----- (Rupees) -----				
	Basic earnings per share		5.5108	1.7082		
34	DILUTED EARNINGS PER SHARE		----- (Rupees in '000) -----			
	Profit for the year		6,075,460	1,883,243		
			----- (Number of Shares) -----			
	Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)		1,102,463,481	1,102,463,481		
			----- (Rupees) -----			
	Diluted earnings per share		5.5108	1.7082		
35	NET DEBT RECONCILIATION		----- (Rupees in '000) -----			
	Net debt as at 01 January 2023		8,000,000	68,472		
	Other non-cash movements					
	Mark-up accrued		-	1,731,186		
	Cash Flows					
	Principal paid		(1,600)	-		
	Mark-up paid		-	(1,714,662)		
			(1,600)	(1,714,662)		
	Net debt as at 31 December 2023		7,998,400	84,996		
	* Mark-up is covered under cash flow from operating activities.					
	36	CASH AND CASH EQUIVALENTS		Note	2023	2022
					----- (Rupees in '000) -----	
Cash and balances with treasury banks		5	44,206,702	27,420,328		
Balance with other banks		6	1,458,642	1,939,303		
Overdrawn nostro accounts		15	(1,924,941)	(1,438,013)		
			43,740,403	27,921,618		
37	CREDIT RATING					
	The Pakistan Credit Rating Agency (PACRA) has maintained the long term credit rating of 'AA-' (Double A Minus) and short term rating of 'A1+' (A One Plus) with Stable Outlook of the Bank through its notification dated 23 June 2023 [2022: long term 'AA-' (Double A Minus); short term 'A1+' (A One Plus)].					
	Furthermore, the Bank's unsecured, subordinated, rated, listed perpetual and non-cumulative Term Finance Certificates of Rs 4,000 million have been assigned the rating of 'A' with Stable Outlook by PACRA through their notification dated 28 December 2023.					
	PACRA had also maintained the credit rating of the Bank's unsecured, subordinated and listed Term Finance Certificates (TFC – 3) issue of Rs 4,000 million at 'A+' (Single A plus) with Stable Outlook through its notification dated 28 December 2023.					



		2023	2022	
38	STAFF STRENGTH	-- (Number of employees) --		
	Permanent	4,170	3,518	
	On Bank contract	104	557	
	Bank's own staff strength at the end of the year	4,274	4,075	
38.1	In addition to the above, 15 (2022: 70) employees of outside contractor / agency were posted in the Bank as at the end of the year to perform services other than guarding and janitorial services.			
38.2	Further, 899 (2022: 753) employees of outside contractor / agency were posted in the Bank as at the end of the year to perform janitorial services.			
39	DEFINED BENEFIT PLAN			
39.1	General description			
	As mentioned in note 4.12.1, the Bank operates an approved funded gratuity scheme for all its permanent employees. The benefits under the gratuity scheme are payable on retirement at the age of 60 or earlier cessation of service, in lump sum. The benefit (for all employees other than the President) is equal to one month's last drawn basic salary for each year of eligible service with the Bank subject to a minimum qualifying period of service of five years. For the President, the benefit is determined as per the terms of his employment. The plan assets and defined benefit obligations are based in Pakistan. For deceased cases, the qualifying period is at least one year in service.			
39.2	Number of employees under the scheme			
	The number of employees covered under the defined benefit scheme are:	2023	2022	
		-- (Number of employees) --		
	Gratuity fund	4,038	3,513	
39.3	Principal actuarial assumptions			
	The actuarial valuation was carried out as at 31 December 2023 using the following significant assumptions:			
		2023	2022	
		----- (Per annum) -----		
	Discount rate	16.00%	14.25%	
	Expected rate of return on plan assets	12.00%	8.00%	
	Expected rate of salary increase	12.00%	8.00%	
	Mortality rates (for death in service)	SLIC	SLIC	
		(2001-05)-1	(2001-05)-1	
	Rate of employee turnover	Special	Special	
		Note		
		2023	2022	
		----- (Rupees in '000) -----		
39.4	Reconciliation of payable to defined benefit plan			
	Present value of obligation	39.5	1,324,342	1,046,028
	Fair value of plan assets	39.6 & 39.9	(1,324,342)	(1,046,028)
			-	-
39.5	Movement in defined benefit obligation			
	Obligation at the beginning of the year		1,046,028	927,320
	Current service cost		137,950	122,767
	Interest cost		146,108	107,670
	Benefits paid by the Bank		(105,470)	(99,133)
	Re-measurement loss / (gain)		99,726	(12,596)
	Obligation at the end of the year		1,324,342	1,046,028

		Note	2023 ------(Rupees in '000)-----	2022
39.6	Movement in fair value of plan assets			
	Fair value at the beginning of the year		1,046,028	927,320
	Interest income on plan assets		146,108	107,670
	Contribution by the Bank - net		92,673	81,037
	Re-measurements: net return on plan assets over interest income gain / (loss)	39.8.2	39,533	(69,999)
	Fair value at the end of the year		<u>1,324,342</u>	<u>1,046,028</u>
39.7	Movement in payable under defined benefit schemes			
	Opening balance		-	-
	Charge for the year		137,950	122,767
	Contribution by the Bank - net		(198,143)	(180,169)
	Re-measurement loss / (gain) recognised in other comprehensive income during the year	39.8.2	60,193	57,402
	Closing balance		<u>-</u>	<u>-</u>
39.8	Charge for defined benefit plan			
39.8.1	Cost recognised in profit and loss			
	Current service cost		137,950	122,767
	Net interest on defined benefit asset / liability		146,108	107,670
	Expected return on plan assets		(146,108)	(107,670)
			<u>137,950</u>	<u>122,767</u>
39.8.2	Re-measurement recognised in other comprehensive income during the year			
	Loss / (gain) on obligation			
	-Demographic assumptions		-	-
	-Financial assumptions		49,943	(43,368)
	-Experience adjustment		49,783	30,771
	Return on plan assets over interest income		(39,533)	69,999
	Total re-measurements recognised in other comprehensive income		<u>60,193</u>	<u>57,402</u>
39.9	Components of plan assets			
	Cash and cash equivalents - net		554,155	274,679
	Government securities		655,086	664,204
	Shares		63,618	57,128
	Term Finance Certificates		45,636	44,059
	Others		5,848	5,978
			<u>1,324,343</u>	<u>1,046,048</u>
39.9.1	The fund primarily invests in government securities (Market Treasury Bills, Pakistan Investment Bonds and Special Savings Certificates) and accordingly does not carry any credit risk. These are subject to interest rate risk based on market movements. Equity securities and units of mutual funds are subject to price risk whereas non-Government debt securities are subject to credit risk and interest rate risk. These risks are regularly monitored by Trustees of the employee fund.			
39.10	Sensitivity analysis on significant assumptions: Actuarial Liability			
			2023 ------(Rupees in '000)-----	2022
	1% increase in discount rate		(57,550)	(46,149)
	1% decrease in discount rate		63,047	50,634
	1 % increase in expected rate of salary increase		47,419	31,216
	1 % decrease in expected rate of salary increase		(44,071)	(29,017)



39.11 The expected gratuity expense / contribution to the fund for the next year commencing 01 January 2024 works out to be Rs. 170.430 million (2023: Rs 137.950 million).

39.12 Gratuity expense for the year ended 31 December 2023 **-- (Rupees in '000) --**

Service Cost	170,430
Net interest on the net defined benefit liability / (asset)	
(i) Interest cost on defined benefit obligation	206,264
(ii) Interest income on plan assets	(206,264)
(iii) Net interest cost	-
Gratuity cost to be recognised in the profit and loss account	<u>170,430</u>

39.13 Maturity profile

	2023	2022
The weighted average duration of the obligation (in years)	<u>4.54</u>	<u>4.61</u>

39.14 Funding Policy

The Bank's funding policy for the scheme is given in note 4.12.1

39.15 The Gratuity scheme exposes the bank to the following risks:

Mortality risks

This is the risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Investment risks

This is the risk of the investment underperforming and not being sufficient to meet the liabilities.

Final salary risks

This is the risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risks

This is the risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

40 DEFINED CONTRIBUTION PLAN

The Bank operates an approved funded provident fund scheme for all its permanent confirmed employees. Equal monthly contributions are made, both by the Bank and its employees, to the fund at the rate of 8.33 percent (2022: 8.33 percent) of basic salaries of the employees. The contribution made by the Bank during the year amounted to Rs. 197.836 million (2022: Rs. 167.115 million). The total number of employees as at 31 December 2023 eligible under the scheme were 4,048 employees (2022: 2,889 employees).

41 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

41.1 Total Compensation Expense

2023							
Items	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executives (other than CEO)	Non- Executives				
----- (Rupees in ‘000) -----							
Fees and Allowances etc. Managerial Remuneration	3,600	-	34,760	9,240	-	-	-
i) Fixed	-	-	-	2,553	40,673	188,715	187,590
ii) Variable							
a) Cash Bonus / Awards*	-	-	-	240	14,765	47,292	35,745
b) Bonus & Awards in Shares	-	-	-	-	-	-	-
	-	-	-	240	14,765	47,292	35,745
Charge for defined benefit plan	-	-	-	213	4,581	17,226	16,570
Contribution to defined contribution plan	-	-	-	213	3,053	14,103	15,626
Rent & house maintenance	-	-	-	1,021	16,491	68,586	75,036
Car allowance	-	-	-	1,580	908	103,752	172,408
Utilities	-	-	-	-	2,754	3,225	-
Medical	-	-	-	255	581	17,439	18,759
Entertainment allowance	-	-	-	179	-	11,849	13,131
Others	-	-	-	29	2,600	3,070	3,017
Total	3,600	-	34,760	15,523	86,406	475,257	537,882
Number of Persons	1	-	6	5	1	30	83

*This represents cash bonus for performance year 2022, paid out in the year 2023. In addition to this payout, an amount of Rs. 27.638 million remains accrued and not yet paid, and has been retained as part of deferred remuneration as per the Bank's remuneration policy and framework. This amount will be paid out over the next three years, together with accrued earnings thereon.

2022							
Items	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executives (other than CEO)	Non- Executives				
	(Rupees in '000)						
Fees and Allowances etc. Managerial Remuneration	2,760	-	24,940	8,305	-	-	-
i) Fixed	-	-	-	2,289	35,073	151,435	182,226
ii) Variable							
a) Cash Bonus / Awards*	-	-	-	260	17,569	47,870	36,121
b) Bonus & Awards in Shares	-	-	-	-	-	-	-
	-	-	-	260	17,569	47,870	36,121
Charge for defined benefit plan	-	-	-	191	4,165	12,106	16,547
Contribution to defined contribution plan	-	-	-	191	2,801	11,602	15,101
Rent & house maintenance	-	-	-	916	15,133	57,813	73,490
Car allowance	-	-	-	1,395	684	68,662	135,499
Utilities	-	-	-	-	2,074	2,834	-
Medical	-	-	-	229	472	14,384	18,223
Entertainment allowance	-	-	-	160	-	9,750	12,756
Others	-	-	-	29	2,633	3,068	3,467
Total	2,760	-	24,940	13,965	80,604	379,524	493,430
Number of Persons	1	-	6	5	1	24	92

*This represents cash bonus for performance year 2021, paid out in the year 2022. In addition to this payout, an amount of Rs. 30.085 million remains accrued and not yet paid, and has been retained as part of deferred remuneration as per the Bank's remuneration policy and framework. This amount will be paid out over the next three years, together with accrued earnings thereon.



In addition to the above, all Directors and Key Management Personnel are entitled to ticketing / boarding and lodging for official travel, the expenses of which are borne by the Bank. Furthermore, the Bank also provides Club membership fee to its President / Chief Executive Officer and certain key management personnel. The amount charged in respect of club membership fee during the year amounted to Rs. 2.864 million (2022: Rs. 3.207 million).

Also, the Bank's President and Chief Executive Officer and Deputy Chief Executive Officer are also provided with free use of the Bank maintained car in accordance with their entitlements.

Additionally, in line with the SBP's BPRD Circular No. 03 dated 17 August 2009, and as approved by the shareholders of the bank, certain administrative expenses pertaining to the office, staff and security have been allowed to the Chairman of the Board.

Key Management Personnel include all Group Heads, EVPs, and Executives having a direct reporting line to the President and Chief Executive Officer or the Deputy Chief Executive Officer.

The MRT / MRC inclusion criteria has been developed in accordance with the Bank's approved Remuneration Guidelines and applicable best practices and has been approved by the BHRR. The inclusion is based on qualitative as well as quantitative criteria and includes the Chief Executive Officer, Deputy Chief Executive Officer, Key Management Personnel, members of critical management committees and heads of critical functions responsible for managing business, risks and controls, that subject the Bank to significant risks. In addition, the Bank carries out detailed assessment of individuals subjecting the Bank to significant risks, the materiality which is determined through an approved quantitative criteria for each major risk type. The aggregate remuneration paid during the year to executives as defined under the Companies Act, 2017 amounted to Rs. 2,536.323 million (2022: Rs. 1,940.966 million). The remuneration framework policy has been detailed in note 4.12.3 to the financial statements.

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

2023										
Sr. No.	Name of Director	Meeting Fees and Allowances Paid								
		For Board Meetings	For Board Committee Meetings							Total Amount Paid
			Board Audit Committee	Board Credit Committee	Board Human Resource and Remuneration Committee	Board Risk Management Committee	Committee of Independent Directors	Board Information Technology Committee	Board Cost Rationalization Committee	
		(Rupees in '000) -----								
1	Mr. Alauddin Feerasta	2,160	-	1,440	-	-	-	-	-	3,600
2	Mr. Nooruddin Feerasta	1,800	1,200	1,440	300	-	-	-	800	5,540
3	Mr. Ahmed Feerasta	1,800	-	900	-	1,200	-	1,440	800	6,140
4	Mr. Muhammad Rashid Zahir	300	300	300	-	-	-	-	-	900
5	Mr. Manzoor Ahmed	1,800	-	1,200	1,380	1,440	-	1,200	800	7,820
6	Mr. Tariq Hafeez Malik	900	600	-	-	-	300	900	-	2,700
7	Mr. Jamil Hassan Hamdani	1,800	1,440	-	1,150	1,200	300	300	960	7,150
8	Ms. Navin Salim Merchant	1,800	1,200	-	1,150	-	360	-	-	4,510
Total Amount Paid		12,360	4,740	5,280	3,980	3,840	960	3,840	3,360	38,360

2022									
Sr. No.	Name of Director	Meeting Fees and Allowances Paid							
		For Board Meetings	For Board Committee Meetings						Total Amount Paid
			Board Audit Committee	Board Credit Committee	Board Human Resource and Remuneration Committee	Board Risk Management Committee	Committee of Independent Directors	Board Information Technology Committee	
		----- (Rupees in '000) -----							
1	Mr. Alauddin Feerasta	1,680	-	1,080	-	-	-	-	2,760
2	Mr. Nooruddin Feerasta	1,150	900	1,080	-	-	-	-	3,130
3	Mr. Ahmed Feerasta	1,400	-	-	-	1,250	-	900	3,550
4	Mr. Muhammad Rashid Zahir	1,400	900	900	-	-	-	-	3,200
5	Mr. Manzoor Ahmed	1,400	-	900	1,080	1,500	-	750	5,630
6	Mr. Jamil Hassan Hamdani	1,400	1,080	-	900	1,250	600	750	5,980
7	Ms. Navin Salim Merchant	1,400	900	-	650	-	500	-	3,450
	Total Amount Paid	9,830	3,780	3,960	2,630	4,000	1,100	2,400	27,700

41.3 Remuneration paid to Shariah Board Members

Items	2023			2022		
	Chairman	Resident Member	Non-Resident Member(s)	Chairman	Resident Member	Non-Resident Member(s)
----- (Rupees in '000) -----						
a. Meeting Fees and Allowances	3,360	-	5,880	3,080	-	5,225
b. Remuneration (note 41.1)	-	6,283	-	-	5,660	-
Total Amount	3,360	6,283	5,880	3,080	5,660	5,225
Total Number of Persons	1	1	3	1	1	3

The Chairman and the Non Resident Member are entitled to Consultancy Allowance, while the resident member is under regular employment.

42 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 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 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.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short term in nature or, in the case of customer loans and deposits, are frequently repriced.

42.1 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:

On balance sheet financial instruments	2023			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	289,453,978	-	289,453,978
Shares	840,752	-	61,100	901,852
Non-Government debt securities	-	2,778,320	-	2,778,320
Units of mutual fund	-	500,000	-	500,000
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government securities	-	14,103,460	-	14,103,460
Non-Government debt securities	-	-	-	-
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	81,975,445	-	81,975,445
Forward sale of foreign exchange	-	69,828,809	-	69,828,809
Non - Financial Assets				
Land and Building (fixed assets & non-banking assets)*	-	-	8,073,237	8,073,237
	840,752	458,640,012	8,134,337	467,615,101



2022				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	234,225,318	-	234,225,318
Shares	1,957,080	-	61,100	2,018,180
Non-Government debt securities	-	3,015,014	-	3,015,014
Units of mutual fund	-	484,746	-	484,746
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government securities	-	15,993,514	-	15,993,514
Non-Government debt securities	-	-	-	-
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	48,711,989	-	48,711,989
Forward sale of foreign exchange	-	38,430,773	-	38,430,773
Non - Financial Assets				
Land and Building (fixed assets & non-banking assets)*	-	-	6,174,043	6,174,043
	<u>1,957,080</u>	<u>340,861,354</u>	<u>6,235,143</u>	<u>349,053,577</u>

* The Bank carries out periodic valuation of these assets for reasons disclosed in note 4.5.1 to these financial statements.

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 and units of mutual funds.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of GoP Ijarah Sukuks, Pakistan Investment bonds, Market Treasury bills, Corporate bonds, Term Finance and Sukuk certificates.

(c) Financial instruments in level 3

Financial instruments included in level 3 comprise of fixed assets (land and building) and unlisted securities.

Valuation techniques and inputs used in determination of fair values

Item	Valuation techniques and input used
Fully paid-up ordinary shares	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the stock exchange.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Treasury Bills are determined on the basis of rates / prices sourced from Reuters.
Government of Pakistan - Ijarah Sukuks	Fair values of GoP Ijarah Sukuks are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from pre-defined / approved dealers / brokers.
Term Finance, Bonds and Sukuk certificates	Investments in debt securities (comprising term finance certificates, bonds, sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities.
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.
Land and Building (fixed assets & non-banking assets)	Land and buildings are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with reasonable certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these financial statements.

42.2

The following table presents the changes in level 3 items for the years ended 31 December 2023 and 31 December 2022 for recurring fair value measurements:

	Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Non-Banking assets	Total
----- (Rupees in '000) -----						
Opening balance 1 January 2022	1,482,292	471,558	313,742	2,890,386	1,145,310	6,303,288
Acquisitions	-	-	19,001	54,710	(27,039)	46,672
Amounts recognised in the profit or loss for depreciation and impairment	-	-	(13,729)	(165,670)	(3,797)	(183,196)
Other adjustments / transfers	-	-	-	-	7,279	7,279
Closing balance 31 December 2022	1,482,292	471,558	319,014	2,779,426	1,121,753	6,174,043
Acquisitions	160,172	-	244	146,710	434,250	741,376
Amounts recognised in the profit or loss as depreciation and impairment	-	-	(13,292)	(175,149)	(3,242)	(191,683)
Other adjustments / transfers	351,942	56,226	73,520	847,781	20,032	1,349,501
Closing balance 31 December 2023	1,994,406	527,784	379,486	3,598,768	1,572,793	8,073,237



43 SEGMENT INFORMATION

43.1 Segment details with respect to business activities

2023

	Retail Banking	Corporate	Islamic	Trading and Sales	Others	Total
----- (Rupees in '000) -----						
Profit and loss						
Net mark-up / return / profit	(43,596,832)	18,814,776	2,011,014	47,695,178	(2,165,571)	22,758,565
Inter segment revenue - net	65,832,700	(14,877,850)	-	(49,759,749)	(1,195,101)	-
Non mark-up / return / interest income	3,616,110	1,048,214	175,053	2,736,583	(1,117,052)	6,458,908
Total income	25,851,978	4,985,140	2,186,067	672,012	(4,477,724)	29,217,473
Segment direct expenses	10,020,968	291,540	1,014,626	199,943	3,943,999	15,471,076
Inter segment expense allocation	(345,049)	(5,376)	(35,803)	(2,287)	388,515	-
Total expenses	9,675,919	286,164	978,823	197,656	4,332,514	15,471,076
Provision / (reversal)	(132,290)	1,322,689	207,672	-	(8,789)	1,389,282
Profit / (loss) before tax	16,308,349	3,376,287	999,572	474,356	(8,801,449)	12,357,115
Balance sheet						
Cash & bank balances	38,306,451	2,258,640	4,094,131	1,006,122	-	45,665,344
Investments	-	163	27,648,031	282,692,683	-	310,340,877
Net inter segment lending	382,821,051	-	-	101,991,644	18,620,769	503,433,464
Lendings to financial institutions	-	-	-	-	-	-
Advances - performing	38,226,913	142,695,954	16,848,624	-	5,883,454	203,654,945
- non-performing	675,044	634,996	823,269	-	(34,545)	2,098,764
Others	4,015,239	6,361,348	3,754,067	61,399,361	21,271,727	96,801,742
Total assets	464,044,698	151,951,101	53,168,122	447,089,810	45,741,405	1,161,995,136
Borrowings	8,338,373	12,936,700	1,037,300	45,510,366	918,907	68,741,646
Subordinated debt	-	-	-	-	7,998,400	7,998,400
Deposits & other accounts	435,402,013	39,448,922	43,018,049	-	-	517,868,984
Net inter segment borrowing	-	95,558,330	6,433,314	401,441,820	-	503,433,464
Others	20,304,312	4,007,149	2,679,459	137,624	8,210,932	35,339,476
Total liabilities	464,044,698	151,951,101	53,168,122	447,089,810	17,128,239	1,133,381,970
Equity	-	-	-	-	28,613,166	28,613,166
Total equity & liabilities	464,044,698	151,951,101	53,168,122	447,089,810	45,741,405	1,161,995,136
Contingencies & commitments						
In respect of letter of credit / guarantees	62,321,270	34,505,354	2,748,528	-	-	99,575,152
In respect of forward foreign exchange contracts	-	-	-	154,713,757	-	154,713,757
In respect of forward lendings	-	212,314	-	-	-	212,314
In respect of fixed assets	-	-	-	-	222,029	222,029
In respect of other commitments	-	-	-	-	24,000	24,000
In respect of other contingencies	-	-	-	-	14,525,556	14,525,556
Total	62,321,270	34,717,668	2,748,528	154,713,757	14,771,585	269,272,808

2022

	Retail Banking	Corporate	Islamic	Trading and Sales	Others	Total
----- (Rupees in '000) -----						
Profit and loss						
Net mark-up / return / profit	(24,227,314)	13,490,283	1,026,390	22,098,392	(1,120,995)	11,266,756
Inter segment revenue - net	36,855,179	(12,447,747)	-	(25,839,182)	1,431,750	-
Non mark-up / return / interest income	3,137,111	1,303,373	181,299	2,871,366	(2,335,697)	5,157,452
Total income	15,764,976	2,345,909	1,207,689	(869,424)	(2,024,942)	16,424,208
Segment direct expenses	8,377,491	251,406	799,365	176,792	2,639,702	12,244,756
Inter segment expense allocation	(282,013)	(3,595)	(22,499)	(1,094)	309,201	-
Total expenses	8,095,478	247,811	776,866	175,698	2,948,903	12,244,756
(Reversal)/ provision	(657,633)	64,270	175,550	-	43,244	(374,569)
Profit / (loss) before tax	8,327,131	2,033,828	255,273	(1,045,122)	(5,017,089)	4,554,021

2022

	Retail Banking	Corporate	Islamic	Trading and Sales	Others	Total
----- (Rupees in '000) -----						
Balance sheet						
Cash & bank balances	22,509,042	2,600,351	2,716,769	1,533,469	-	29,359,631
Investments	-	-	17,794,997	240,212,049	-	258,007,046
Inter segment lending	296,251,502	-	-	110,086,311	16,695,939	423,033,752
Lendings to financial institutions	-	-	5,000,000	47,338,662	-	52,338,662
Advances - performing	52,018,911	136,884,870	11,311,778	-	5,332,072	205,547,631
- non-performing	1,436,826	674,466	722,730	-	52,507	2,886,529
Others	6,080,573	5,840,975	2,033,697	3,498,224	14,166,863	31,620,332
Total assets	378,296,854	146,000,662	39,579,971	402,668,715	36,247,381	1,002,793,583
Borrowings	12,377,623	12,499,297	1,066,727	88,835,944	948,607	115,728,198
Subordinated debt	-	-	-	-	8,000,000	8,000,000
Deposits & other accounts	351,143,179	25,659,711	32,839,723	-	-	409,642,613
Inter segment lending	-	106,073,515	4,012,796	312,947,441	-	423,033,752
Others	14,776,052	1,768,139	1,660,725	885,330	6,152,583	25,242,829
Total liabilities	378,296,854	146,000,662	39,579,971	402,668,715	15,101,190	981,647,392
Equity	-	-	-	-	21,146,191	21,146,191
Total equity & liabilities	378,296,854	146,000,662	39,579,971	402,668,715	36,247,381	1,002,793,583
Contingencies & commitments						
In respect of letter of credit / guarantees	52,440,742	25,761,705	3,184,814	-	-	81,387,261
In respect of forward foreign exchange contracts	-	-	-	86,782,448	-	86,782,448
In respect of forward lendings	-	3,185,490	-	-	-	3,185,490
In respect of fixed assets	-	-	-	-	368,168	368,168
In respect of other commitments	-	-	-	-	48,000	48,000
In respect of other contingencies	-	-	-	-	11,635,196	11,635,196
Total	52,440,742	28,947,195	3,184,814	86,782,448	12,051,364	183,406,563

43.1.1 The operations of the Bank are currently based only in Pakistan, therefore, geographical segment is not relevant.

43.1.2 Segment Assets include inter segment lending, while inter segment borrowings forms part of Segment Liabilities, at gross level. Segment Wise Total Assets as well as Total Liabilities therefore appear higher by Rs. 503,433 million (December 2022: 423,034 million) , when compared to Total Assets / Liabilities reported at Bank Level, where inter segment lending / borrowing stands eliminated.

44 TRUST ACTIVITIES

The Bank commonly acts as a trustee and in other fiduciary capacity that results in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These are not the assets of the Bank and, therefore, are not included in the Statement of Financial Position, neither are these treated as transactions with related parties, except to the extent of actual custodial charges received against such services provided. The following is the list of assets held under trust:

Category	Type	No. of IPS accounts		Face Value	
		2023	2022	2023	2022
----- (Rupees in '000) -----					
Asset Management Companies	PIB 2 years	16	11	5,808,900	1,775,000
Asset Management Companies	PIB 3 years			1,437,500	100,000
Asset Management Companies	PIB 5 years			4,855,000	700,000
Asset Management Companies	Sukuk 1 year			184,600	200,000
Asset Management Companies	Sukuk 3 years			450,000	-
Asset Management Companies	Sukuk 5 years			500,000	-
Asset Management Companies	MTB 6 months			1,499,000	150,000
Asset Management Companies	MTB 3 months			900,000	5,070,000
Asset Management Companies	MTB 12 months			8,418,905	3,900,000
Employee Funds / NGO's	PIB 3 years	8	7	1,996,200	983,000
Employee Funds / NGO's	PIB 5 years			1,758,000	2,646,500
Employee Funds / NGO's	PIB 10 years			3,366,000	3,241,000
Employee Funds / NGO's	MTB 3 months			1,371,640	3,107,655
Employee Funds / NGO's	MTB 6 months			809,975	415,000
Employee Funds / NGO's	MTB 12 months			1,830,140	110,000
Individuals	MTB 3 months	51	20	195,775	423,300
Individuals	MTB 6 months			353,050	26,000
Individuals	MTB 12 months			938,350	478,000
Individuals	PIB 2 years			15,200	15,200
Individuals	PIB 3 years			333,000	22,000
Individuals	PIB 5 years			-	20,500
Individuals	PIB 10 years			5,400	5,400
Individuals	PIB 20 years			10,000	10,000
Individuals	Sukuk 1 year			5,800	-
Corporate	MTB 3 months	4	4	3,000	2,400,000
Corporate	MTB 6 months			500	
Corporate	PIB 3 years			28,000	28,000
Corporate	Sukuk 5 years			102,000	92,000
Staff retirement funds - related parties	PIB 3 years	2	2	500,000	500,000
Staff retirement funds - related parties	PIB 5 years			1,950,000	1,950,000
Staff retirement funds - related parties	PIB 20 years			10,000	10,000
		81	44	39,635,935	28,378,555



RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its related group companies, major shareholders, staff retirement funds, directors and their close family members (including their associates) 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 as disclosed in note 39 & 40. Remuneration to the executives / officers is determined in accordance with the terms of their appointment and is disclosed in note 41 to the financial statements.

Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements are as follows:

Particulars	2023			2022		
	Directors (a)	Key* management personnel (a)	Other related parties	Directors (a)	Key* management personnel (a)	Other related parties
Statement of financial position ----- (Rupees in '000) -----						
Investments						
Opening balance	-	-	189,298	-	-	289,298
Investment made during the year	-	-	-	-	-	-
Investment redeemed / disposed during the year	-	-	(139,298)	-	-	(100,000)
Closing balance	-	-	50,000	-	-	189,298
Advances						
Opening balance	201,409	295,896	-	134,000	206,883	-
Addition during the year	265,629	387,289	161,224	68,571	366,771	-
Repaid during the year	(266,028)	(199,708)	(129,255)	(1,162)	(308,205)	-
Transfer in / (out) - net	-	(54,698)	99,991	-	30,447	-
Closing balance	201,010	428,779	131,960	201,409	295,896	-
Other assets						
Interest / mark-up accrued	34,662	4,754	7,579	13,082	212	-
Other receivable against E-banking settlement	-	-	123,209	-	-	770,481
	34,662	4,754	130,788	13,082	212	770,481
Deposits and other accounts						
Opening balance	323,441	164,700	4,183,190	562,700	99,630	4,346,458
Received during the year	1,429,564	4,469,120	86,859,409	1,708,709	2,433,250	118,921,871
Withdrawn during the year	(1,354,185)	(4,141,636)	(86,637,395)	(1,947,968)	(2,371,141)	(119,085,195)
Transfer in / (out) - net	-	(2,840)	139,301	-	2,961	56
Closing balance	398,820	489,344	4,544,505	323,441	164,700	4,183,190
Other liabilities						
Interest / mark-up payable	7,042	12,442	94,604	5,538	3,467	43,115
Profit and loss account						
Income						
Mark-up / return / interest earned	43,494	41,467	15,532	24,079	28,636	-
Fee and commission income	59	295	556	34	190	842
Dividend income	-	-	49,661	-	-	29,886
Rent Income	-	-	7,480	-	-	6,600
Net (loss) / gain on sale of securities	-	-	(527)	-	-	619
Expense						
Mark-up / return / interest paid	80,808	27,741	851,048	36,180	11,305	559,692
Compensation Expense	2,115	-	-	888	-	-
Rent expense **	-	-	21,784	-	-	19,242
Computer expense	-	-	30,200	-	-	44,104
Charge for staff retirement funds	-	-	335,786	-	-	289,882

* including President and CEO
(a) including their relatives

** Actual rent expense is disclosed as part of related party transactions. While accounting for branches / locations on lease for the purpose of financial statements, the bank applies the requirements of IFRS 16 - Leases.

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

11,024,636

11,024,636

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

26,574,005

21,340,411

Eligible Additional Tier 1 (ADT 1) Capital

3,584,770

3,584,770

Total Eligible Tier 1 Capital

30,158,775

24,925,181

Eligible Tier 2 Capital

5,648,703

4,345,180

Total Eligible Capital (Tier 1 + Tier 2)

35,807,478

29,270,361

Risk Weighted Assets (RWAs):

Credit Risk

163,994,300

164,485,822

Market Risk

1,663,407

3,190,783

Operational Risk

28,512,801

25,022,369

Total

194,170,508

192,698,974

Common Equity Tier 1 Capital Adequacy ratio

13.69%

11.07%

Tier 1 Capital Adequacy Ratio

15.53%

12.93%

Total Capital Adequacy Ratio

18.44%

15.19%

National minimum capital requirements prescribed by SBP

CET1 minimum ratio

6.00%

6.00%

Tier 1 minimum ratio

7.50%

7.50%

Total capital minimum ratio

11.50%

11.50%

Leverage Ratio (LR):

Eligible Tier-1 Capital

30,158,775

24,925,181

Total Exposures

750,691,470

654,422,658

Leverage Ratio - percentage

4.02%

3.81%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

289,829,067

228,267,821

Total Net Cash Outflow

120,031,638

122,616,066

Liquidity Coverage Ratio - percentage

241.46%

186.16%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

366,546,605

300,416,044

Total Required Stable Funding

189,036,715

182,673,379

Net Stable Funding Ratio - percentage

193.90%

164.46%



- 46.1** The Bank follows the below mentioned approach for determining credit risk, market risk and operational risk exposures in the capital adequacy calculation:

Risk Type	Approach adopted by Bank
Credit Risk	Standardized Approach
Market Risk	Standardized Approach
Operational Risk	Basic Indicator Approach

46.2 Capital Management

The Bank's policy is to maintain a strong capital base so as to maintain investor, depositor, creditor and market confidence and to sustain future development of the business, while providing adequate returns to shareholders.

The SBP sets and monitors capital requirements for the Bank as a whole. The SBP, through BSD Circular No. 07 dated April 15, 2009 has required that Banks should maintain a minimum paid-up capital of Rs. 10 billion (net of accumulated losses). The paid-up capital of the Bank as at 31 December 2023 stood at Rs 11.025 billion (2022: Rs. 11.025 billion) and is in compliance with the SBP requirements. The Bank is also required to maintain the following minimum Capital Adequacy Ratios (CAR) as at 31 December 2023:

- Common Equity Tier 1 (CET1) ratio of 7.50% including Capital Conservation Buffer (CCB) of 1.50%
- Tier 1 ratio of 9.00% including CCB of 1.50%
- Total Capital Adequacy Ratio (CAR) of 11.50% including CCB of 1.50%

The Bank and its individually regulated operations have complied with all capital requirements throughout the year.

The Bank's regulatory capital is classified as follows:

- Tier 1 capital comprises of Common Equity Tier 1 (CET 1) and Additional Tier 1 (AT 1) capital.
 - CET1 capital includes fully paid-up capital, balance in share premium account, reserves (excluding foreign exchange translation reserves) and unappropriated profits meeting the eligibility criteria.
 - AT 1 capital includes instruments meeting the prescribed SBP criteria e.g. perpetual non-cumulative preference shares.
- Tier 2 capital includes general provisions for loan losses, surplus on revaluation of fixed assets and investments, foreign exchange translation reserves and subordinated debts (meeting the eligibility criteria).

Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to on and off-balance sheet exposures.

- On and off-balance sheet exposures in the banking book are segregated into various asset classes for the calculation of credit risk. Ratings for assets reflecting the credit worthiness of counterparties are applied using various External Credit Assessment Institutions (ECAIs) and aligned with appropriate risk buckets. Collateral, if any, is used as Credit Risk Mitigation. Risk weights notified, are applied to arrive at net adjusted exposure. Eligible collateral used includes Government of Pakistan guarantees for advances, investments in GOP / PSE, bank guarantees, deposits / margins, lien on deposits and saving certificates.
- The Bank calculates capital requirements for market risk in its trading book based on the methodology provided by the SBP which takes account of specific and general market risk, capital charge for interest rate risk using the maturity method, foreign exchange risk and equity position risk.

- 46.3** The full disclosures on the capital adequacy, leverage ratio and liquidity requirements as per SBP instructions issued from time to time shall be placed on the website. The link to the full disclosures shall be short and clear and be provided within this note such as, The link to the full disclosure is available at https://www.soneribank.com/wp-content/uploads/2024/04/additional_information.pdf

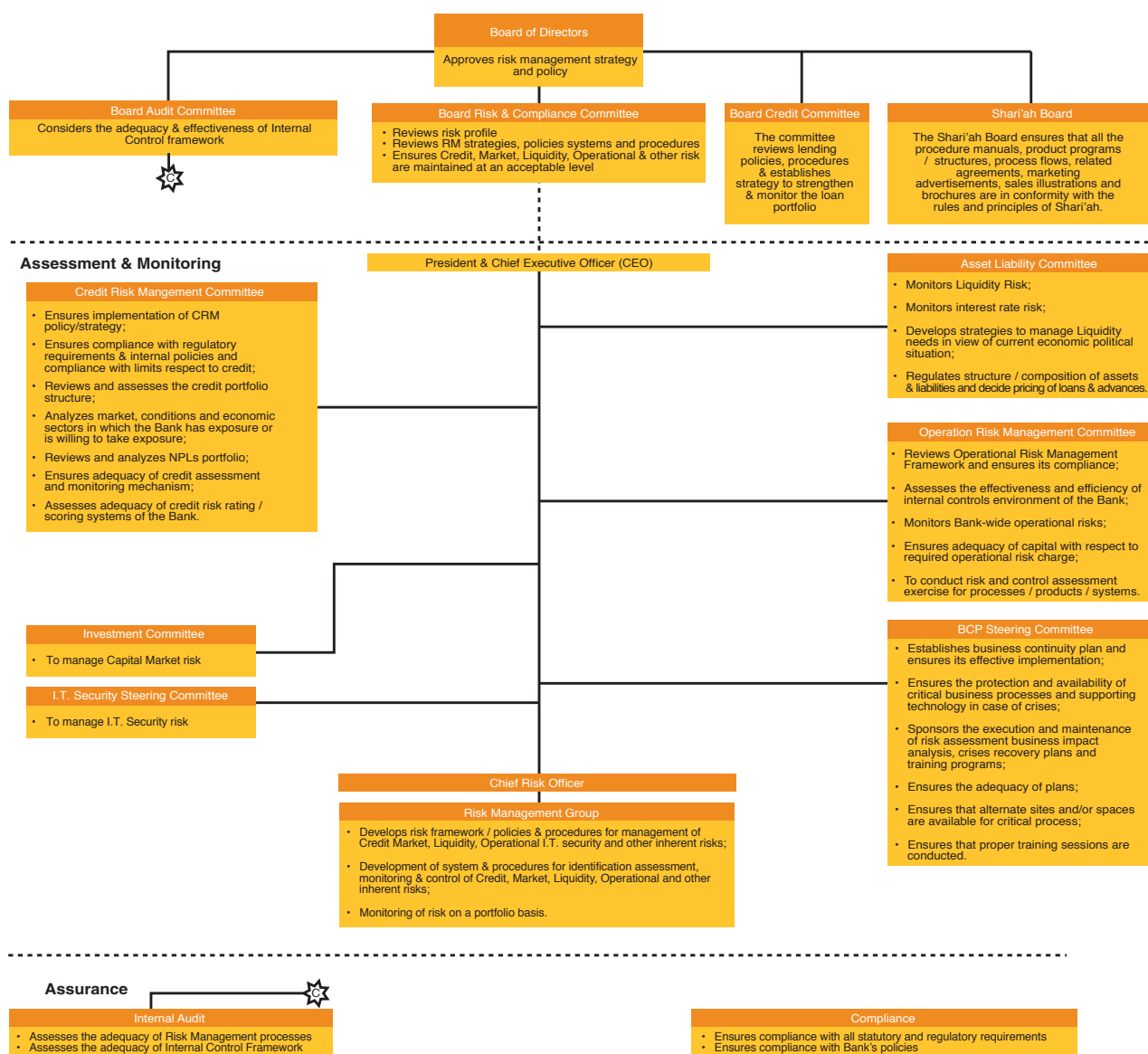
RISK MANAGEMENT

The primary goal of risk management is to identify, assess and monitor risks inherent in the activities of the Bank and take adequate measures to manage and control these risks on a timely basis. This will help in achieving sustainable business growth, financial and non-financial targets with better protection and soundness. The Bank's aim is to achieve an appropriate balance between risk and return and to minimize potential adverse effects on the Bank's financial performance.

The Bank's risk management framework encompasses the culture, processes and structure and is directed towards the effective management of potential opportunities and threats to the Bank. The prime objective of the Bank's risk management strategy is to abandon the traditional approach of 'managing risk by silos' and to put in place integrated risk and economic capital management capabilities that will enable the Bank to achieve integrated view of risks across its various business operations and to gain strategic advantage from its risk management capabilities.

The Board of Directors (BOD) keeps an oversight on the Bank-wide risk management framework and approves the risk management strategy and policies of the Bank. The Board Risk & Compliance Committee (BRCC), ensures that the Bank maintains a complete and prudent integrated risk management framework at all times and ensures that the risk exposures are maintained within acceptable levels. Moreover, the Credit Risk Management Committee (CRMC), Operational Risk Management Committee (ORMC) and all other senior management committees are mainly responsible for ensuring the compliance of the BOD approved risk management policy and for monitoring and managing risk levels in relevant areas of the Bank.

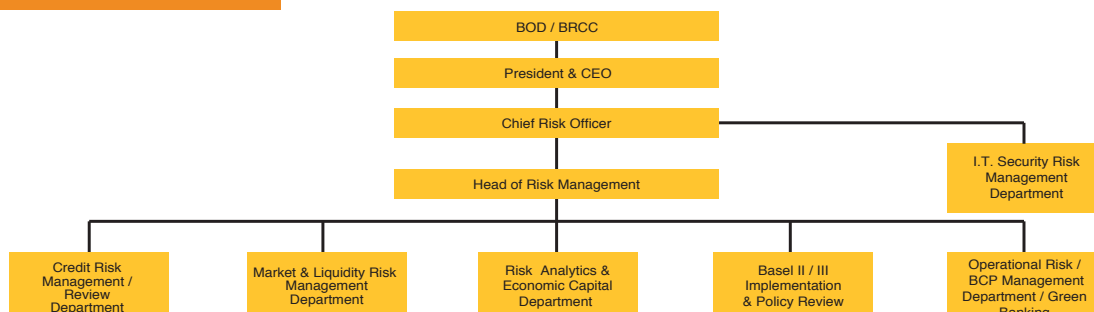
The Bank's risk management policy, formulated on regulatory guidelines, covers all major types of risk that the Bank is exposed to. The policy is laid down on key risk management principles which includes management oversight and control culture, risk recognition and assessment, control activities and segregation of duties, information and communication and monitoring activities and correcting deficiencies.





The Bank has a well-established risk management structure, with an active Board of Directors and Board Risk and Compliance Committee supported by an experienced senior management team and a centralized risk management group which is independent of the business lines.

RISK MANAGEMENT FUNCTION



47.1 Credit risk

The Bank has undertaken a number of initiatives in the areas of assessment, measurement and monitoring of credit risk, market risk, funding liquidity risk, operational risk and IT security risks. These measures are providing competitive advantage to the Bank besides preparing the Bank for the full implementation of Basel-III.

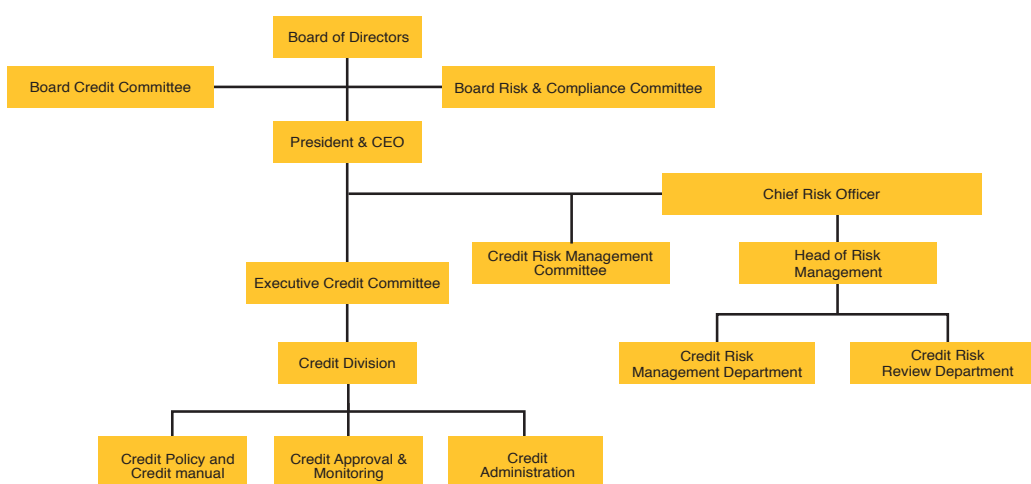
Credit Risk Management Objectives and Organisation

Lending of money is the core business activity, a major source of revenue and a significant exposure for the Bank. Lendings are mainly funded from depositors' money. Therefore, in order to protect the stakeholders' wealth, the Bank has deployed considerable resources and adequate controls to manage, monitor and control credit risk throughout the Bank.

The main objective of the credit risk management process is to identify, assess, measure and monitor credit risk in all the financial exposures of the Bank. The Bank has established a rigorous credit risk management framework to timely and effectively manage credit risk in each and every credit transaction as well as at portfolio level. The automated loan originating system coupled with credit risk rating scorecards provides information / analysis in making better credit decisions, measured risk-taking, better loan pricing and efficient capital allocation thereagainst thus resulting in efficient and effective use of funds and increase in profitability of the Bank.

The Bank has an organisational structure for managing credit risk, established on internal control environment and equipped with adequate level of expertise and resources.

CREDIT RISK MANAGEMENT STRUCTURE



Credit Approval Authorities and Credit Standards

The Board of Directors have delegated lending powers to different tiers of credit approving authorities, constituted at central and regional levels. Extension of credit is executed, in strong internal control environment, in the light of the Bank's credit policies and procedures and regulatory requirements. The approval mechanism also accounts for Internal Rating of the borrower, thus high risk clients are only approved at senior level.

Credit Portfolio Management

Besides managing credit risk at transaction level, the Bank regularly monitors credit risk at portfolio level and ensures that no undue concentration of risk is present in the overall credit exposure at Bank level. The Bank has a well established and rigorous management information set-up which allows efficient and effective assessment, monitoring and management of its credit risk profile in various dimensions.

Credit Risk Rating

The Credit risk Rating System provides solid grounds for the assessment and measurement of credit risk against each obligor in addition to fulfilling regulatory requirements. Internal Obligor Risk Rating System for Agriculture, Corporate, ME/SE and Consumer borrowers have been approved by the Board Risk & Compliance Committee of the Bank. This rating system is an empirical risk rating system which will help to assess the Probability of Default (PD) of these obligors; risk based pricing, risk diversification and portfolio management as per the requirement of SBP/Basel Accords and also has the capability to track historical defaults and loss experiences.

These Credit Risk Rating Systems are now incorporated with Bank's Credit Approval Processing Systems (CAPs) for its Corporate, SE/ME, Agri and Consumer borrowers; resultantly this facility would reduce the TAT in Credit Risk Review process and approvals and establish a single platform for initiation and monitoring the Bank's portfolio.

The ORR assigns risk grades to customers, in accordance with the regulatory requirements, in twelve grades, out of which top nine grades refer to regular customers whereas remaining three grades pertain to defaulted ones. Whereas, FRR assigns each loan facility in six categories, in accordance with regulatory requirements. Business Units assign credit risk rating to every customer and loan facility as an integral part of the Bank's credit approval process.

Credit Risk Management Policy

A sound credit risk management framework forms part of the overall business strategy and credit operations of the Bank. The principles for credit risk management have been laid down in the Bank's credit policy, credit manual, and credit risk management policy. The policy has been developed in accordance with the requirements of the State Bank of Pakistan and is reviewed and updated (where required) on a periodic basis.

Credit Risk Assessment

The Bank has a well established and rigorous pre-approval evaluation process of credit risk embedded in each credit transaction executed by the Business Units. The entire process broadly encompasses, gathering relevant information on the borrower, credit investigations and visits, detailed credit appraisal and credit risk assessment / measurement.

Credit Risk Limit Structure

In addition to monitoring credit limits specified in the Prudential Regulations of the State Bank of Pakistan, the credit limit structure of the Bank includes internal limits as established by the senior management and the BOD. Internal limits include limits with respect to BOD approved risk appetite, industry / sector, credit approval authority, large exposures limits, linkage ratio limits for corporate borrowers, exposure with banks and NBFIs, exposure with insurance companies and foreign countries. All these limits are monitored on a regular basis and any exceptions are reported to the relevant authorities for their timely action where necessary.

Collateral

Collateral act as mitigants in case of default by the borrower. Therefore, most of the facilities extended by the Bank are backed by appropriate and quality collaterals. Similarly, lendings to financial institutions and DFIs are backed by securities viz., Treasury Bills and Pakistan Investment Bonds. Clean facilities are provided, under strict control environment, only to the extent permissible under the Prudential Regulations of the State Bank of Pakistan. The credit manual of the Bank contains list of approved collaterals that the Bank can take and internal control standards for the management of collaterals obtained against credit facilities.

Early Warning System

The Bank has an effective early warning system which enables the Business Units / credit managers / credit administration personnel to identify and report problem loans on a prompt basis. Reports are received from Business Units on a regular basis, which are escalated to the concerned authority for necessary action on a timely basis.

Remedial Management and allowances for impairment

The Bank has standards for identification and classification of credit facilities, restructuring as well as related provisioning requirements and write-off policy, with clear responsibilities pertaining to all processes that are required to be followed.

Non-performing loans beyond certain aging / classification category are required to be referred to Remedial Management Unit which initiates recovery proceedings against the borrowers in accordance with the applicable laws.



47.1.1 Lendings to financial institutions

Credit risk by public / private sector

Public / Government
Private

Gross lendings		Non-performing lendings		Provision held	
2023	2022	2023	2022	2023	2022
----- (Rupees in '000) -----					
-	-	-	-	-	-
-	52,338,662	-	-	-	-
-	52,338,662	-	-	-	-

47.1.2 Investment in debt securities

Credit risk by industry sector

Textile
Chemical and Pharmaceuticals
Services
Construction
Power (electricity), Gas,
Water, Sanitary
Financial

Gross investments		Non-performing investments		Provision held	
2023	2022	2023	2022	2023	2022
----- (Rupees in '000) -----					
25,215	25,215	25,215	25,215	25,215	25,215
6,898	7,147	6,898	7,147	6,898	7,147
386,150	407,602	386,150	-	96,537	-
6,560	6,560	6,560	6,560	6,560	6,560
1,267,377	1,459,454	19,860	19,860	19,860	19,860
307,401,895	253,656,924	-	-	-	-
309,094,095	255,562,902	444,683	58,782	155,070	58,782

Credit risk by public / private sector

Public / Government
Private

Gross investments		Non-performing investments		Provision held	
2023	2022	2022	2022	2023	2022
----- (Rupees in '000) -----					
307,408,222	253,928,700	-	-	-	-
1,685,873	1,634,202	444,683	58,782	155,070	58,782
309,094,095	255,562,902	444,683	58,782	155,070	58,782

47.1.3 Advances

Credit risk by industry sector

Agriculture, Forestry, Hunting and Fishing
Food and Allied
Textile
Chemical and Pharmaceuticals
Cement
Sugar
Footwear and Leather garments
Automobile and transportation equipment
Electronics and electrical appliances
Construction
Power (electricity), Gas, Water, Sanitary
Wholesale and Retail Trade
Exports/Imports
Financial
Services
Individuals
Education
Iron & Steel
Paper & Printing
Plastic Products
Ship Breaking
Others

Gross advances		Non-performing advances		Provision held	
2023	2022	2023	2022	2023	2022
----- (Rupees in '000) -----					
4,911,702	2,522,424	87,438	123,519	82,644	108,856
30,996,659	53,407,779	2,515,054	1,311,159	2,039,010	775,021
40,294,208	36,227,170	3,784,458	4,137,566	3,107,740	3,168,292
8,053,886	10,270,580	350,048	520,145	350,048	520,145
3,424,649	3,538,153	-	-	-	-
14,828,715	12,481,382	-	-	-	-
2,470,927	3,062,323	47,987	56,321	47,987	56,321
3,362,537	3,307,671	31,882	31,882	12,635	1,957
4,875,150	5,825,731	44,252	48,198	44,252	48,198
7,481,669	7,926,947	353,375	73,674	21,724	21,635
19,354,300	21,938,306	645,106	668,973	297,109	262,366
35,405,984	9,584,200	537,647	396,746	462,972	263,282
5,433,453	7,140,755	240,537	590,663	178,519	134,031
877,398	714,023	52,167	132,167	52,167	132,167
6,673,000	8,023,022	51,050	195,346	20,799	146,261
11,285,495	12,154,472	172,721	206,861	139,262	146,182
1,124,236	1,728,876	-	-	-	-
7,666,498	7,059,650	224,575	212,458	187,742	157,208
1,781,337	3,039,381	2,187	2,437	2,187	2,437
830,217	1,394,642	299,221	346,342	299,221	305,920
1,001,246	1,132,632	1,001,246	1,033,246	1,001,246	977,786
2,076,313	3,294,273	55,557	80,932	50,480	54,041
214,209,579	215,774,392	10,496,508	10,168,635	8,397,744	7,282,106

	Gross advances		Non-performing advances		Provision held	
	2023	2022	2023	2022	2023	2022
Credit risk by public / private sector	----- (Rupees in '000) -----					
Public/ Government	46,148,361	41,671,036	-	-	-	-
Private	168,061,218	174,103,356	10,496,508	10,168,635	8,397,744	7,282,106
	214,209,579	215,774,392	10,496,508	10,168,635	8,397,744	7,282,106

47.1.4 Contingencies and Commitments

	2023	2022
Credit risk by industry sector	----- (Rupees in '000) -----	
Agriculture, Forestry, Hunting and Fishing	308,755	199,182
Food and Allied	16,306,675	20,375,371
Textile	8,632,616	7,877,442
Chemical and Pharmaceuticals	10,774,352	9,476,428
Cement	884,632	185,742
Sugar	686,346	81,735
Footwear and Leather garments	1,187,794	188,489
Automobile and transportation equipment	2,385,206	1,163,268
Electronics and electrical appliances	2,704,186	3,077,134
Construction	7,124,753	6,018,588
Power (electricity), Gas, Water, Sanitary	5,733,500	5,610,793
Wholesale and Retail Trade	17,358,243	9,483,764
Exports/Imports	2,255,505	2,207,543
Financial	165,048,118	94,550,935
Services	18,636,074	14,858,197
Education	4,736	4,571
Iron & Steel	4,337,914	2,753,224
Paper & Printing	1,617,332	1,332,380
Plastic Products	1,297,928	1,195,592
Ship Breaking	184,030	185,918
Others	1,804,113	2,580,267
	269,272,808	183,406,563
Credit risk by public / private sector		
Public / Government	221,905	126,822
Private	269,050,903	183,279,741
	269,272,808	183,406,563

47.1.5 Concentration of advances

The Bank's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 67,696 million (2022: Rs. 60,856 million) and are as following:

	2023	2022
	----- (Rupees in '000) -----	
Funded	57,299,640	51,496,394
Non-funded	10,396,770	9,359,786
Total exposure	67,696,410	60,856,180

The sanctioned limits against these top 10 exposures aggregated to Rs. 108,227 million (2022: Rs. 110,789 million).

As at 31 December 2023, none of the top 10 exposures are classified and no provision is required / held thereagainst.



47.1.6 Advances - province / region-wise disbursement & utilization

2023

Province / region	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	AJK including Gilgit-Baltistan	Islamabad
----- (Rupees in '000) -----							
Punjab	376,735,444	357,868,441	10,372,040	4,901,458	-	3,593,505	-
Sindh	396,152,704	18,299,697	370,051,403	4,748,476	3,031,783	-	21,345
KPK including FATA	2,704,980	68,295	-	2,636,685	-	-	-
Balochistan	12,631	-	-	-	12,631	-	-
AJK including Gilgit-Baltistan	5,591,349	-	-	-	-	5,591,349	-
Islamabad	64,817,327	17,410,463	12,089,476	-	-	-	35,317,388
Total	846,014,435	393,646,896	392,512,919	12,286,619	3,044,414	9,184,854	35,338,733

2022

Disbursements	Utilization						
	Punjab	Sindh	KPK including FATA	Balochistan	AJK including Gilgit-Baltistan	Islamabad	
----- (Rupees in '000) -----							
Punjab	342,158,064	333,005,798	2,229,283	523,770	-	6,399,213	-
Sindh	375,068,556	16,896,228	351,146,576	4,541,909	1,878,315	-	605,528
KPK including FATA	3,367,525	-	-	3,367,525	-	-	-
Balochistan	38,706	-	-	-	38,706	-	-
AJK including Gilgit-Baltistan	5,822,038	-	-	-	-	5,822,038	-
Islamabad	69,318,385	22,444,008	8,600,063	19,962,762	-	-	18,311,552
Total	795,773,274	372,346,034	361,975,922	28,395,966	1,917,021	12,221,251	18,917,080

47.2 Market Risk

47.2.1 Market risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices and / or commodity prices resulting in a loss to earnings and capital.

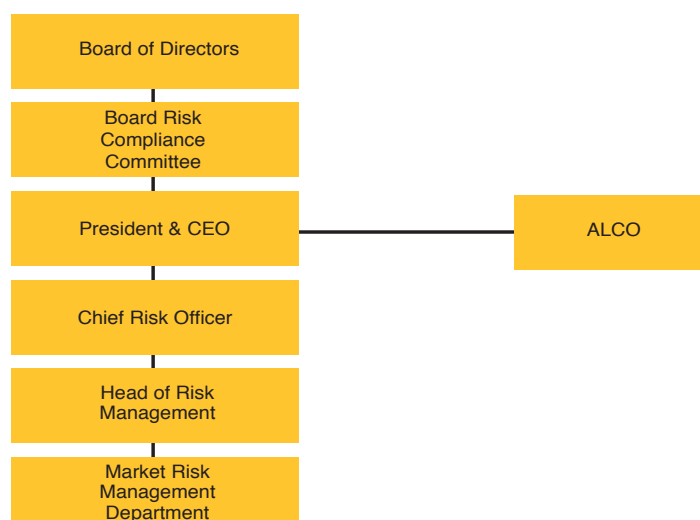
Market risk management objective and organisation

The Risk Management Framework requires that strong risk management practices are integrated in key strategic, capital and financial planning processes and day-to-day business processes across the Bank.

The Bank has established a rigorous market risk management framework to efficiently and effectively monitor and manage market risk in every transaction as well as on a portfolio level.

The Bank has a sound organisation structure for managing market risk, established on strong internal control environment and equipped with adequate level of expertise and resources. The Board Risk Compliance Committee, a BOD level sub-committee, is primarily responsible to monitor and manage market risk in all the financial exposures of the Bank, supported by senior management committees namely Asset and Liability Management Committee (ALCO).

MARKET RISK MANAGEMENT STRUCTURE



Market Risk Monitoring

The Bank's market risk policies set out risk management parameters, governance and control frameworks as well as reporting arrangements for key risk indicators. The Bank has a well-established structure of internal limits with respect to its treasury and investment operations. The Treasury Middle Office (TMO), within the Market Risk Management Department, monitors each and every transaction executed through treasury, monitors risk limits, reports breaches, off market rates, rate reasonability against benchmark rates, tolerance PV01 limits and assesses market risk in money market transactions, investments in equity securities, monitors impairments in equity securities and its stop loss limit and foreign exchange transactions. In order to mitigate unnecessary risk and ensure minimum business losses, Earmarking Policy has also been implemented to ensure risk migration from high risk to low risk transactions.

Portfolio Analysis and Management

Besides managing market risk at transaction level, the Bank regularly monitors market risk at portfolio level and ensures that no undue concentration of risk and adverse correlation is present in the overall financial exposures at the Bank level. The Bank has a well established management information set-up which allows efficient and effective assessment, monitoring and management of its market risk profile in various dimensions.

Mark-to-Market

The Bank is marking-to-market (MTM) its investment in tradable and available for sale securities, i.e., equity securities, debt securities and foreign exchange ready and forward transactions, on a regular basis. The same is independently reviewed by the Risk Management Group.

Market Risk Assessment and Measurement

The Bank is assessing and measuring market risk in all of its financial exposures using various types of measurement and analytical tools like Value at Risk (VaR), duration and convexity, interest rate gap and duration gap. The Bank is using Standardized Approach for exposures in its balance sheet, to calculate market risk capital charge and risk weighted asset for Capital Adequacy Ratio (CAR) calculation purposes.

The Bank's principle market risk measurement methodology are VAR and stress testing. Historical financial market rates, prices and volatility serve as the basis for the statistical VAR model underlying the potential loss estimation. The Bank uses ten days as well as 30 days holding period at 99% confidence level to model risk in different portfolios. The main assumptions and scenarios of our stress analysis includes:

1. Parallel shift in yield curve by 2%, 3% and 4%.
2. Change in the slope of yield curve by changing short-term, medium-term and long-term maturities by different rates.
3. Gain or loss depending on net long or net short position in foreign currency exposure.
4. Fall in general equity price upto 50%.

47.2.2 Statement of financial position split by trading and banking books

	2023			2022		
	Banking book	Trading book	Total	Banking book	Trading book	Total
----- (Rupees in '000) -----						
Cash and balances with treasury banks	44,206,702	-	44,206,702	27,420,328	-	27,420,328
Balances with other banks	1,458,642	-	1,458,642	1,939,303	-	1,939,303
Lendings to financial institutions	-	-	-	52,338,662	-	52,338,662
Investments	308,997,255	1,343,622	310,340,877	255,565,220	2,441,826	258,007,046
Advances	205,753,709	-	205,753,709	208,434,160	-	208,434,160
Fixed assets	17,194,592	-	17,194,592	12,592,776	-	12,592,776
Intangible assets	206,127	-	206,127	327,901	-	327,901
Deferred tax assets	-	-	-	890,621	-	890,621
Other assets	79,401,023	-	79,401,023	17,809,034	-	17,809,034
	657,218,050	1,343,622	658,561,672	577,318,005	2,441,826	579,759,831



47.2.3 Foreign exchange risk

Foreign exchange risk is the probability of loss resulting from adverse movements in exchange rates. Exchange position arising from trading activities is monitored through foreign exchange limits on aggregate and individual currency basis. Hedging strategies and mark-to-market valuations are used to mitigate exchange risk resulting from open position. Overall exchange position risk is maintained in accordance with the regulatory requirements prescribed by the State Bank of Pakistan.

	2023				2022			
	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure
	----- (Rupees in '000) -----							
United States dollar	12,974,785	20,590,026	7,803,179	187,938	8,936,343	15,938,450	7,097,491	95,384
Great Britain pound	475,350	3,696,713	3,220,920	(443)	383,059	3,006,440	2,625,628	2,247
Japanese Yen	1,208	2,589	-	(1,381)	2,761	82	-	2,679
Euro	461,299	1,395,049	976,168	42,418	663,330	1,040,547	363,829	(13,388)
Chinese Yuan	90,903	25,440	-	65,463	8,496	-	-	8,496
Other currencies	51,944	24,401	(11,555)	15,988	55,414	6,035	6,142	55,521
	14,055,489	25,734,218	11,988,712	309,983	10,049,403	19,991,554	10,093,090	150,939

	2023		2022	
	Banking book	Trading book	Banking book	Trading book
	----- (Rupees in '000) -----			
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	-	3,100	-	1,509
- Other comprehensive income	-	-	-	-

47.2.4 Equity position risk

The Bank invests mainly in blue chip securities depending upon market mispricing through arbitrage. Further, the risk arising from investments in equity securities lies in both its banking and trading books which is measured and assessed using the Value at Risk (VaR) approach. The VaR of the portfolio is reported to the BRCC, ALCO and other authorities on a periodical basis.

	2023		2022	
	Banking book	Trading book	Banking book	Trading book
	----- (Rupees in '000) -----			
Impact of 5% change in equity prices on				
- Profit and loss account	-	-	-	-
- Other comprehensive income	-	67,038	-	122,091

47.2.5 Yield / Interest rate risk in the Banking book (IRRBB) - Basel II Specific

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in interest rates, including changes in the shape of the yield curve.

Interest rate risk is inherent in the Bank's business and arises due to the mismatches in the contractual maturities or repricing of on- and off-balance sheet assets and liabilities. The Bank is exposed to interest rate risk in both the Trading and Banking Books. The Bank uses duration gap models to measure and monitor the interest rate sensitivity on the potential earnings and the Bank's economic value of equity. Overall potential impact of the mismatches on the earnings in short term is not material and is being managed within the tolerance limits approved by the Board.

	2023		2022	
	Banking book	Trading book	Banking book	Trading book
	----- (Rupees in '000) -----			
Impact of 1% change in interest rates on				
- Profit and loss account	2,050,041	17,036	1,907,794	-
- Other comprehensive income	-	-	-	-

47.2.6 Mismatch of Interest Rate Sensitive Assets and Liabilities

Yield risk is the risk of decline in earnings due to adverse movement of the yield curve. Interest rate risk represents the risk that value of financial instruments will fluctuate due to change in market interest rates. The Bank is exposed to yield / 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 manages this risk by matching the re-pricing of assets and liabilities and off-balance sheet instruments. The Bank's yield / interest rate sensitivity position for on-balance sheet instruments is based on the earlier of contractual re-pricing or maturity date and for off-balance sheet instruments is based on settlement date. The Bank quantifies the yield curve risk via duration, PVBP and convexity for rate sensitive assets and liabilities held in banking and trading book. The bank also measure impact on net worth depending on duration gap of rate sensitive assets and liabilities.

2023											
Effective Yield/ Interest rate	Total	Exposed to Yield/ Interest risk									Non-interest bearing financial instruments
		Upton 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	----- (Rupees in '000) -----										
Assets											
Cash and balances with treasury banks	4.35%	44,206,702	2,426,931	-	-	-	-	-	-	-	41,779,771
Balances with other banks	0.00%	1,458,642	32	-	-	-	-	-	-	-	1,458,610
Lending to financial institutions	0.00%	-	-	-	-	-	-	-	-	-	-
Investments	20.63%	310,340,877	37,366,931	93,137,760	59,476,618	95,764,858	14,370,065	-	1,949,064	6,873,729	1,401,852
Advances	21.88%	205,753,709	151,130,407	19,796,627	11,550,791	7,595,896	148,731	758,648	1,267,779	5,196,674	6,209,392
Other assets	0.00%	79,024,859	-	-	-	-	-	-	-	-	79,024,859
		640,784,789	190,924,301	112,934,387	71,027,409	103,360,754	14,518,796	758,648	3,216,843	12,070,403	6,209,392
Liabilities											
Bills payable	0.00%	8,737,971	-	-	-	-	-	-	-	-	8,737,971
Borrowings	17.52%	68,741,646	45,930,748	8,428,914	6,981,223	33,478	28,534	498,244	532,748	4,382,816	1,924,941
Deposits and other accounts	14.42%	517,868,984	157,817,198	149,033,389	28,791,953	23,432,129	741,530	334,655	177,133	-	157,540,997
Liabilities against assets subject to finance lease	0.0%	-	-	-	-	-	-	-	-	-	-
Subordinated debt	24.60%	7,998,400	-	-	7,998,400	-	-	-	-	-	-
Other liabilities	0.0%	25,507,682	-	-	-	-	-	-	-	-	25,507,682
		628,854,683	203,747,946	157,462,303	43,771,576	23,465,607	770,064	832,899	709,881	4,382,816	193,711,591
On-balance sheet gap		11,930,106	(12,823,645)	(44,527,916)	27,255,833	79,895,147	13,748,732	(74,251)	2,506,962	7,687,587	(67,947,735)
Non financial net assets		16,683,060									
Total net assets		28,613,166									
Off-balance sheet financial instruments											
Documentary credits and short-term trade-related transactions		99,575,152	34,203,278	32,944,158	7,770,742	10,745,627	3,829,081	1,332,354	1,002,821	334,385	7,412,706
Commitments in respect of:											
- forward foreign exchange contracts purchase		83,456,475	35,062,299	38,354,888	9,940,543	98,745	-	-	-	-	-
- forward foreign exchange contracts sale		(71,257,282)	(32,289,166)	(28,661,738)	(10,207,633)	(98,745)	-	-	-	-	-
- forward lending		212,314	-	-	-	212,314	-	-	-	-	-
- acquisition of fixed assets		219,602	-	-	-	219,602	-	-	-	-	-
- acquisition of intangibles		2,427	-	-	-	2,427	-	-	-	-	-
Off-balance sheet gap		112,208,688	36,976,411	42,637,308	7,503,652	11,179,970	3,829,081	1,332,354	1,002,821	334,385	7,412,706
Total yield/ interest risk sensitivity gap		24,152,766	(1,890,608)	34,759,485	91,075,117	17,577,813	1,258,103	3,509,783	8,021,972	13,622,098	(67,947,735)
Cumulative yield / interest risk sensitivity gap		24,152,766	22,262,158	57,021,643	148,096,760	165,674,573	166,932,676	170,442,459	178,464,431	192,086,529	



2022

	Effective Yield/ Interest rate	Total	Exposed to Yield/ Interest risk									Non-interest bearing financial instruments
			Upton 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	
----- (Rupees in '000) -----												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	0%	27,420,328	-	-	-	-	-	-	-	-	-	27,420,328
Balances with other banks	0%	1,939,303	32	-	-	-	-	-	-	-	-	1,939,271
Lending to financial institutions	12.90%	52,338,662	33,188,842	-	19,149,820	-	-	-	-	-	-	-
Investments	11.97%	258,007,046	26,990,920	113,714,812	51,698,593	19,219,332	18,862,073	14,286,406	1,894,600	8,837,384	-	2,502,926
Advances	12.59%	208,434,160	154,488,900	17,902,091	13,353,598	6,333,030	141,339	264,021	1,730,188	5,770,014	5,622,576	2,828,403
Other assets	0%	17,585,399	-	-	-	-	-	-	-	-	-	17,585,399
		565,724,898	214,668,694	131,616,903	84,202,011	25,552,362	19,003,412	14,550,427	3,624,788	14,607,398	5,622,576	52,276,327
Liabilities												
Bills payable	0%	7,386,191	-	-	-	-	-	-	-	-	-	7,386,191
Borrowings	11.01%	115,728,198	26,651,176	71,950,270	8,672,638	35,984	997,013	45,119	949,587	4,988,398	-	1,438,013
Deposits and other accounts	12.37%	409,642,613	116,961,833	111,182,288	20,731,870	23,161,212	923,612	1,869,164	732,700	-	-	134,079,934
Liabilities against assets subject to finance lease	0%	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	15.34%	8,000,000	-	-	8,000,000	-	-	-	-	-	-	-
Other liabilities	0%	17,619,614	-	-	-	-	-	-	-	-	-	17,619,614
		558,376,616	143,613,009	183,132,558	37,404,508	23,197,196	1,920,625	1,914,283	1,682,287	4,988,398	-	160,523,752
On-balance sheet gap		7,348,282	71,055,685	(51,515,655)	46,797,503	2,355,166	17,082,787	12,636,144	1,942,501	9,619,000	5,622,576	(108,247,425)
Non financial net assets		13,797,909										
Total net assets		21,146,191										
Off-balance sheet financial instruments												
Documentary credits and short-term												
trade-related transactions		81,387,261	32,228,826	21,922,391	6,152,221	8,942,088	5,525,627	621,414	797,925	1,059,900	4,136,869	-
Commitments in respect of:												
- forward foreign exchange contracts purchase		48,479,318	23,206,530	24,114,943	1,061,641	96,204	-	-	-	-	-	-
- forward foreign exchange contracts sale		(38,303,130)	(18,094,580)	(19,802,822)	(309,524)	(96,204)	-	-	-	-	-	-
- forward lending		3,185,490	-	-	-	3,185,490	-	-	-	-	-	-
- acquisition of fixed assets		365,741	-	-	-	365,741	-	-	-	-	-	-
- acquisition of intangibles		2,427	-	-	-	2,427	-	-	-	-	-	-
Off-balance sheet gap		95,117,107	37,340,776	26,234,512	6,904,338	12,495,746	5,525,627	621,414	797,925	1,059,900	4,136,869	-
Total yield/ interest risk sensitivity gap			108,396,461	(25,281,143)	53,701,841	14,850,912	22,608,414	13,257,558	2,740,426	10,678,900	9,759,445	(108,247,425)
Cumulative yield / interest risk sensitivity gap			108,396,461	83,115,318	136,817,159	151,668,071	174,276,485	187,534,043	190,274,469	200,953,369	210,712,814	

- (a) The effective interest rate is a historical rate (for December month) for a fixed rate instrument carried at amortised cost and a current market rate for a floating rate instrument.
- (b) The effective interest rate has been computed by excluding non-performing advances.
- (c) The effective interest rate has been computed by excluding non-remunerative deposits.

47.2.7 Operational risk

Operational risk 'OpRisk' is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. This includes legal risk as well as the reputational consequences of failures in operational risk management. The Bank uses Basic Indicator approach for assessing capital charge for operational risk.

Operational Risk Management Objective and Organisation



The main objective of the operational risk management is to minimise expected and unexpected losses arising out of operational activities of the Bank.

The Bank has established a rigorous operational risk management framework to efficiently and effectively monitor and manage operational risk in each business and support activity of the Bank as well as those arising from external events like from natural disasters, outsourcing, etc.

The Bank has a sound organisation structure for managing operational risk, established on strong internal control environment and equipped with adequate level of expertise and resources. The Bank has also formed an Operational Risk Management Committee (ORMC), a senior management committee to assist the Board Risk & Compliance Committee (BRCC), to ensure the compliance of BoD approved operational risk management framework, supported by the Risk Management Division (RMD)



Operational risk assessment

The Bank has been conducting risk and control self assessment (RCSA) exercise for each business and support function of the Bank in order to identify and assess operational risks inherent in existing activities, processes and systems. Through the RCSA exercise, the Bank has been able to develop inventory of risks, controls and key risk indicators (KRI) and has identified gaps in its operating activities which are rectified on a priority basis.

Operational risk monitoring

Operational risk monitoring is conducted through KRIs, identified in the RCSA exercise for each process. All branches, offices, Groups / departments furnish KRI reports on a periodical basis to the Operational Risk Management Department (within the Risk Management Group).

Operational risk measurement

The Bank keeps a detailed track of its operational loss events and maintains a database. This helps the Bank to step towards advanced approach of Basel II accord and also allows the Bank to formulate strategy to rectify the gap of reoccurrence of the incident. The Bank has, in compliance of BPRD Circular No. 04 of 2014 "Implementation of Operational Risk Management Framework" created separate Op-Loss general ledgers in the Bank's system which are being used for reporting of operational losses and are bifurcated into 7 operational loss categories as per the requirement of Basel II accord.

Operational risk assessment for new products and services

Operational risk in all new products, systems and processes are identified and assessed by the RMG so that risk associated can be mitigated to an acceptable level. Assessment comprises of:

- review of new process flows and their control activities;
- conduct RCSA exercise; and
- identification, adequate assessment and ranking of all risks and controls.

Business Continuity Plan

In order to ensure continuity of the Bank's operations, the Bank has in place a well developed, BoD approved Business Continuity Plan (BCP) which has been implemented across the Bank. The BCP has been well communicated down the line and regular trainings and testing is conducted across the country. Permanent back up sites have also been established and related testing carried out by critical staff to their designated back up sites. The BCP Steering Committee, a senior management committee, is responsible to ensure the adequacy of the BCP of the Bank as well as to ensure its effective implementation and compliance. The committee reports to the Board Risk Management Committee.

47.2.8 Liquidity risk

Liquidity risk is the potential inability to meet contractual and contingent financial obligations, either on or off balance sheet, as they become due. Primary liquidity objective of the Bank is to provide adequate funding for businesses throughout market cycles, including periods of financial stress.

Liquidity Management

Day to day funding, is managed by Treasury Division through net cash flows from payment systems, fresh deposits mobilised by branches, maturing money market deposits, etc.

The Bank maintains a portfolio of highly marketable assets viz., Market Treasury Bills and Pakistan Investment Bonds, that can either be sold in the open market or funds can be arranged there against under repo arrangements. This is further supported by investments in short term securities viz., Certificate of Investments etc. In line with its liquidity risk management policy, the Bank maintains a cushion over and above the minimum statutory liquidity requirement prescribed by SBP for maintaining liquidity reserves to ensure continuity of cash flows.



Liquidity risk monitoring

The Bank monitors its liquidity risk through various liquidity ratios and liquidity risk indicators and any deviations or breaches are reported to the relevant authorities for timely action. Moreover, Asset and Liability Management Committee (ALCO), a senior management committee, also reviews the liquidity position of the Bank on at least monthly basis and takes appropriate measures where required.

Liquidity risk assessment

The Bank's ALCO is responsible for the formulation of overall strategy and oversight of asset and liability management. Liquidity Risk measures are chosen using a range of metrics, including Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), liquidity gaps and various liquidity ratios.

Sources of liquidity are regularly reviewed / monitored by the Asset and Liability Management Committee (ALCO). The ALCO reviews the current economic situation, projected cash flows and asset / liability mix and approves strategy for managing appropriate liquidity. The liquidity risk management policy of the Bank encompasses liquidity contingency plan for actions to be taken in case of liquidity crises.

Mandatory stress tests of SBP are conducted, on a periodic basis, to test the adequacy of liquidity contingency plan and to identify the extent of liquidity stress that the Bank is able to take in current conditions.

Liquidity management framework allows the Bank to run stress analysis on the balance sheet and off-balance positions, which include, but are not limited to, the following:

1. Significant withdrawals from corporate clients deposits.
2. Withdrawal of top ten, top fifteen, and top twenty deposits.
3. Loss in the funding value of unencumbered assets.
4. Shock to Liquidity Coverage Ratio and Net Stable Funding Ratio



47.2.9 Maturities of Assets and Liabilities - based on contractual maturity of the assets and liabilities of the Bank

2023													
Total	Upton 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
(Rupees in '000)													
Assets													
Cash and balances													
with treasury banks	44,206,702	44,206,702	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	1,458,642	1,458,642	-	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	310,340,877	-	-	2,484	348,629	-	107,649	3,117,903	71,036,410	91,423,504	46,194,960	11,494,160	8,266,338
Advances	205,753,709	72,131,259	2,560,118	2,945,402	14,687,611	10,607,546	13,178,449	14,829,833	5,881,862	8,884,766	3,648,915	5,725,350	16,252,024
Fixed assets	17,194,592	4,912	29,444	34,351	83,425	151,962	151,653	447,941	1,927,733	437,786	1,696,977	1,567,802	2,486,333
Intangible assets	206,127	400	2,399	2,799	6,798	12,365	11,869	33,850	29,186	24,920	64,497	17,044	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	79,401,023	72,008,530	120,905	272,514	1,479,034	979,475	1,260,186	1,147,620	441,237	126,571	14,081	34,403	1,502,386
	658,561,672	189,810,445	2,712,866	3,257,550	16,605,497	11,751,348	14,709,806	19,577,147	79,316,428	100,897,547	51,619,430	18,818,437	97,121,600
Liabilities													
Bills payable	8,737,971	8,737,971	-	-	-	-	-	-	-	-	-	-	-
Borrowings	68,741,646	1,935,965	44,435,442	140,441	1,343,842	1,273,500	7,155,414	6,981,223	-	33,478	28,534	498,244	532,748
Deposits and other accounts	517,868,984	412,827,811	9,525,004	8,520,264	10,839,287	12,929,640	9,749,580	28,791,953	8,586,637	14,845,491	741,529	334,655	177,133
Subordinated debt	7,998,400	-	-	-	-	-	-	800	-	800	1,600	1,600	3,200
Deferred tax liabilities	889,037	-	-	-	-	-	-	-	-	889,037	-	-	-
Other liabilities	25,712,468	13,956,359	133,735	287,482	1,515,384	1,045,761	1,326,472	1,346,478	640,095	1,156,422	809,514	789,401	1,232,405
	629,948,506	437,458,106	54,094,181	8,948,187	13,698,513	15,248,901	18,231,466	37,120,454	9,226,732	16,925,228	1,581,177	1,623,900	1,945,486
Net assets													
	28,613,166	(247,647,661)	(51,381,315)	(5,690,637)	2,906,984	(3,497,553)	(3,521,660)	(17,543,307)	70,089,696	83,972,319	50,038,253	17,194,537	95,176,114
Share capital	11,024,636												
Reserves	5,133,056												
Surplus on revaluation of assets	1,661,082												
Unappropriated profit	10,794,392												
	28,613,166												

2022													
Total	Upton 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
(Rupees in '000)													
Assets													
Cash and balances													
with treasury banks	27,420,328	27,420,328	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	1,939,303	1,939,303	-	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	52,338,662	-	29,201,127	3,987,715	-	-	-	19,149,820	-	-	-	-	-
Investments	258,007,046	-	-	-	9,897,190	23,560,908	23,534	37,083,786	59,242,920	49,800,203	36,595,097	19,780,330	11,855,464
Advances	208,434,160	81,320,085	2,809,032	5,470,717	10,917,447	10,516,718	10,810,266	18,658,273	4,367,143	5,396,712	4,930,547	6,116,290	14,156,151
Fixed assets	12,592,776	3,690	22,110	25,795	62,645	114,001	113,287	337,765	1,152,437	326,469	1,253,903	1,150,745	1,735,896
Intangible assets	327,901	872	5,216	6,085	14,779	26,831	26,374	54,802	34,971	33,041	95,862	29,068	-
Deferred tax assets	890,621	-	-	-	-	-	-	-	890,621	-	-	-	-
Other assets	17,809,034	12,312,576	223,310	289,943	668,591	1,885,273	540,154	35,179	810	728,459	3,241	3,241	12,711
	579,759,831	122,996,854	32,260,795	9,780,255	21,560,652	36,103,731	11,513,615	75,319,625	64,798,281	57,175,505	42,878,650	27,079,674	27,760,222
Liabilities													
Bills payable	7,386,191	7,386,191	-	-	-	-	-	-	-	-	-	-	-
Borrowings	115,728,198	1,631,487	25,866,202	407,500	184,000	52,772,257	19,178,013	8,672,638	11,848	24,136	997,013	45,119	949,587
Deposits and other accounts	409,642,613	324,454,710	4,286,575	7,907,518	9,555,152	4,030,413	11,989,687	20,731,870	7,705,610	15,455,602	923,612	1,869,164	732,700
Subordinated debt	8,000,000	-	-	-	-	-	-	-	-	-	-	-	8,000,000
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	17,856,638	9,262,356	234,135	302,571	699,260	1,941,199	596,080	202,958	168,589	863,869	674,354	657,599	1,026,638
	558,613,640	342,734,744	30,386,912	8,617,589	10,438,412	58,743,869	31,763,780	29,607,466	7,886,047	16,343,607	2,594,979	2,571,882	2,708,925
Net assets													
	21,146,191	(219,737,890)	1,873,883	1,162,666	11,122,240	(22,640,138)	(20,250,165)	45,712,159	56,912,234	40,831,898	40,283,671	24,507,792	25,051,297
Share capital	11,024,636												
Reserves	3,917,964												
Surplus on revaluation of assets	(784,204)												
Unappropriated profit	6,987,795												
	21,146,191												

47.2.10 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Bank

2023										
	Total	Up to 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
----- (Rupees in '000) -----										
Assets										
Cash and balances										
with treasury banks	44,206,702	19,100,873	8,888,138	7,333,977	8,883,714	-	-	-	-	-
Balances with other banks	1,458,642	1,458,642	-	-	-	-	-	-	-	-
Lending to financial institutions	-	-	-	-	-	-	-	-	-	-
Investments	310,340,877	351,114	107,649	3,117,903	162,459,914	46,243,228	11,542,428	78,252,383	8,266,258	-
Advances	205,753,709	42,821,205	46,783,487	30,914,306	28,353,113	3,648,915	5,725,350	16,252,024	22,026,331	9,228,978
Fixed assets	17,194,592	152,124	303,615	447,941	2,365,521	1,696,978	1,567,802	2,486,332	3,259,264	4,915,015
Intangible assets	206,127	12,396	24,234	33,850	54,106	64,497	17,044	-	-	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets	79,401,023	73,880,966	2,239,662	1,147,620	567,809	14,081	14,081	34,403	70,422	1,431,979
	658,561,672	137,777,320	58,346,785	42,995,597	202,684,177	51,667,699	18,866,705	97,025,142	33,622,275	15,575,972
Liabilities										
Bills payable	8,737,971	8,737,971	-	-	-	-	-	-	-	-
Borrowings	68,741,646	47,855,689	8,428,914	6,981,223	33,478	28,534	498,244	532,748	4,382,816	-
Deposits and other accounts	517,868,984	86,966,200	103,152,094	85,115,132	103,100,746	137,759,482	1,598,197	177,133	-	-
Subordinated debt	7,998,400	-	-	800	800	1,600	1,600	3,200	7,990,400	-
Deferred tax liabilities	889,037	-	-	-	889,037	-	-	-	-	-
Other liabilities	25,712,468	15,894,572	2,372,191	1,346,414	1,796,369	809,256	789,149	1,232,012	1,472,505	-
	629,948,506	159,454,432	113,953,199	93,443,569	105,820,430	138,598,872	2,887,190	1,945,093	13,845,721	-
Net assets	28,613,166	(21,677,112)	(55,606,414)	(50,447,972)	96,863,747	(86,931,173)	15,979,515	95,080,049	19,776,554	15,575,972
Share capital account	11,024,636									
Reserves	5,133,056									
Surplus on revaluation of assets	1,661,082									
Unappropriated profit	10,794,392									
	28,613,166									
2022										
	Total	Up to 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
----- (Rupees in '000) -----										
Assets										
Cash and balances										
with treasury banks	27,420,328	14,556,393	3,676,746	3,984,513	5,202,676	-	-	-	-	-
Balances with other banks	1,939,303	1,939,303	-	-	-	-	-	-	-	-
Lending to financial institutions	52,338,662	33,188,842	-	19,149,820	-	-	-	-	-	-
Investments	258,007,046	9,897,190	23,584,442	37,083,786	109,043,123	36,595,097	19,780,330	11,855,464	10,167,614	-
Advances	208,434,160	55,892,168	41,810,642	38,410,373	14,153,210	4,930,547	6,116,290	14,156,151	23,855,621	9,109,158
Fixed assets	12,592,776	114,240	227,288	337,765	1,478,906	1,253,903	1,150,745	1,735,896	2,548,475	3,745,558
Intangible assets	327,901	26,952	53,205	54,802	68,012	95,862	29,068	-	-	-
Deferred tax assets	890,621	-	-	-	890,621	-	-	-	-	-
Other assets	17,809,034	13,494,420	2,425,427	35,179	729,269	3,241	3,241	12,711	16,206	1,089,340
	579,759,831	129,109,508	71,777,750	99,056,238	131,565,817	42,878,650	27,079,674	27,760,222	36,587,916	13,944,056
Liabilities										
Bills payable	7,386,191	7,386,191	-	-	-	-	-	-	-	-
Borrowings	115,728,198	28,089,189	71,950,270	8,672,638	35,984	997,013	45,119	949,587	4,988,398	-
Deposits and other accounts	409,642,613	78,289,176	56,289,417	61,001,186	79,650,744	97,551,838	36,127,552	732,700	-	-
Subordinated debt	8,000,000	-	-	-	-	-	-	-	8,000,000	-
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Other liabilities	17,856,638	10,431,924	2,537,279	202,958	1,098,857	674,354	657,599	1,026,638	1,227,029	-
	558,613,640	124,196,480	130,776,966	69,876,782	80,785,585	99,223,205	36,830,270	2,708,925	14,215,427	-
Net assets	21,146,191	4,913,028	(58,999,216)	29,179,456	50,780,232	(56,344,555)	(9,750,596)	25,051,297	22,372,489	13,944,056
Share capital account	11,024,636									
Reserves	3,917,964									
Surplus on revaluation of assets	(784,204)									
Unappropriated profit	6,987,795									
	21,146,191									



48 GENERAL

48.1 Comparative

Comparative information has been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and better presentation. There were no significant reclassifications during the current year.

48.2 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

49 EVENTS AFTER THE REPORTING DATE

49.1 The Board of Directors in its meeting held on 31 January 2024 has proposed a cash dividend in respect of the year ended 31 December 2023 of Rs. 3.00 per share (2022: Rs. 1.00 per share). This appropriation will be approved in the forthcoming Annual General Meeting. The financial statements for the year ended 31 December 2023 do not include the effect of this appropriation which will be accounted for in the financial statements of the Bank for the year ending 31 December 2024.

50 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 31 January 2024 by the Board of Directors of the Bank.

Alauddin Feerasta
Chairman

Muhtashim Ahmad Ashai
President & Chief Executive Officer

Mirza Zafar Baig
Chief Financial Officer

Jamil Hassan Hamdani
Director

Manzoor Ahmed
Director

STATEMENT SHOWING WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF OF FIVE HUNDRED THOUSAND RUPEES AND ABOVE PROVIDED DURING THE YEAR ENDED 31 DECEMBER 2023

(Rs. in million)

S. No.	Name and address of borrower	Name of Individuals/ partners/ directors (with CNIC No.)	Father/ Husband's Name	Outstanding liabilities at beginning of the year				Principal Written off	Mark-up Written off/ Waived	Other Financial Relief Provided	Total
				Principal	Mark-up	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12=9+10+11
1	Premax Industries Dhokkal Road, Chongi 09, Nizamabad, Wazirabad	Mr. Muhammad Ramzan CNIC No. 34104-2325119-9 Mr. Muhammad Latif CNIC No. 34104-2325122-9 Mr. Muhammad Waris Sapra CNIC No. 34104-7848004-1	Mr. Muhammad Maalik Mr. Muhammad Maalik Mr. Muhammad Maalik	-	1.121	-	1.121	-	0.560	-	0.560
2	New Ali Rehan Cotton Ginning Pressing & Oil Mills Bakaini Shareef P/O Khas Tehsil Jatoli Mouza Massa Sandela Shah Jamal road District Muzafargarh	Mr. Asghar Saeed CNIC No. 33202-9948944-5 Mian Munir Ahmed Daha CNIC No. 35202-6489539-3	Mian Saeed Ullah Mian Ahmad Baksh	-	2.721	0.185	2.906	-	2.549	-	2.549
3	Ghafoor Rice Mills 03 K.M, Faisalabad Road, Tehsil & District Jhang	Mr. Zahid Iqbal CNIC No. 33202-0528128-7 Mr. Abdul Shakoor CNIC No. 33202-1874114-3 Mr. Zahoor Ahmed CNIC No. 35202-1275574-9 Mr. Azhar Abbas CNIC No. 33202-0960705-5 Mr. Aziz Muhammad CNIC No. 33202-1471467-1 Mr. Manzoor Ahmad CNIC No. 33202-1278609-7	Mr. Abdul Ghafoor Mr. Ghulam Muhammad Mr. Ghulam Muhammad Mr. Allah Ditta Mr. Allah Baksh Mr. Ghulam Muhammad	-	0.426	0.519	0.945	-	0.426	0.519	0.945
4	Sarwar Enterprises House No. C-41, Gulshan-e-Rafi, Jamia Millia Road, Karachi	Syed Muhammad Sarwar CNIC No. 42501-9861139-1	Syed Muhammad Toheed	-	1.311	0.103	1.414	-	1.295	0.103	1.398
5	Umer Nawaz Hindal Abad P/O Da Dian Tehsil Kamoke, Gujranwala	Mr. Umer Nawaz CNIC No. 34102-4076139-7	Mr. Muhammad Nawaz	-	0.664	0.068	0.732	-	0.536	-	0.536
6	Mahendar Kumar Flat # 603, ST # FT31-2, Mohallah Peral Appartment, Clifton, Karachi	Mr. Mahendar Kumar CNIC No. 43103-4633424-9	Mr. Roop Chand	3.060	0.385	0.192	3.637	0.190	0.385	0.162	0.737
7	Khushi Muhammad Mouza Kawni, P.O Mandi Ahmed abad Tehsil Depalpur, Distt: Okara	Mr. Khushi Muhammad CNIC No. 35301-1928002-9	Mr. Roheela Khan	1.000	1.693	0.247	2.940	-	1.133	-	1.133
8	Imran Traders House # 86, Galla Mandi, Sheikhpura	Mr. Mohammad Zubair Ahmed CNIC No. 35404-4192762-1	Ch. Allah Ditta	1.437	2.553	0.462	4.452	-	1.744	-	1.744
9	Faisal Dagha Commission Agent Qasim Market gohad pur, Sialkot	Mr. Muhammad Latif CNIC No. 34603-8846553-5	Mr. Muhammad Bashir	1.968	0.771	-	2.739	-	0.968	-	0.968
10	Hasnaat Brothers Construction Company Plot # 07A Attique Plaza First Floor Street 138, G 13/4, Islamabad	Mr. Abid Hussain CNIC No. 35402-9216074-1	Mr. Waryam	-	16.017	0.040	16.057	-	8.008	-	8.008
11	Aqil Muhammad Basti hameed pur, Village Jhangiwali, Tehsil & Distt: Bahawalpur	Mr. Aqil Muhammad CNIC No. 31202-0720665-7	Mr. Muhammad Ali	-	1.209	0.101	1.310	-	1.109	-	1.109
12	Muhammad Ilyas Khatana Kot Peer Shah, Dharam Kot, P/O Paropi Nagra, Tehsil Daska, District sialkot	Mr. Muhammad Ilyas Khatana CNIC No. 34601-7691706-1	Mr. Noor Hussain	1.361	5.813	0.210	7.384	-	5.556	-	5.556
13	Umer Electronics Main Bazar Near Butt Cloth House, Wazirabad	Mian Ishtiaq Ahmed CNIC No. 34104-2214887-3	Mian Sarfraz Ahmed	0.860	0.707	0.138	1.705	-	0.707	0.088	0.795
14	Muhammad Fiaz Sagoo Chowk, Suraj Kand Road, Mohallah Peer Colony # 2, Multan	Mr. Muhammad Fiaz CNIC No. 36302-0445038-9	Mr. Allah Diwaya	2.506	0.600	0.461	3.567	-	0.600	0.236	0.836
15	AD Sanitary Store College Road Pattoki	Mr. Allah Ditta CNIC No. 35103-4551618-1	Mr. Ali Muhammad	0.993	1.281	0.245	2.519	-	1.281	0.239	1.520
16	Hussain Poultries Chak No 87/6 R, Tehsil & Distt: Sahiwal	Syed Shahzad Hussain Shah CNIC No.36502-7643524-3	Syed Noor Hussain Shah	2.696	1.497	-	4.193	-	1.497	-	1.497
17	Fazal Abbas Sabaz Pura P.O. Sher Garh, Tehsil Depalpur, Distt: Okara	Mr. Fazal Abbas CNIC No. 35301-9077256-1	Syed Ghulam Abbas	2.402	1.899	0.130	4.431	-	1.699	-	1.699
18	Tariq Siddique 36-B Sattelite Town, Tehsil & Distt: Rahimyarkhan	Mr. Tariq Siddique CNIC No. 31303-2212729-3	Mr. Siddique Ahmed	-	0.519	0.078	0.597	-	0.519	0.078	0.597



(Rs. in million)

S. No.	Name and address of borrower	Name of Individuals/ partners/ directors (with CNIC No.)	Father/ Husband's Name	Outstanding liabilities at beginning of the year				Principal Written off	Mark-up Written off/ Waived	Other Financial Relief Provided	Total
				Principal	Mark-up	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12=9+10+11
19	Ittefaq Cold Storage Village MAAN, Ganda Singh Road, Kasur	Mr. Mushtaq Ahmed CNIC No. 35202-5807360-9 Mr. Farooq Ahmed CNIC No. 35102-1802286-5	Mr. Ghulam Muhammad Mr. Muhammad Siddique	6.960	6.445	0.833	14.238	-	6.445	-	6.445
20	Ismat & Co House No.935, Street No.22, Block N, Phase 6, DHA, Lahore	Mrs. Ismat Baig CNIC No. 35202-3675882-4	W/O. Malik Khan Baig	19.795	2.013	0.282	22.090	-	1.006	0.083	1.089
21	Abdul Haseeb Chak # 437 GB Karool, Dakkhana Tandlianwala Tehsil Samundri, Distt: Faisalabad	Mr. Abdul Haseeb CNIC No. 33105-4994331-5	Mr. Muhammad Arshad	1.625	0.719	0.379	2.723	-	0.719	0.319	1.038
22	Rana Muhammad Afzal House No.494/E, Shah Rukne Alam Colony, Multan	Rana Muhammad Afzal CNIC No. 36302-0896597-3	Rana Anwar Ali	1.450	1.399	1.335	4.184	-	1.314	1.297	2.611
23	Wateen Wimax (Pvt) Limited Main Walton Road. Opp Bab-e-Pakistan, Walton Cantt, Lahore	Mr. Adil Rashid CNIC No. 37405-0223625-3 Mr. Mathew William Hollis Passport No. 536916910 Mr. Edward Phillip Hurt Passport No. 510759964	Mr. Azmat Rashid Mr. Peter Leslie Seymour Hollis Mr. Wayne Paul Hurt	-	9.720	-	9.720	-	9.720	-	9.720
24	Wateen Telecom Limited Main Walton Road. Opp Bab-e-Pakistan, Walton Cantt, Lahore	Mr. Adil Rashid CNIC No. 37405-0223625-3 Mr. Mathew William Hollis Passport No. 536916910 Mr. Edward Phillip Hurt Passport No. 510759964	Mr. Azmat Rashid Mr. Peter Leslie Seymour Hollis Mr. Wayne Paul Hurt	129.008	244.210	-	373.218	129.008	244.210	-	373.218
25	Rao Abdul Jabbar Khan Basti Jaswant Nagar, Muslim Town, Khanewal	Rao Abdul Jabbar Khan CNIC No. 36103-8517339-5	Rao Abdul Latif Khan	0.750	0.556	0.088	1.394	-	0.556	0.088	0.644
26	Ghafari Ali Mouza Mangar, P/O Lashari, Tehsil & District Okara	Mr. Ghafari Ali CNIC No. 35302-4770350-3	Mr. Sajwar Khan	1.400	1.266	0.128	2.794	-	1.174	-	1.174
27	Saudi Pak Leasing Company Limited 6th Floor, Lakson Square Building #1, Sarwar Shaheed Road, Saddar, Kharachi	Shaikh Aftab Ahmad CNIC No. 42301-4573859-7 Ms. Fozia Fakhar CNIC No. 61101-1736264-8 Mr. Zafar Iqbal CNIC No. 17301-1435081-7 Mr. Niaz Ahmed Khan CNIC No. 61101-2439056-9 Mr. Ahsanullah CNIC No. 42301-2962308-3 Syed Najmul Hasnain Kazmi CNIC No. 91506-0125183-1 Mr. Muhammad Waqar CNIC No. 61101-3924140-3	Shaikh Muhammad Islam Nabi Mr. Fakhruddin Siddiqui Mr. Nazim Khan Mr. Wisal Muhammad Khan Mr. Maseetullah Khan Syed Sajjad Hussain Kazmi Mian Muhammad Zahoor	80.000	135.233	0.268	215.501	45.000	135.233	0.268	180.501
28	Makki Rice Mills 40-A Grain Market Jhang Saddar	Mr. Israr Akram CNIC No. 33202-0939118-3 Mr. Kamran Ali CNIC No. 33202-1363950-3 Mr. Muhammad Zubair CNIC No. 33202-6213739-5	Mr. Muhammad Akram Mr. Ghulam Muhammad Mr. Mola Bakhsh	15.493	20.515	0.150	36.158	-	20.515	0.150	20.665
29	Sohail Rasheed House No. 1/X, Street No. 5, Tariq Bin Ziad Colony, Sahiwal	Mr. Sohail Rasheed CNIC No. 36502-1316608-7	Mr. Muhammad Rasheed Tahir	12.347	1.883	-	14.230	-	1.645	-	1.645
30	Zeeshan Noor Uddin Flat No. A-09, Salma Villa, Garden West, Karachi	Mr. Zeeshan Noor Uddin CNIC No. 42201-7260781-7	Mr. Noor Uddin	9.600	1.931	-	11.531	-	1.531	-	1.531
31	Faisal Ahmed House No. 89, Gulshan-e-Ahbab Society Phase-I, Near DHA EME Society, Canal Road, Lahore	Mr. Faisal Ahmed CNIC No. 34301-1709505-3	Mr. Muhammad Tufail	2.508	0.998	0.337	3.843	-	0.739	-	0.739
TOTAL				299.219	468.075	6.979	774.273	174.198	455.379	3.630	633.207

ISLAMIC BANKING BUSINESS

The Bank is operating with 45 Islamic Banking Branches (31 December 2022: 40) and 15 Islamic Banking Windows (31 December 2022: 15). The statement of financial position and profit and loss account of these branches and windows (including Islamic Banking Division) are as follows:

ASSETS	Note	2023 ------(Rupees in '000)-----	2022 ------(Rupees in '000)-----
Cash and balances with treasury banks		3,641,611	2,310,935
Balances with other banks		452,520	405,834
Due from financial institutions	1	-	5,000,000
Investments	2	27,648,031	17,794,997
Islamic financing and related assets- net	3	17,634,001	11,991,542
Fixed assets		1,108,558	789,905
Intangible assets		-	-
Due from head office		-	-
Other assets		2,645,509	1,243,792
Total assets		53,130,230	39,537,005
LIABILITIES			
Bills payable		233,688	315,862
Due to financial institutions		1,037,300	1,066,727
Deposits and other accounts	4	43,018,049	32,839,723
Due to head office		3,284,747	1,828,465
Other liabilities		2,407,879	1,301,897
Total liabilities		49,981,663	37,352,674
NET ASSETS		3,148,567	2,184,331
REPRESENTED BY:			
Islamic banking fund		2,000,000	2,000,000
Accumulated profit	6	999,572	255,273
Surplus on revaluation of assets - net of tax		148,995	(70,942)
		3,148,567	2,184,331
CONTINGENCIES AND COMMITMENTS	7		
	Note	2023 ------(Rupees in '000)-----	2022 ------(Rupees in '000)-----
Profit / return earned	8	7,166,927	3,909,338
Profit / return expensed	9	5,155,913	2,882,948
Net profit / return		2,011,014	1,026,390
Other income			
Fee and commission Income		120,206	93,218
Foreign exchange income		50,468	86,299
Loss on securities		(1,786)	-
Other income		6,165	1,782
Total other income		175,053	181,299
Other expenses		2,186,067	1,207,689
Operating expenses		978,823	776,364
Other charges		-	502
Total other expenses		978,823	776,866
Profit before provisions		1,207,244	430,823
Provisions and write offs - net		(207,672)	(175,550)
Profit before tax		999,572	255,273



1

Due from Financial Institutions

	2023			2022		
	In local Currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
Musharaka placement	-	-	-	5,000,000	-	5,000,000
	-	-	-	5,000,000	-	5,000,000

2

Investments by segments:

	2023				2022			
	Cost/ amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	----- (Rupees in '000) -----							
Federal Government securities								
-Ijarah sukuk	25,953,947	-	106,954	26,060,901	16,020,360	-	(147,560)	15,872,800
Non-Government debt securities								
-Listed	900,000	-	-	900,000	925,000	-	-	925,000
-Unlisted	799,760	(116,397)	3,767	687,130	978,713	(19,860)	38,344	997,197
	1,699,760	(116,397)	3,767	1,587,130	1,903,713	(19,860)	38,344	1,922,197
Total Investments	27,653,707	(116,397)	110,721	27,648,031	17,924,073	(19,860)	(109,216)	17,794,997

3

Islamic financing and related assets

	Note	2023	2022
		----- (Rupees in '000) -----	
Ijarah	3.1	601,170	615,478
Murabaha	3.2	1,065,290	1,213,618
Musharaka		3,608,014	2,182,144
Diminishing Musharaka		3,746,662	4,348,470
Bai Muajjal		3,165,265	-
Istisna		120,003	661,000
Salam		64,900	251,530
Other islamic modes		6,498	14,434
Advances against islamic assets			
Murabaha		3,320	490,035
Ijarah		13,259	290,272
Diminishing musharakah		441,147	-
Salam		4,345,414	2,113,729
Istisna		1,172,373	419,011
Gross Islamic financing and related assets		18,353,315	12,599,721
Less: Provision against Islamic financing			
- Specific		719,314	608,179
- General		-	-
		719,314	608,179
Islamic financing and related assets - net of provision		17,634,001	11,991,542

3.1 Ijarah

2023						
Cost			Depreciation			Book Value as at 31 December 2023
As at 01 January 2023	Additions/ (deletions)/ adjustment	As at 31 December 2023	As at 01 January 2023	Charge for the year	As at 31 December 2023	
----- (Rupees in '000) -----						
-	-	-	-	-	-	-
	-		-			
945,457	291,020	1,019,214	329,979	245,257	418,044	601,170
	(217,263)			(157,192)		
945,457	291,020	1,019,214	329,979	245,257	418,044	601,170
-	(217,263)	-	-	(157,192)	-	-

2022						
Cost			Depreciation			Book Value as at 31 December 2022
As at 01 January 2022	Additions/ (deletions)/ adjustment	As at 31 December 2022	As at 01 January 2022	Charge for the year	As at 31 December 2022	
----- (Rupees in ‘000) -----						
-	-	-	-	-	-	-
747,700	352,486 (154,729)	945,457	228,361	186,097 (84,479)	329,979	615,478
747,700	352,486 (154,729)	945,457	228,361	186,097 (84,479)	329,979	615,478
-	(154,729)	-	-	(84,479)	-	-

3.1.1 Future ijarah payments receivable

	----- 2023 -----				----- 2022 -----			
	Not later than 1 year	Later than 1 year and less than 5 years	Over five years	Total	Not later than 1 year	Later than 1 year and less than 5 years	Over five years	Total
	----- (Rupees in 000) -----							
Ijarah rental receivables	23,186	577,984	-	601,170	29,133	583,541	2,804	615,478

3.2 Murabaha

Murabaha financing
Advances for Murabaha

Note	2023	2022
(Rupees in '000)		
3.2.1	1,065,290	1,213,618
	3,320	490,035
	1,068,610	1,703,653

3.2.1 Murabaha receivable - gross

Less: Deferred murabaha income
Murabaha financings

3.2.2	1,103,183	1,256,583
3.2.4	37,893	42,965
	1,065,290	1,213,618

3.2.2 The movement in Murabaha financing during the year is as follows:

Opening balance	1,256,583	573,606
Sales during the year	3,073,537	2,990,372
Adjusted during the year	(3,226,937)	(2,307,395)
Closing balance	1,103,183	1,256,583



		2023	2022
		----- (Rupees in '000) -----	
3.2.3 Murabaha sale price		3,073,537	2,990,372
Murabaha purchase price		(2,828,934)	(2,810,187)
		<u>244,603</u>	<u>180,185</u>
3.2.4 Deferred murabaha income			
Opening balance		42,965	8,092
Arising during the year		244,603	180,185
Less: Recognised during the year		(249,675)	(145,312)
Closing balance		<u>37,893</u>	<u>42,965</u>

	2023			2022		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
4 Deposits and other accounts						
Customer						
Current deposits	3,150,498	467,049	3,617,547	1,941,351	383,857	2,325,208
Savings deposits	12,551,243	-	12,551,243	16,450,760	-	16,450,760
Others	1,673,544	-	1,673,544	894,702	-	894,702
Term deposits	6,169,954	-	6,169,954	2,070,093	-	2,070,093
	<u>23,545,239</u>	<u>467,049</u>	<u>24,012,288</u>	<u>21,356,906</u>	<u>383,857</u>	<u>21,740,763</u>
Financial Institutions						
Current deposits	132,364	2,450	134,814	36,090	18,533	54,623
Savings deposits	18,049,247	-	18,049,247	9,509,337	-	9,509,337
Term deposits	821,700	-	821,700	1,535,000	-	1,535,000
	<u>19,003,311</u>	<u>2,450</u>	<u>19,005,761</u>	<u>11,080,427</u>	<u>18,533</u>	<u>11,098,960</u>
	<u>42,548,550</u>	<u>469,499</u>	<u>43,018,049</u>	<u>32,437,333</u>	<u>402,390</u>	<u>32,839,723</u>

		2023	2022
		----- (Rupees in '000) -----	
4.1 Composition of deposits			
- Individuals		9,925,812	7,530,241
- Government (Federal and Provincial)		6,589,535	1,808,073
- Public Sector Entities		31,008	3,922
- Banking Companies		1,000,063	20,928
- Non-Banking Financial Institutions		18,005,697	11,101,818
- Private Sector		7,465,934	12,374,741
		<u>43,018,049</u>	<u>32,839,723</u>

4.2 This includes deposits eligible to be covered under insurance arrangements amounting to Rs 12,049 million (2022: 8,672 million).

		2023	2022
		----- (Rupees in '000) -----	
5 Charity Fund			
Opening balance		47	-
Additions during the year			
Received from customers on account of delayed payment		1,361	930
		<u>1,408</u>	<u>930</u>
Payments / utilization during the year			
Health		1,408	883
		<u>1,408</u>	<u>883</u>
Closing balance		<u>-</u>	<u>47</u>

6	Islamic Banking Business - Unappropriated Profit	2023	2022
		----- (Rupees in '000) -----	
	Opening balance	255,273	(72,277)
	Add: Islamic Banking profit for the year	999,572	255,273
	Less: Transferred / remitted to Head Office	(255,273)	72,277
	Closing balance	999,572	255,273
7	CONTINGENCIES AND COMMITMENTS		
	-Guarantees	1,106,684	1,403,195
	-Other contingent liabilities	1,641,844	1,781,619
		2,748,528	3,184,814
8	Profit / Return Earned of Financing, Investments and Placement		
	Financing	2,618,623	1,408,530
	Investments	4,149,142	2,284,013
	Placements	399,162	216,795
		7,166,927	3,909,338
9	Profit on Deposits and Other Dues Expensed		
	Deposits and other accounts	4,909,118	2,625,970
	Due to financial institutions	88,025	23,176
	Others	158,770	233,802
		5,155,913	2,882,948

9.1 Deposits and other accounts include redeemable capital of Rs. 37,592.144 million (31 December 2022: Rs.29,565.190 million) and deposits on Qard basis of Rs. 5,425.905 million (31 December 2022: Rs. 3,274.533 million). Remunerative deposits which are on Mudaraba basis are considered as Redeemable capital and non-remunerative deposits are classified as being on Qard basis.

10	Pool Management	2023			2022		
		Normal Pool	Special Pool	Total	Normal Pool	Special Pool	Total
		----- (Rupees in '000) -----					
	Chemical and Pharmaceuticals	1,150,425	1,854,469	3,004,894	1,664,639	600,228	2,264,867
	Agri, forestry, hunting, fishing	-	112,147	112,147	-	-	-
	Textile	56,800	1,997,439	2,054,239	751,010	4,500	755,510
	Sugar	854,575	2,468,587	3,323,162	1,376,379	261,712	1,638,091
	GOP Bai Muajjal / Ijarah Sukuk	8,716,815	18,936,892	27,653,707	15,553,439	7,370,634	22,924,073
	Automobile and transportation equipment	283,753	52,991	336,744	119,400	283,541	402,941
	Financial	31,995	3,265	35,260	33,570	34,179	67,749
	Electronics and electrical appliances	-	321,400	321,400	531,220	-	531,220
	Production and transmission of energy	350,112	1,881,460	2,231,572	195,181	2,388,662	2,583,843
	Exports Imports	-	199,440	199,440	199,623	-	199,623
	Wholesale & Retail Trade	-	4,169,884	4,169,884	175,291	308,435	483,726
	Construction	220,710	751,647	972,357	221,376	659,444	880,820
	Food and allied	596,242	16,833	613,075	101,995	684,054	786,049
	Services	19,940	160,550	180,490	209,151	74,946	284,097
	Individual	42,129	399,687	441,816	173,401	123,812	297,213
	Others	294,727	100,000	394,727	-	387,879	387,879
		12,618,223	33,426,691	46,044,914	21,305,675	13,182,026	34,487,701

Musharaka investments from the SBP under Islamic Export Refinance Scheme (IERS) are channelled towards the export sector of the economy and other financings as per SBP guidelines.



10.1 Key features and risk and reward characteristics of all pools

The 'Mudaraba Pool' for Local Currency caters to all Soneri Bank Limited - Islamic Banking depositors and provides profit / loss based on Mudaraba.

The IERS Pool caters to the 'Islamic Export Refinance' requirements based on the guidelines issued by the SBP.

The risk characteristic of each pool mainly depends on the asset and liability profile of each pool.

Jointly financed by the Bank and unrestricted investments / PLS deposit account holders

This represents all earning assets of the Bank except those tagged to the Islamic Export Refinance Scheme. Major categories include:

	Funded Income	Expenses	Gains / (loss) on sale of securities	Total
	----- (Rupees in '000) -----			
Islamic financing and related assets	2,599,528	-	-	2,599,528
Investments	4,149,142	-	-	4,149,142
Due from financial institutions	399,162	-	-	399,162
Others	-	(3,332)	(1,786)	(5,118)
	<u>7,147,832</u>	<u>(3,332)</u>	<u>(1,786)</u>	<u>7,142,714</u>

10.2 Incentive profits (Hiba)

The Bank paid an aggregate amount of Rs. 180.317 million as incentive profits (Hiba), which includes Rs. 103.185 million for normal pool and Rs. 77.132 million for special pool during the period ended 31 December 2023. The following guidelines are approved by the Bank's Sharia Advisor for determination of incentive profits (Hiba):

- Special weightage deposits in designated tiers / slabs in Mudaraba Pool shall be offered extra weightages outside the Mudaraba Pool, provided the specified parameters are met ;
- The deposit deal shall be at least of Rs 100 thousands ;
- In case a Term Deposit is pre-maturely encashed, profit shall be paid at the expected rate of completed tenor;
- The payment of Hiba on deposits will be at the sole discretion of the Bank and could be decreased or / and removed any time during the tenure of the deposit, under intimation to the customer, if the customer fails to meet the prerequisites at any time during the tenure of the deposit and / or the profit rate no longer remains sustainable from Bank's share; and
- The Bank shall ensure that all the operational procedures and controls to the satisfaction of Shariah are in place.

10.3 Contractual maturities of mudaraba based deposit accounts

Particulars	2023							
	Total	Up to 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
	----- (Rupees in '000) -----							
Fixed Deposits	6,991,654	355,875	3,681,727	2,485,925	392,624	68,150	7,353	-
Savings Deposits	25,648,665	25,648,665	-	-	-	-	-	-
Current Account								
- Remunerative	4,951,825	4,951,825	-	-	-	-	-	-
	<u>37,592,144</u>	<u>30,956,365</u>	<u>3,681,727</u>	<u>2,485,925</u>	<u>392,624</u>	<u>68,150</u>	<u>7,353</u>	<u>-</u>

10.4 Profit / (loss) distribution to depositor's pool

General Remunerative Depositor's Pools	Profit Sharing Ratio (Depositor: Mudarib)	Profit rate return earned	Mudarib Share transferred to the Depositors through Hiba (Rs. in '000)	Mudarib Share transferred to the Depositors through Hiba (Percentage)	Mudarib share Net of Hiba (Rs. in '000)	Mudarib share Net of Hiba Percent	Profit rate and weightage announcement period	Profit rate return distributed
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Mudaraba Pool

Normal Pool	68 : 32	14.01%	103,185	18.41%	457,265	26.34%	Monthly	10.31%
Special Pool	94 : 06	20.25%	77,132	31.83%	165,201	4.28%	Monthly	19.39%
Total	86 : 14	17.78%	180,317	22.46%	622,466	11.13%	Monthly	15.81%

IERS Musharaka Pool	Ratio of weightage of Bank to SBP	Share of profit to SBP (Rupees in '000)	HIBA (Rupees in '000)	Profit rate and weightage announcement period	Profit rate return earned by SBP
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Musharaka Pool SBP's Islamic Export Refinance Scheme

0.4489	24,416	-	Quarterly	10.40%
0.6231	29,318	-	Quarterly	13.61%
0.7277	24,708	-	Quarterly	14.90%
0.9158	32,736	-	Quarterly	17.77%

Parameters used for allocation of profit, charging expenses and provisions, etc. along with a brief description of their major components:

Income generated from relevant assets, calculated at the end of each month is first set aside for the Musharaka pool arrangement between the Bank and the State Bank of Pakistan. It is then allocated between the participants of the pool as per the agreed weightages and rates.

The Mudaraba Pool profit is divided between the Bank and depositors in the ratio of Bank's average equity (pertaining to Islamic banking branches) and average depositors balances commingled in each pool on a pro-rata basis. The depositors' share of profit is allocated amongst them on the basis of weightages declared before start of each month, after deduction of a mudarib fee. During the period ended 31 December 2023, the Bank charged 11.13% (2022: 9.74%) of the profit as Mudarib fee. These weightages are declared by the Bank in compliance with the requirements of the SBP and Shariah.

The allocation (of income and expenses to different pools) is made on a pre-defined basis and accounting principles / standards. Provisions against any non-performing assets of the pool are not passed on to the pool.

10.5 Allocation of Income and Expenses to Depositors' Pools

a) Following are material items of revenues, expenses, gains and losses

	2023 ----- (Rupees in '000) -----	2022
Profit / return earned on financings, investments and placements	5,864,644	3,114,242
Other income (including other charges)	-	-
Directly related costs attributable to pool	(193,280)	(128,523)
	<u>5,671,364</u>	<u>2,985,719</u>

The Bank shares all its revenue generated through banking operations with the deposit account (pertaining to Islamic Operation) holders.



b) Following weightages have been assigned to different products under the Mudaraba Pool during the year:

	Percentage of total Mudaraba based deposits	Minimum weightage	Maximum weightage
Savings - Soneri Munafa Account	38.38%	0.34573	1.03720
Savings - Soneri Bachat Account	1.05%	0.34573	0.34573
Savings - Assan Account	0.03%	0.34573	0.34573
Current Account - Remunerative	25.10%	0.00238	0.00238
Time Deposits - Soneri Meadi	35.44%	0.34573	1.02051

The Bank shares all its revenue generated through banking operations with the deposit account (pertaining to Islamic Operation) holders.

Disposal of fixed assets (refer note 10.3.3)

Disposals / deletions of property and equipment with original cost or book value in excess of rupees one million or two hundred fifty thousand respectively (whichever is less)

Particulars	Cost	Book value	Sale price/ insurance proceeds	Mode of settlement / disposal	Particulars of buyers / insurance companies
----- (Rupees in '000) -----					
Leasehold Improvement	1,896	1,188	-	Write off	
----- do -----	1,454	915	-	Write off	
----- do -----	1,008	634	-	Write off	
----- do -----	806	507	-	Write off	
----- do -----	646	405	-	Write off	
----- do -----	610	382	-	Write off	
----- do -----	429	269	-	Write off	
Items with WDV of below Rs. 250,000/- and cost of less than Rs. 1,000,000	1,719	1,202	-	various	various
	8,568	5,502	-		
Furniture and fixtures					
Items with WDV of below Rs. 250,000/- and cost of less than Rs. 1,000,000	8,519	151	3,197	various	various
	8,519	151	3,197		
Electrical office and computer equipment					
----- do -----	2,546	-	305	Tender	Mr.Muhammad Moosa
----- do -----	2,111	-	279	Tender	Mr.M.Nasir Nisar
----- do -----	2,086	-	705	Tender	M/s.Shabbir Hussain & Brothers
----- do -----	1,982	-	265	Tender	M/s. Yaqoob Ali & Brothers
----- do -----	1,393	-	391	Tender	M/s.Sohail Ahmed Soomro & Brothers
----- do -----	1,304	-	366	Tender	M/s.Sohail Ahmed Soomro & Brothers
----- do -----	1,262	-	337	Tender	M/s.Fayyaz & Co
----- do -----	1,050	-	183	Insurance Claim	M/s.EFU General Insurance
----- do -----	936	-	177	Insurance Claim	M/s.EFU General Insurance
----- do -----	805	470	3	Tender	M/s.Image Graphic
Items with WDV of below Rs. 250,000/- each and cost of less than Rs. 1,000,000	56,697	2,985	7,836	various	various
	72,172	3,455	10,847		



Particulars	Cost	Book value	Sale price/ insurance proceeds	Mode of settlement / disposal	Particulars of buyers / insurance companies
----- (Rupees in '000) -----					
Motor vehicles	1,034	-	1,220	Tender	Mr.Sheraz Khan
----- do -----	2,600	-	1,656	Tender	Mr.M.Assif
----- do -----	1,552	-	2,289	Tender	Mr.Hafiz M.Umais
----- do -----	1,520	-	2,425	Tender	Mr.Shahwaiz Sajid
----- do -----	1,124	-	1,359	Tender	Mr.Muhammad Anwar
----- do -----	1,124	-	1,259	Tender	Mr.Muhammad Anwar
----- do -----	1,124	-	1,191	Tender	Mr.Muhammad Anwar
----- do -----	1,094	-	1,235	Tender	Mr.Muhammad Anwar
----- do -----	1,054	-	1,325	Tender	Mr.Ammad Ali
----- do -----	1,034	-	1,184	Tender	Mr.Hafiz M.Umais
----- do -----	1,014	-	1,095	Tender	Mr.Muhammad Anas
----- do -----	1,014	-	1,080	Tender	Mr.Muhammad Anas
Items with WDV of below Rs. 250,000/- each and cost of less than Rs. 1,000,000	6,007	-	6,192	various	various
	21,295	-	23,510		
	110,554	9,108	37,554		

NOTICE OF THE 32ND ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Second (32nd) Annual General Meeting ("AGM") of Soneri Bank Limited ("the Bank") will be held on Friday, 08 March 2024, at 09:00 a.m., at 2nd Floor, 307-Upper Mall Scheme, Lahore, as well as through video-link (Zoom facility) to transact the following business:

Ordinary Business

- 1) To confirm the minutes of the 31st Annual General Meeting held on 27 March 2023.
- 2) To receive, consider, and adopt Annual Audited Accounts together with the Directors' and Auditors' Reports thereon for the year ended 31 December 2023.

In accordance with Section 223 of the Companies Act, 2017 and pursuant to S.R.O.389(I)/2023 dated 21 March 2023, the financial statements have been uploaded on website of the Bank, which can be downloaded from the following weblink and QR enabled code

<https://www.soneribank.com/financials>



- 3) To approve and declare the final cash dividend (D-15) of Rs 3/ per share (i.e. 30%) for the financial year ended 31 December 2023, as recommended by the Board of Directors in its 202nd meeting held on 31 January 2024.
- 4) To appoint Auditors of the Bank for the year ending 31 December 2024 till the conclusion of next Annual General Meeting and fix their remuneration. The retiring auditors M/s. KPMG Taseer Hadi & Company, Chartered Accountants, have completed the period of five years; hence, are not eligible for re-appointment as provided in the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Audit Committee has suggested the appointment of M/s. A.F. Ferguson & Company, Chartered Accountants, as auditors of the Bank. The Board of Directors, on the suggestion of Audit Committee, has recommended to the shareholders the appointment of M/s A.F. Ferguson & Company, Chartered Accountants, being eligible, have consented to act as statutory auditors of the Bank for the year ending 31 December 2024.
- 5) To transact such other ordinary business as may be placed before the meeting with the permission of the Chair.

Special Business

- 6) To consider and approve the circulation/transmission of annual audited financial statements of the Bank together with Auditors', Chairman's and Directors' reports to the members through QR enabled code and weblink in accordance with S.R.O. 389 (I)/2023 dated 21 March 2023 issued by the Securities and Exchange Commission of Pakistan under Companies Act, 2017, and if deemed fit, to pass with or without modification(s) the following Resolution, as an Ordinary Resolution:

"RESOLVED THAT in pursuance of S.R.O No. 389(I)/2023 dated 21 March 2023, and under section 223(6) of the Companies Act, 2017 the circulation/transmission of Annual Audited Financial Statements together with Auditor's, Chairman's and Directors' reports etc. ("Annual Audited Financial Statements") to the members of the Bank through QR enabled code and weblink be and is hereby approved.

FURTHER RESOLVED THAT the Bank be and is hereby authorized to discontinue the circulation of Annual Audited Financial Statements through CD/DVD/USBs.

FURTHER RESOLVED THAT the Company Secretary of the Bank be and is hereby authorized to do all acts, deeds and things take or cause to be taken any or all necessary action for the purpose of implementing this Resolution."

Statement under Section 134(3) read with S.R.O. 423(I)/2018 dated 03 April 2018 in respect of the Special Business contained in Item No.6 is Annexed for information of the Shareholders.

BY ORDER OF THE BOARD

Muhammad Altaf Butt
Company Secretary

Lahore: 31 January 2024





NOTES:

1. The Share Transfer Books of Soneri Bank Limited will remain closed from 01 March 2024 to 08 March 2024 (both days inclusive). Transfers received in order at the office of our Shares Registrar M/s. THK Associates (Pvt.) Ltd., Plot No. 32-C, Jami Commercial Street 2, DHA, Phase-7, Karachi – 75500, Pakistan, by the close of business on 29 February 2024, will be considered in time for the purpose of attending and voting in the Annual General Meeting as well as entitled to the payment of cash dividend.

2. **Participation in AGM – Physically / Virtually**

AGM will be convened on the 2nd Floor, 307-Upper Mall Scheme, Lahore. However, in view of the regulatory instructions, a virtual facility (Zoom link) shall also be provided to the shareholders desirous to attend the meeting virtually. In order to attend the meeting through video-link, members and their proxies are requested to register themselves by sharing the requested particulars through this link <https://www.soneribank.com/about-us/investor-relations/corporate-information/agm-corporate-briefing-session-registration-form>. Further, a valid copy of the Computerized National Identity Card ("CNIC"), both sides/Passport, or the attested copy of the Board Resolution/Power of Attorney (in case of corporate shareholders) shall also be required to be emailed at cs@soneribank.com by 06 March 2024.

Post due verification of the information, the members who are registered with us shall be sent a video link by the Bank to their registered email address. The Login facility will remain open from the start of the meeting till its proceedings are concluded. The shareholders who wish to send their comments/ suggestions on the agenda of the AGM can email us at cs@soneribank.com. The Bank shall ensure that comments/ suggestions of the shareholders will be read out at the meeting and the responses will be made part of the minutes of the meeting.

3. **Members' Right to Appoint Proxy**

A member of the Bank is entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. Proxies, in order to be effective, must be received at our email cs@soneribank.com or at the Registered Office of the Bank located at 2nd Floor, 307-Upper Mall Scheme, Lahore-54000 not less than 48 hours before the time of the meeting. Proxy form shall be duly signed and stamped and witnessed by two persons whose names, addresses, and CNIC numbers shall be mentioned on the form. Proxy form may be downloaded from the following link:-
<https://www.soneribank.com/about-us/investor-relations/shareholders-information/proxy-form>

In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee together with the original proxy form duly filled in must be received at the Registered Office of the Bank not less than 48 hours before the time of holding the meeting. The nominees shall produce their original CNIC or original passport at the time of attending the meeting for identification purpose.

4. **Members Identification**

Members whether Physical account holders or CDC/sub-account holders, who wish to attend the Annual General Meeting in person are requested to must bring their original Computerized National Identity Card (CNIC) or original passport along with folio/participant's I.D. number and their account number in CDS for identification purposes.

5. **Change in Address**

Shareholders are requested to notify change in their addresses, if any, to our Share Registrar M/s. THK Associates (Pvt.) Ltd., Plot No. 32-C, Jami Commercial Street 2, DHA, Phase -7, Karachi – 75500, Pakistan.

6. **CNIC/NTN Number on Electronic Dividend (Mandatory)**

As per S.R.O.831(1)/2012 dated 05 July 2012 issued by SECP, the electronic Dividend should also bear the CNIC number of the registered shareholder.

As per Regulation No. 6 of S.R.O. 1145(1)/2017 dated 06 November 2017, the Bank shall be constrained to withhold the payment of dividend to the shareholders, in case of non-availability of identification number (CNIC or NTN) of the shareholder or the authorized person.

Accordingly, the shareholders, who have not yet submitted a copy of their valid CNIC or NTN, are once again requested to immediately submit the same to the Share Registrar.

7. Transmission of Audited Financial Statements & Notice of Annual General Meeting Through Weblink and QR Enabled Code

SECP through its S.R.O. 389(I)/2023 dated 21 March 2023, has allowed companies to circulate their annual balance sheet and profit & loss account, auditor's report and Directors' report etc. ("Audited Financial Statements") along with Notice of AGM ("Notice") to their shareholders through weblink and QR enabled code by discontinuing the past practice of transmission of Audited Financial Statements through CD/DVDs. In view of this, the Bank after getting approval from the shareholders will transmit its Audited Financial Statements through weblink and QR enabled code in future.

In terms of SECP S.R.O. No. 470(I)/ 2016 dated 31 May 2016 and its subsequent approval in the 25th AGM of the Bank held on 28 March 2017, the Annual Report is being transmitted to shareholders through CD/DVDs. However, the Bank will provide one hard copy free of cost to the requesting shareholder at their registered address within one week of the request.

Audited Financial Statements have also been emailed to those shareholders, who have provided their valid email IDs to the Bank. Those Shareholders who wish to receive Annual Audited Financial Statements and Notice of AGM through email are requested to fill the consent form given in the link mentioned below and return it to our Share Registrar.

<https://sonericms.cloudasset.com/wp-content/uploads/2023/08/Consent-for-soft-copy-of-Audited-Financial-Statements-Notice-of-AGM-and-submission-1.pdf>

8. Deduction of Tax on Cash Dividend Income

The shareholders are hereby informed that pursuant to the amendments in Section 150 of the Income Tax Ordinance, 2001 through Finance Act, 2020, Income Tax will be deducted at source @15% for person appearing in the Active Tax Payers' List ("ATL") and @30% for person not appearing in the ATL [determined as per ATL available on Federal Board of Revenue's ("FBR") website] from the dividend amount, if any.

In case of a joint account, each holder is to be treated individually as either a filer or non-filer, and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows to our Share Registrar. In case no such notification is received by us, equal deduction of tax will be made where proportionate holding is not available with us.

Bank Name	Folio/CDS A/c No.	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

The CNIC number/NTN details are now mandatory and are required for checking the tax status as per the ATL issued by the FBR from time to time.

9. Payment of Cash Dividend through Electronic Mode (Mandatory)

In terms of Section 242 of the Act and Companies (Distribution of Dividends) Regulations, 2017, every listed company is required to pay dividend, if any, to their shareholders compulsorily through electronic mode by directly crediting the same in their bank account.

In this respect, the Bank has previously communicated this requirement to the shareholders individually along with newspaper publications requesting to provide the International Bank Account Number ("IBAN"); however response from very few shareholders was received.

Shareholders are again requested to update their record. In this connection, CDC shareholders may submit their IBAN details to their investor account services or their brokers where shares are placed electronically. In case of physical holding, the shareholders are requested to submit their bank mandate details to the Bank's Share Registrar. For providing the Bank Mandate details to CDC/Share Registrar, the requisite form may be downloaded from the Bank's website, direct link of which is:

<https://sonericms.cloudasset.com/wp-content/uploads/2023/08/Bank-Mandate-Form-1.pdf>

10. Unclaimed Dividends and Shares

Pursuant to Section 244 of the Act, any shares issued or dividends declared by the Bank, which remain unclaimed or unpaid for a period of three years from the date they became due and payable shall rest with the Federal Government after compliance of procedures prescribed under the Act. In this respect, we had already initiated the process and concerned shareholders were advised vide our letter dated 04 October 2017 followed by a reminder on 08 June 2021 and 17 January 2023 to claim their unclaimed dividends/shares. Post submission of this notice, every year shareholders have been continuously communicated requirements of Section 244 to claim their pending entitlements vide Notice of AGM, but only few shareholders have lodged their claims.

In order to further this process, a "Final Notice of Unclaimed Shares and Dividends to vest with the Federal Government" was published in the daily Business Recorder and the Nawa-i-Waqt on 01 February 2021 and 18 April 2023 in their countrywide circulations. This notice was also posted to the PSX for information of all the stakeholders in addition to placement of the same on the website of the Bank.



As a reminder, the Bank also requesting shareholders to claim their pending entitlements as well as update their records. In case no reply is received, the Bank shall proceed ahead in terms of requirement of Section 244(2) (a) & (b) of the Act. Statement of such unclaimed dividends/shares is available on the Bank's website, which may be accessed by surfing the following link:
<https://www.soneriBank.com/about-us/investor-relations/shareholders-information/>

11. Deposit of Physical Shares into CDC Account

The SECP, through its letter No. CSD/ED/Misc/2016-639-640 dated 26 March 2021, has advised the listed companies to adhere with the provisions of the Section 72 of the Act, which requires all the existing companies to replace shares issued by them in Physical Form with shares to be issued in Book-Entry Form in a manner as may be specified and from the date notified by the SECP but not exceeding four years from the date of promulgation of the Act.

Shareholders were apprised about this requirement vide our letter dated 08 June 2021 followed by a reminder letter dated 20 January 2023. Further, we are also continuously informing our shareholders, since this requirement was first inserted in the Act, along with the benefits of maintaining their shares in scrip-less form vide AGM Notices, are hereby again advised to open CDC sub-account with any of the brokers or Investor Account directly with the CDC, to place their shares in scrip-less form. This will facilitate them in many ways; including safe custody and sale of shares at any time they want, as the trading of physical shares is not permitted as per existing regulations of PSX and avoidance of formalities required for issuance of duplicate shares.

12. Video Conference Facility for Attending Annual General Meeting

The members who wish to attend AGM via video conference, may send their consent on the below format to the Bank at its registered office address.

If the Bank receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least seven (7) days prior to date of the meeting, the Bank will arrange video conference facility in that city subject to availability of such facility in that city.

The Bank will intimate members regarding venue of video-link facility at least five (5) days before the date of the AGM along with complete information necessary to enable them to access such facility.

Consent Form for Video Conference Facility

"I/We -----of-----, being a member of Soneri Bank Limited, holder of-----
Ordinary shares as per registered Folio/CDC Account No.-----hereby opt for video conference facility at-----
----- (geographical location).

Signature of Member

13. Voting through E-voting and Postal Ballot

Pursuant to Companies (Postal Ballot) Regulation, 2018 ("the Regulations"), the right to vote through electronic voting facility ("e-voting") and voting by Post ("Postal Ballot") shall be provided to members of the Bank for Special Business in the manner and subject to the conditions as specified in the said Regulations.

As the Agenda Item No.6 of the Annual General Meeting is a special business, facility of e-voting or Postal Ballot is arranged for the members through M/s.THK Associates (Private) Limited, Balloter and e-Voting Service Provider. The procedure for exercising e-Voting or Postal Ballot options, alternatively is provided hereunder:

Procedure for E-Voting:

- Details of e-voting facility will be shared through e-mail with those members of the Bank who have their valid CNIC number, cell numbers and e-mail addresses available in the Register of Member of the Bank by the close of business on 29 February 2024.
- The web address, login details and password will be communicated to members via email and the security codes will be communicated to members through SMS from the web portal of e-Voting Service Provider.
- Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- Members shall cast their vote for Agenda Item No.6 at any time from 05 March 2024, 09:00 a.m. to 07 March 2024 till 05:00 p.m.
- Once the vote on the special resolution is casted by a Member, he/she shall not be allowed to change it subsequently.



Procedure for Voting through Postal Ballot:

- a) Members may alternatively opt for voting through postal ballot, which has been made available; (i) as attachment to this notice and (ii) on the Bank's website i.e. <https://www.soneribank.com/about-us/investor-relations/shareholders-information/>
- b) For Agenda Item No. 6, the members shall ensure that the duly filled and signed ballot paper, along with a copy of legible Computerized National Identity Card (CNIC) and/or Board Resolution should reach the Chairman through post at the Bank's registered office i.e. 2nd Floor, 307 - Upper Mall Scheme, Lahore, one day before the date of AGM i.e. 07 March 2024 during working hours.
- c) The members may also email the scanned copy of duly filled and signed ballot paper along with legible copy of CNIC and/or Board Resolution at designated email address i.e. cs@soneribank.com as per timeline given above.
- d) The signature on the Ballot Paper should match with signature on the CNIC.
- e) In case of foreign members and representatives of a body corporate, corporation and Federal Government, acceptability of other identification documents in lieu of CNIC should be approved by the Board of the Body Corporate/Company.
- f) Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot papers will be rejected.

Please note that in case of any dispute in voting including the casting of more than one vote, the Chairman shall be the deciding authority.

14. Placement of AGM Notice and Financial Statements on the Bank's website

Notice of 32nd AGM along with Annual Report of the Bank for the year ended 31 December 2023 including financial statements and other mandatory reports, have also been made available on the Bank's website www.soneribank.com, in addition to its dispatch to the shareholders through CD/DVDs in line with the regulatory requirements. AGM notice was also published in the newspapers in addition to its notification to the PSX.

Statement under Section 134(3) of the Companies Act, 2017 and S.R.O.423(I)/2018 dated 03 April 2018

This statement sets out the material facts concerning the special business to be transacted at Thirty Second (32nd) Annual General Meeting of Soneri Bank Limited to be held on 08 March 2024.

Agenda Item No. 6

To consider and approve the circulation/transmission of annual audited financial statements of the Bank together with Auditors', Chairman's and Directors' reports to the members through QR enabled code and weblink in accordance with S.R.O. 389 (I)/2023 dated 21 March 2023 issued by the Securities and Exchange Commission of Pakistan under Companies Act, 2017

The Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated 21 March 2023 has allowed the Listed Companies to transmit annual audited financial statements etc. through QR enabled code and weblink.

In view of this relaxation, the Board of Directors in its 202nd meeting convened on 31 January 2024 has recommended to the members circulation/transmission of the Annual Balance Sheet, Profit or Loss Account, Auditors, Chairman's and Directors' Reports etc. (Audited Financial Statements) to its members through QR enabled code and weblink instead of transmitting the same through CD/DVD/USBs subject to the approval of shareholders in general meeting.

This was allowed by the SECP considering technological advancements and old technology becoming obsolete, therefore post shareholders' approval, circulation of annual financial statements through CD/DVD/USBs will be discontinued.

However, the Bank will continue to transmit Annual Audited Financial Statements to the shareholders via email, where email IDs are available. Further, the Bank will also provide one hard copy free of cost to the requesting shareholder at their registered address within one week of the request in accordance with the requirement of S.R.O.389(I)/2023 dated 21 March 2023.

Inspection of Documents

The copies of the latest annual audited financial statements and other documents/information have been kept at the registered office of the Bank, which may be inspected on any working day during business hours till the date of 32nd Annual General Meeting.

Interest of Directors

The Directors of the Bank have no direct or indirect interest in the above mentioned special business that would require further disclosure except to the extent of their meeting fee as well as shareholding in the Bank.

FINANCIAL CALENDAR



Financial Calendar for the Year 2023:

1 st Quarter Results issued on	27 April 2023
2 nd Quarter Results issued on	16 August 2023
3 rd Quarter Results issued on	16 October 2023
Annual Results issued on	31 January 2024
32 nd Annual General Meeting scheduled to be held on	08 March 2024

Financial Calendar for the Year 2022:

1 st Quarter Results issued on	27 April 2022
2 nd Quarter Results issued on	29 August 2022
3 rd Quarter Results issued on	27 October 2022
Annual Results issued on	22 February 2023
31 st Annual General Meeting held on	27 March 2023

PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS

AS ON 31 DECEMBER 2023

No. of Shareholders	From	To	Total Shares Held	Percentage
996	1	100	31946	0.0029
1238	101	500	342580	0.0311
1018	501	1000	806991	0.0732
1956	1001	5000	4522092	0.4102
1390	5001	10000	11427233	1.0365
535	10001	15000	6311069	0.5725
151	15001	20000	2658513	0.2411
76	20001	25000	1768635	0.1604
39	25001	30000	1079447	0.0979
34	30001	35000	1127996	0.1023
26	35001	40000	989191	0.0897
13	40001	45000	552918	0.0502
23	45001	50000	1116759	0.1013
18	50001	55000	945079	0.0857
16	55001	60000	922964	0.0837
8	60001	65000	497894	0.0452
4	65001	70000	267688	0.0243
6	70001	75000	429634	0.0390
10	75001	80000	773795	0.0702
4	80001	85000	329316	0.0299
3	85001	90000	265470	0.0241
2	90001	95000	186902	0.0170
14	95001	100000	1395604	0.1266
2	100001	105000	205729	0.0187
5	105001	110000	539358	0.0489
4	110001	115000	449792	0.0408
2	115001	120000	235791	0.0214
5	120001	125000	609526	0.0553
1	125001	130000	127500	0.0116
4	130001	135000	537724	0.0488
2	135001	140000	274375	0.0249
3	140001	145000	428664	0.0389
3	145001	150000	447502	0.0406
1	150001	155000	151000	0.0137
3	155001	160000	479950	0.0435
3	160001	165000	492056	0.0446
1	170001	175000	170940	0.0155
1	175001	180000	177250	0.0161
1	185001	190000	189835	0.0172
1	190001	195000	193000	0.0175
5	195001	200000	998500	0.0906
2	200001	205000	407002	0.0369
1	210001	215000	214864	0.0195
1	215001	220000	216000	0.0196
2	220001	225000	450000	0.0408
2	225001	230000	460000	0.0417
1	230001	235000	232000	0.0210
1	235001	240000	235962	0.0214
2	240001	245000	486269	0.0441
2	250001	255000	504500	0.0458
1	270001	275000	273493	0.0248
1	285001	290000	287342	0.0261
1	290001	295000	291035	0.0264
3	295001	300000	893838	0.0811
1	305001	310000	309000	0.0280
1	310001	315000	313000	0.0284
2	350001	355000	708209	0.0642
1	360001	365000	362000	0.0328



No. of Shareholders	From	To	Total Shares Held	Percentage
1	365001	370000	366300	0.0332
2	390001	395000	786085	0.0713
1	395001	400000	400000	0.0363
1	495001	500000	500000	0.0454
1	500001	505000	504134	0.0457
1	510001	515000	511000	0.0464
1	520001	525000	525000	0.0476
1	535001	540000	540000	0.0490
1	570001	575000	571046	0.0518
2	595001	600000	1200000	0.1088
3	600001	605000	1809161	0.1641
1	610001	615000	614500	0.0557
1	615001	620000	616373	0.0559
1	620001	625000	620500	0.0563
1	635001	640000	636427	0.0577
2	695001	700000	1399000	0.1269
1	780001	785000	784000	0.0711
1	865001	870000	868500	0.0788
1	995001	1000000	1000000	0.0907
1	1065001	1070000	1070000	0.0971
1	1095001	1100000	1100000	0.0998
1	1125001	1130000	1129647	0.1025
1	1415001	1420000	1419000	0.1287
1	1615001	1620000	1618500	0.1468
1	1840001	1845000	1845000	0.1674
1	1945001	1950000	1948000	0.1767
1	2485001	2490000	2488000	0.2257
1	2545001	2550000	2547500	0.2311
1	2765001	2770000	2766216	0.2509
3	2995001	3000000	9000000	0.8164
1	3440001	3445000	3441416	0.3122
1	3590001	3595000	3591580	0.3258
1	4450001	4455000	4453150	0.4039
1	4645001	4650000	4649000	0.4217
1	4650001	4655000	4650500	0.4218
4	4995001	5000000	20000000	1.8141
1	5490001	5495000	5494500	0.4984
1	5650001	5655000	5653500	0.5128
1	8375001	8380000	8380000	0.7601
1	8430001	8435000	8430965	0.7647
1	9475001	9480000	9477018	0.8596
1	22290001	22295000	22291500	2.0220
1	24630001	24635000	24631642	2.2342
1	28640001	28645000	28641522	2.5980
1	29970001	29975000	29970500	2.7185
1	37280001	37285000	37280242	3.3815
1	37505001	37510000	37508988	3.4023
1	43130001	43135000	43133684	3.9125
1	51385001	51390000	51386588	4.6611
1	53695001	53700000	53700000	4.8709
1	86005001	86010000	86008806	7.8015
1	99765001	99770000	99767549	9.0495
1	109205001	109210000	109208514	9.9059
1	307425001	307430000	307425706	27.8853
Total	7716		1102463481	100.0000

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouses and minor children			
DIRECTORS			
Mr. Alauddin J. Feerasta	2	10,080,679	0.9144%
Mr. Nooruddin Feerasta	1	14,048	0.0013%
Mr. Ahmed A. Feerasta	1	5,401	0.0005%
Mr. Jamil Hassan Hamdani	1	1,000	0.0001%
Ms. Navin Salim Merchant	1	1,000	0.0001%
Mr. Tariq Hafeez Malik	1	500	0.0000%
CHIEF EXECUTIVE OFFICER			
Mr. Muhtashim Ahmad Ashai		-	-
DIRECTORS' SPOUSES AND MINOR CHILDREN			
Mrs. Aziza A. Feerasta	1	5,401	0.0005%
w/o Mr. Alauddin Feerasta			
Mrs. Aymna N. Feerasta	1	7,021	0.0006%
w/o Mr. Nooruddin Feerasta			
Mrs. Zaina Feerasta	1	5,000,000	0.4535%
w/o Mr. Ahmed A. Feerasta			
	10	15,115,050	1.3710%
Associated Companies, undertakings and related parties			
Trustees Alauddin Feerasta Trust	2	393,434,512	35.6869%
Trustees Feerasta Senior Trust	2	160,595,102	14.5669%
Trustees Alnu Trust	2	80,413,926	7.2940%
Mr. Amir Feerasta	2	62,140,630	5.6365%
Executives	2	625,901	0.0568%
<u>National Investment Trust Limited (NIT)</u>			
NIT	2	100,466,549	9.1129%
<u>Banks, Development Financial Institutions,</u>			
Non Banking Financial Institutions.	14	106,164,913	9.6298%
Insurance Companies	2	16,178	0.0015%
Modarabas	3	4,813	0.0004%
<u>Mutual Funds</u>			
Safeway Mutual Fund Ltd.	1	6,820	0.0006%
Tri-Star Mutual Fund Ltd.	1	276	0.0000%
Crescent Standard Business Mgt. (Pvt.) Ltd.	1	1	0.0000%
Joint Stock Companies	39	2,884,339	0.2616%
Foreign Companies	6	45,216	0.0041%
Others	10	8,995,912	0.8160%
General Public:			
a) Local	6,446	157,762,017	14.3100%
b) Foreign	1,171	13,791,326	1.2510%
Total:	7,716	1,102,463,481	100%



Shareholders Holding Five Percent or More Voting Interest in the Bank

	Shares Held	Percentage
Trustees Alauddin Feerasta Trust	393,434,512	35.6869%
Trustees Feerasta Senior Trust	160,595,102	14.5669%
National Investment Trust Limited (NIT)	100,466,549	9.1129%
Trustees Alnu Trust	80,413,926	7.2940%
Mr. Amir Feerasta*	62,140,630	5.6365%
Total:	<u>797,050,719</u>	<u>72.2972</u>

* Voting rights on shares are restricted up to five percent only.

Trading in shares during the year 2023:

Notes:

- During the year, Mrs. Salima Feerasta and Mrs. Zaina Feerasta, spouses of Deputy CEO Mr. Amin A. Feerasta and Director Mr. Ahmed A. Feerasta, respectively bought 5,000,000 shares each.
- Apart from above, there has been no trade in the shares of the Bank carried out by its Directors, CEO, CFO, HOA, Company Secretary, Executives, their spouses and minor children, and substantial shareholders.
- For the purpose of clause 5.6.1 and 5.6.4 of the Rule Book of Pakistan Stock Exchange (PSX), the expression "executive" means the CEO, Chief Operating Officer, Chief Financial Officer, Head of Internal Audit and Company Secretary by whatever name called, and other employees of the Bank with banking grade EVP and above.

CODE OF CONDUCT

This Code of Conduct (Code) outlines the principles, policies, and laws that govern the activities of Soneri Bank Limited (Bank), and to which the Board members, employees and others who work with the Bank or represent the Bank directly or indirectly must adhere. All employees are required to read, understand, sign, and follow the Code of Conduct.

Soneri Bank Limited (Bank) expects all of its employees to act in full compliance with the policies and guidelines set forth in this Code of Conduct. It is the employee's responsibility to make oneself familiar with the following and other policies related to their own business unit:

1. No employee shall engage directly or indirectly, in any other business but shall faithfully and diligently, perform the duties entrusted to him/her from time to time and devote maximum time and attention to the work of the Bank, and ensure his/her best endeavours to promote its interest and welfare. Neither shall take up any activity which will bring him/her any reward or remuneration or benefit, directly or indirectly other than from the job at the Bank.
2. No employee or his/her immediate family shall enter into speculative and trading activity in stocks, shares, bonds, or any other securities or commodities, either on his/her own account or that of any other person, firm, company nor shall involve in other speculative activity(ies) including betting/gambling. Further, an employee and his/her immediate family shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Bank, which is not in the public domain and thus constitutes inside information. All the employees are required to comply with the applicable company law on the prevention of inside trading.
3. No employee shall accept any presents either in cash or kind from the Bank's clients, suppliers, vendors and contractors or others, by way of illegal gratification or otherwise. Any such instance where business judgement has been compromised due to such monetary or non-monetary gifts will be considered a violation of this code. Accepting gifts and benefits that may appear as engaging others in bribery or influencing for consideration for an official or business favour is prohibited.
4. No Employee shall give or take bribes or engage in any form of corruption.
5. No payment or transaction should be made or undertaken, by an employee or authorised or instructed to be made or undertaken by any other person or the Bank if the consequence of that transaction or payment would be the violation of any law in force.
6. No employee shall take part in, subscribe to, be of any aid to, assist in or take part in, any political activity whatsoever. No employee shall canvass or otherwise, interfere or use his/her influence in connection with or take part in any election to a legislative or local body, whether in Pakistan or elsewhere. Provided that a Bank employee who is qualified to vote at such an election may exercise his/her right to vote.
7. An employee must not peruse such outside business activity(ies) and relationships using the Bank's resources (including but not limited to physical space, office supplies, office communication equipment or time) or allow any outside business, civic or charitable activities to interfere with his/her job performance. The employee must never compromise on integrity, either for personal or professional benefit. Each employee is also personally responsible for the integrity of the information, reports, and records under his/her control.
8. The employee shall not commit any act of subversion or misconduct or misbehaviours; and will also not act in any manner, which could be prejudicial or detrimental to the interest of the Bank. The Bank shall be entitled to dispense with the services of any employee, at any time, per the law of his/her employment and/or repeated negligence, disobedience, dishonesty, breach of trust, acts of any other misconduct or subversion, without any notice.
9. The employee shall avoid, during his/her employment or thereafter, disclosing or divulging to any person whomsoever any information relating to the Bank or its customers, suppliers, employees or any confidential information which he/she may have access to while being in the service of the Bank. All Employees shall be bound to protect the confidentiality of the non-public information at all times.
10. Notwithstanding anything contained hereinabove every employee will abide by all the laws of the land including Labour Laws where applicable.
11. Employees are expected to be at work on time every business day. In the event that an employee is absent or late due to illness, accident or personal reasons, he/she is required to inform his/her supervisor as soon as possible so that the department may make other arrangements for substitute help while the employee is away.
12. In case of resignation every employee will have to attend to his/her duties until the resignation is accepted and the employee is properly relieved by the competent authority. In case he/she fails to attend his/her duty after tendering resignation, the resignation will not be considered and he/she may be dealt with according to the relevant HR Policy.
13. All employees are expected to comply with ethical standards as a critical element of their responsibilities. It is encouraged to raise possible ethical issues and the Bank prohibits any retaliatory action against any individual for raising legitimate concerns regarding ethics, discrimination or harassment matters or for reporting suspected violations. In case of any issue that has been reported, an investigation/inquiry shall be held, and all employees are required to fully cooperate with any appropriately authorised internal or external investigations.
14. Employees are expected to dress in a manner consistent with the nature of the work performed. While at work, all employees are expected to dress neatly and appropriately in normal office



attire, as per the Dress Code Policy of the Bank. Use of Jeans, T-shirts, shirts without a collar, fancy colour shirts, and see-through fabrics, clothes with advertising logos or logos promoting offensive messages i.e., cigarettes, alcohol, and/or drugs, joggers, sandals, and slippers are strictly prohibited.

15. All employees are expected to abide by the personal hygiene requirements. This includes taking care of body odour, bad breath, teeth, nails, ears, eyes, nose, hair, hands, feet, and health.
16. All employees are responsible for safeguarding the tangible and intangible assets of the Bank and its customers, suppliers and distributors that are under their control. The Bank's assets may be used only for proper company purposes. Misappropriation, carelessness or waste of the Bank's assets is a breach of one's duty to the Bank and should be avoided at all costs.
17. An employee must not:
 - Steal, embezzle or misappropriate money, funds or anything of value from the Bank, doing so shall subject him/her to potential disciplinary action according to the Bank's policy.
 - Use Bank assets for personal gain or advantage.
 - Remove the Bank's assets from its premises and facilities unless properly authorised by the relevant competent authority.
 - Use the Bank's stationery or corporate documents, Bank's brand name for non-official purposes since such implies endorsement from Soneri Bank.
18. The employee at the time of separation from the Bank should return the Bank's assets, facilities (Blackberry, laptop, mobile, etc.), visiting and Identity Cards, stamps, etc.
19. If employees are supplied with an identification card, this must be worn visibly when on the Bank's premises. Each employee is also responsible for the safekeeping of his/her ID card.
20. The Bank's telephone, e-mail, voice-mail, computer, systems, etc., are primarily for business purposes. Employees may not use these systems in a manner that could be harmful or embarrassing to the Bank. Personal communications using these systems must be kept to a minimum. In case of his/her separation from the Bank, all rights to property and information generated or obtained as part of an employment relationship will remain the exclusive property of the Bank only.
21. Records are very important business assets. The Bank is committed to managing its records in a consistent, systematic, and reliable manner; records provide evidence for business activities and decisions and are often required to meet legal and regulatory requirements. Employees are required to retain the records in accordance with their importance and applicable statutory record retention requirements and Bank policies.
22. The Bank is also committed to accuracy in tax-related records and tax reporting in compliance with the overall intent and applicable laws. Tax returns must be filed on a timely basis and taxes due paid on time.
23. The Bank believes that diversity in the staff is critical to its success and is fully committed to equal employment opportunity, compliance with fair employment practices and non-discrimination laws. The Bank prohibits sexual or any other kind of discrimination, harassment or intimidation, whether committed by or against a supervisor, co-worker, customer, vendor or visitor.
24. Where husbands, wives or other relatives are employed in the same or related areas, no employee should allow personal and/or domestic circumstances to impinge upon or affect either the working relationship or the breach of the Bank's employment regulations regarding confidentiality and fidelity.
25. An employee must never use the Bank's systems to transmit or receive electronic images or text of a sexual nature or containing ethnic slurs, racial epithets or any other material of a harassing, offensive or lewd nature.
26. Selling, manufacturing, distributing, possessing, using or being under the influence of illegal drugs on the job is prohibited.
27. To protect the well-being of the Bank's valued customers and employees, smoking and eating betel leaf within the premises of the Bank is strictly prohibited.
28. All employees must comply with all the applicable health and safety policies.
29. No employee may take unfair advantage of anyone through manipulation, concealment, abuse of confidential information, misrepresentation of facts or other unfair dealing practices.
30. No employee other than the authorised personnel is allowed to publish, make speeches, give interviews or make public appearances that are connected to the Bank's business interests, else approval is required from the HR, Head of Compliance and the President.
31. Employees responsible for buying assets on the Bank's behalf should purchase all goods and services on the basis of quality, price, availability, terms and services. Employees responsible for customer relationships must never lead a supplier or customer to believe that they can inappropriately influence any procurement decisions at the Bank. Employees shall ensure to abide by all the provisions of the Fixed Asset Management and Expenditure Control Policies of the Bank.
32. Real or perceived conflicts of Interest in any process or form should be disclosed and avoided. An employee or any of his/her relatives/associates should not derive any undue personal benefit or advantage by virtue of his/her position or relationship with the Bank. Any dealings with a related party must be conducted in such a way that no preferential treatment is given



and adequate disclosures are made as required by the law and as per the applicable policies of the Bank.

33. Employees should also take steps to ensure that business-related paperwork and documents that are produced, copied and faxed are properly filed and stored or if not needed, should be properly discarded to minimise the risk that an unauthorised person might obtain access to confidential information. Access to work areas and systems should also be properly controlled.
34. Employees of the Bank are strictly prohibited to disclose the fact to the customer or any other quarter that a suspicious transaction or related information is being or has been reported to any authority, except if required by law.
35. Employees must be sensitive to any activities, interests or relationships that might interfere with or even appear to interfere with his/her ability to act in the best interests of the Bank and its customers.
36. If any personal investment that affects or appears to affect an employee's ability to make an unbiased business decision for the Bank should be avoided.
37. An employee must notify the authorised person or HR of any business relationship or proposed business transaction the Bank may have with any company in which he/she or a related party has a direct or indirect interest or from which he/she or the related party may derive a benefit. Even if the related party or relative is employed, this may raise conflict of interest. Therefore, it should be avoided.
38. Bank employee and their families are encouraged to use the Bank for their personal financial services' needs.
39. The Code of Conduct is subject to variances, modifications, and amendments, from time to time through the resolution of the Board of Directors.
40. In case of the breach of any of the above 'Code of Conduct', the employee shall be liable to disciplinary action. This shall be without prejudice to any other rights and remedies of the Bank.
41. All employees are responsible to safeguard their passwords and ensure that they maintain honesty and integrity at all times. Password is unique to an individual and its sharing is strictly prohibited. In an event where it is reported that employees have shared their login credentials (User ID/Password) with other employees, both parties would be accountable and liable to strict disciplinary action which may result in termination from employment.

Failure to observe these policies may result in disciplinary action, up to and including immediate termination of employment or any other relationship with the Bank. Furthermore, violations of this Code may also be violations of the law and may result in civil or

criminal penalties.

If an employee has any questions about these policies or would like to report a violation of the Code of Conduct, he/she may approach the Head of Compliance Division or the Head of Human Resources for further guidance and advice

LIST OF BRANCHES

AS AT 31 DECEMBER 2023



REGISTERED OFFICE

2nd Floor, 307 - Upper Mall Scheme,
Lahore-54000, Pakistan.
Tel. No.: (021) 32444401-05 & 111-567-890

CENTRAL OFFICE

10th Floor, PNSC Building,
M.T. Khan Road Karachi.
Tel. No.: (021) 32444401-5 & 111-567-890
Swift: SONEPKKAXXX

CENTRAL REGION

1. Main Branch, Lahore
Tel: (042) 36368141-8 & 111-567-890
2. Defence Branch, Lahore
Tel. No: (042) 35730760-1, 3574616 & 35691037-9
3. Gulberg Branch, Lahore
Tel. No: (042) 35713445-8, 35759273 & 35772294-5
4. Circular Road Branch, Lahore
Tel. No: (042) 37670483, 86, 89 & 37379319
5. Model Town Branch, Lahore
Tel. No: (042) 35889311-2 & 35915666
6. PECO Road Branch, Lahore
Tel. No: (042) 35222306-7, 35203050-1, 35177804 & 35173392
7. Cavalry Ground Branch, Lahore
Tel. No: (042) 36653728-30 & 36619702

Islamic Banking
8. Temple Road Branch, Lahore
Tel. No: (042) 36376341, 2 & 6
9. Allama Iqbal Town Branch, Lahore
Tel. No: (042) 37812395-7
10. Baghbanpura Branch, Lahore
Tel. No: (042) 36832811-3
11. Thokar Niaz Baig Branch, Lahore
Tel. No: (042) 35313651, 3 & 4
35963292-3 & 0317-4484542-3
12. Ghazi Chowk Branch, Lahore
Tel. No: (042) 35188505-7 & 35185661-3

Islamic Banking
13. New Garden Town Branch, Lahore
Tel. No: (042) 35940611-616
14. DHA Phase-III Branch, Lahore
Tel. No: (042) 35734081, 2, 3 & 5
15. Chungi Amer Sadhu Branch, Lahore
Tel. No: (042) 35922182, 184 & 186
16. Johar Town Branch, Lahore
Tel. No: (042) 35204191-3
17. Wahdat Road Branch, Lahore
Tel. No: (042) 37424821-7 & 37420591
18. Gunpat Road Branch, Lahore
Tel. No: (042) 37361607-9

19. Airport Road Branch, Lahore
Tel. No: (042) 35700115-8
20. Timber Market Branch, Lahore
Tel. No: (042) 37725353-8
21. Shahdara Branch, Lahore
Tel. No: (042) 37920085, 37941741-3 & 37921743-8
22. Manga Mandi Branch, Lahore
Tel. No: (042) 35383516-9
23. Badian Road Branch, Lahore
Tel. No: (042) 37165390-2
24. Mughalpura Branch, Lahore
Tel. No: (042) 36880892-4
25. Upper Mall (Corporate) Branch, Lahore
Tel. No: (042) 35789346, 49, 51 & 55
26. Islampura Branch, Lahore
Tel. No: (042) 37214394-7
27. Garhi Shahu Branch, Lahore
Tel. No: (042) 36294201-3 & 36376096
28. Zarrar Shaheed Road Br., Lahore
Tel. No: (042) 36635167-8
29. Hamdard Chowk Kot Lakhpat Br., Lahore
Tel. No: (042) 35140261-3
30. Kana Kacha Branch, Lahore
Tel. No: (042) 35472222 & 0316-8226316-8
31. Sabzazar Branch, Lahore
Tel. No: (042) 37830881-6
32. DHA Phase-IV Br., Lahore
Tel. No: (042) 35694156-7
33. College Road Branch, Lahore
Tel. No: (042) 35116435-8
34. Jail Road Branch, Lahore
Tel. No: (042) 35408936-8
35. Badami Bagh Branch, Lahore
Tel. No: (042) 37731601, 2 & 4
36. Montgomery Road Branch, Lahore
Tel. No: (042) 36291013-4

Islamic Banking
37. DHA Phase: VI Branch, Lahore
Tel. No: (042) 37180535-7
38. Bahria Town Branch, Lahore
Tel. No: (042) 35976354 & 0316-8226346-9

39. Expo Centre Branch, Lahore
Tel. No: (042) 35314087, 88, 90 & 91
40. WAPDA Town Branch, Lahore
Tel. No: (042) 35187611-2
41. Shah Alam Market Branch, Lahore
Tel. No: (042) 37376213-4 & 0316-8226277-8
42. DHA Phase-V Branch, Lahore
Tel. No: (042) 35695678 & 0316-8226322-3
43. Block-L Gulberg-III Branch, Lahore
Tel. No: (042) 35861052-4 & 0316-8226326-7
44. Walton Road Branch, Lahore
Tel. No: (042) 36672305 & 0316-8226339, 40 & 41
45. Faisal Town Branch, Lahore
Tel. No: (042) 35170540 & 0316-8226335, 7 & 8
46. Karim Block Branch, Lahore
Tel. No: (042) 35417757 & 0316-8226412, 3 & 4
47. Defence Road Branch, Lahore
Tel. No: 0316-8226415-8
48. Safari Garden Branch, District Lahore
Tel. No: 0317-4484537-9
49. Raiwind Branch, District Lahore
Tel. No: (042) 35398661-2 & 0317-4484562-4
50. Main Boulevard Branch, Gulberg, Lahore
Tel. No: (042) 35759924-5 & 0316-8226086-9
51. Islamic Banking
Township Branch, Lahore
Tel. No: (042) 35113105
52. EME Housing Society Branch, Lahore
Tel. No: 0318-4178733-4
53. Lake City Branch, Lahore
Tel. No: 0318-4178739
54. Sundar Industrial Estate Branch, Lahore
Tel. No: 0315-4980731 & 0315-4980742
55. Islamic Banking
Allama Iqbal Town Branch, Lahore
Tel. No: 0310-4031793 & 0310-4031781
56. Canal View Co-Operative Housing
Society Branch, Lahore
Tel. No: 0315-4304582-5
57. 'K' Block Model Town Branch, Lahore
Tel. No: (042) 35880241-5

58. Lalik Chowk Branch, Lahore
Tel. No: (042) 35749534-5 & 35707640-1
59. Valencia Town Branch, Lahore
Tel. No: (042) 35210593-5
60. Shadbagh Branch, Lahore
Tel. No: (042) 37608161-2
61. DHA Phase-VIII Branch, Lahore
Tel. No: (042) 37139050-3
62. Park Avenue Branch, District Lahore
0311-8252472, 0311-8252376
63. Islamic Banking
Johar Town Branch, Lahore
Tel. No: (042) 35136006 & 042-35136009
64. State Life Housing Society Br., Lahore
Tel. No: (042) 35800492 & 35800983
65. Khayaban-e-Jinnah Road Br., Lahore
Tel. No: (042) 35132290-3
66. Fazaia Housing Scheme Phase-1 Br., Lahore
Tel. No: 0316-8226024-9
67. Islamic Banking
Bahria Town Branch, Lahore
Tel. No: 0316-8226030-4
68. DHA RAYA Branch, Lahore
Tel. No: 0310-7603237, 0310-8133237
69. Hadyara Branch, Lahore
Tel. No: 0316-8226040-1
70. Muridke Branch
Tel. No: (042) 37166511-4 & 37981100
71. Sukh Chayn Garden Branch, Lahore
Tel. No: (042) 35971286 & 8
72. Bahria Orchard Branch, Lahore
Tel. No: (042) 37894671 & 5
73. Islamic Banking
DHA Phase-V Branch, Lahore
Tel. No: (042) 35695631-2
74. LDA Avenue-I Chowk Branch, Lahore
Tel. No: (042) 35320841-44
75. Multan Road Chung Branch, Lahore
Tel. No: (042) 35404921-2
76. Heir Branch, District Lahore
Tel. No: (042) 35600311-3
77. Kahna Nau Branch, Lahore
Tel. No: 0316-2280894-5
78. Main Branch, Gujranwala
Tel. No: (055) 3843560-2 & 111-567-890
79. Islamic Banking
Gujranwala Cantt. Branch, Gujranwala
Tel. No: (055) 3861931-3 & 5
80. WAPDA Town Branch, Gujranwala
Tel. No: (055) 4291136-7
81. Kamokee Branch, Distt. Gujranwala
Tel. No: (055) 6813501-6
82. Sheikhpura Road Branch, Gujranwala
Tel. No: 055-4219661-5
83. Eminabad More Branch, Gujranwala
Tel. No: 0311-8252247 & 0310-2282642-3
84. D.C. Colony Branch, Gujranwala Cantt.
Tel. No: 055-3783251-4
85. Wazirabad Branch
Tel. No: (055) 6603703-4 & 6608555
86. G. T. Road Branch, Wazirabad
Tel. No: 0316-2280850-1
87. Ghakkar Mandi Branch
Tel. No: (055) 3832611-2
88. Main Branch, Faisalabad
Tel. No: (041) 2639873, 7-8 & 111-567-890
89. Peoples Colony Branch, Faisalabad
Tel. No: (041) 8555714 & 8555720
90. Ghulam Muhammadabad Branch, Faisalabad
Tel. No: (041) 2680114, 110 & 117
91. Islamic Banking
East Canal Road Branch, Faisalabad
Tel. No: (041) 2421381-2
92. Civil Lines Branch, Faisalabad
Tel. No: (041) 2648105, 8 & 11
93. Madina Town Branch, Faisalabad
Tel. No: (041) 8735551-2 & 0316-8226451-3
94. Jaranwala Branch, Distt. Faisalabad
Tel. No: (041) 4312201-6
95. Samundri Branch, Distt. Faisalabad
Tel. No: (041) 3423983-4
96. Painsera Branch, Distt. Faisalabad
Tel. No: (041) 2557100-11 & 2574300
97. Killianwala Branch, Distt. Faisalabad
Tel. No: (041) 3214151, 2 & 3
98. Adda Zafar Chowk Br., Distt. Faisalabad
Tel. No: (041) 3529051-4
99. Khurrianwala Branch
Tel. No: (041) 4360701-2
100. Chiniot Branch
Tel. No: (047) 6333840-4
101. Jhang Branch
Tel. No: (047) 7651601-2
102. Chenab Nagar Branch, Distt. Chiniot
Tel. No: (047) 6216217-21
103. Shorkot City Branch, Distt. Jhang
Tel. No: 0316-8226093, 95, 97 & 98
104. Small Industrial Estate Branch, Sialkot
Tel. No: (052) 3242607-9
105. Pasrur Road Branch, Sialkot
Tel. No: (052) 3521655, 755 & 855 &
106. Islamic Banking
Sialkot Cantt. Branch, Sialkot
Tel. No: (052) 4560023-7
107. Godhpur Branch, Sialkot
Tel. No: (052) 4563932-3
108. Daska Branch, Distt. Sialkot
Tel. No: (052) 6617847-8
109. Daska Road Br., Addah, Distt. Sialkot
Tel. No: (052) 3525337 & 9
110. Wazirabad Road Br., Harrar, Sialkot
Tel. No: (052) 3253752-4
111. Pasrur Branch, District Sialkot
Tel. No: (052) 6443317-8
112. Paris Road Branch, Sialkot
Tel. No: (052) 4271544-5
113. Smart City Housing Scheme Br., Distt. Sialkot
Tel. No: 0316-2280754-5
114. Citi Housing Society Br., Sialkot
Tel. No: 0315-4979265 & 0310-4031755
115. Hajipura Br., Sialkot
Tel. No: (052) 3563966-70
116. Ugoki Branch, District Sialkot
Tel. No: (052) 3513181
117. Circular Road Branch, Sialkot
Tel. No: (052) 6617811-15
118. Sheikhpura Branch
Tel. No: (056) 3810933 & 3813133
119. Sharaqpur Sharif Br., Distt. Sheikhpura
Tel. No: (056) 3542963-6
120. Kot Abdul Malik Br., Distt. Sheikhpura
Tel. No: 0316-2280& 4
121. Burj Attari Br., Distt. Sheikhpura
Tel. No: 0316-22820853 & 763
122. Nankana Sahib Branch
Tel. No: (056) 2876342-3
123. Sangla Hill Branch, Distt. Nankana Sahib
Tel. No: (056) 3548341
124. Farooqabad Branch, District Sheikhpura
Tel. No: (056) 3876041-4
125. Omega Residencia, District Sheikhpura
Tel. No: 0316-8226071



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| <p>126. Main Branch, Multan
Tel. No: (061) 4504018, 4504118,
4519927 & 4512884</p> <p>127. Islamic Banking
Shah Rukn-e-Alam Branch, Multan
Tel. No: (061) 6784051-4 & 6782081</p> <p>128. Bosan Road Branch, Multan
Tel. No: (061) 6210690-2</p> <p>129. Mumtazabad Branch, Multan
Tel No: (061) 6760212-4</p> <p>130. Gulgasht Colony Branch, Multan
Tel. No: (061)-6222701 & 0316-8226393-5</p> <p>131. WAPDA Town Branch, Multan
Tel. No: (061) 6213011 & 0316-8226441-2</p> <p>132. Azmat Road Br., Dera Ghazi Khan
Tel. No: (064) 2471630-6</p> <p>133. Lodhran Branch
Tel. No: (0608) 364766-7</p> <p>134. Rahim Yar Khan Branch
Tel. No: (068) 5886042-4</p> <p>135. Factory Area Br., Rahim Yar Khan
Tel. No: (068) 5906032, 4 & 5</p> <p>136. Liaquatpur Br., Distt. Rahim Yar Khan
Tel. No: (068) 5792041-4</p> <p>137. Sadiqabad Branch
Tel. No: (068) 5702162, 5800161,
5800661 & 5801161</p> <p>138. Bahawalpur Branch
Tel. No: (062) 2731703-1</p> <p>139. Satellite Town Branch, Bahawalpur
Tel. No: (062) 2280602-3</p> <p>140. Ahmedpur Sharqia Branch
District Bahawalpur
Tel. No: (062) 2271345 & 0316-8226404, 6 &
8</p> <p>141. Hasilpur Branch
Tel. No: (062) 2441481-7 & 2441478</p> <p>142. Club Road Branch, Sargodha
Tel. No: (048) 3726021-3</p> <p>143. Pull-111 Branch, Distt. Sargodha
Tel. No: (048) 3791403-4 & 0316-8226449 &
50</p> <p>144. Sillanwali Branch, Distt. Sargodha
Tel. No: 048-6532292-3</p> <p>145. Jauharabad Branch, District Khushab
Tel. No: (0454) 723011-2</p> <p>146. Khushab Branch, District Khushab
Tel. No: (0454) 710294, 5 & 6</p> | <p>147. Bhalwal Branch
Tel. No: (048) 6642224 & 0316-8226331-2</p> <p>148. Khanewal Branch
Tel. No: (065) 2551560-3</p> <p>149. Kabirwala Br., Distt. Khanewal
Tel. No: (065) 2400910-3</p> <p>150. Abdul Hakeem Br., Distt. Khanewal
Tel. No: (065) 2441888 & 0316-8226310-2</p> <p>151. Mian Channu Branch
Tel. No: (065) 2662201-2</p> <p>152. Depalpur Branch
Tel. No: (044) 4541341-2</p> <p>153. Okara Branch
Tel. No: (044) 2553012-4 & 2552200</p> <p>154. Hujra Shah Muqem Branch
District Okara
Tel. No: (044) 4860401-3 &
0316-8226419-21</p> <p>155. Haveli Lakha Branch, Distt Okara
Tel. No: (044) 4775412-3</p> <p>156. Renala Khurd Branch, Distt. Okara
Tel. No: 044-2621501, 2 & 3</p> <p>157. Sahiwal Branch
Tel. No: (040) 4467742-3</p> <p>158. Farid Town Branch, Sahiwal
Tel. No: (040) 4272173, 4 & 5</p> <p>159. Chichawatni Br., Distt. Sahiwal
Tel. No: (040) 5484852-3</p> <p>160. Layyah Branch
Tel. No: (060) 6414205-7</p> <p>161. Jampur Branch, District Rajanpur
Tel. No: (060) 4567787 & 4567325</p> <p>162. Kharoor Pacca Branch
Tel. No: (0608) 341041-2</p> <p>163. Muzafargarh Branch
Tel. No: (066) 2422901, 3 & 5</p> <p>164. Fazal Garh Sanawan Branch,
Distt. Muzafargarh
Tel. No: (066) 2250214-5</p> <p>165. Sheikho Sugar Mills Branch
Distt. Muzafargarh
Tel. No: 0345-8530242-4</p> <p>166. Kot Addu Branch
Tel. No: (066) 2239161-3</p> <p>167. Shahbaz Khan Road Branch, Kasur
Tel. No: (0492) 764890-3</p> <p>168. Kot Radha Kishan Br., Distt. Kasur
Tel. No: (049) 2382040, 2 & 3</p> | <p>169. Phool Nagar Branch, Distt. Kasur
Tel. No: (049) 4511706 & 7</p> <p>170. Jalalpur Bhattian Br., Distt. Hafizabad
Tel. No: (0547) 500848-50</p> <p>171. Hafizabad Branch
Tel. No: (0547) 541641-4</p> <p>172. Pattoki Branch
Tel. No: (049) 4422435-6</p> <p>173. Ellahabad Branch
Tel. No: (049) 4751130</p> <p>174. Khudian Branch
Tel. No: (049) 2791595-6</p> <p>175. Sambrial Branch
Tel. No: (052) 6523451-3</p> <p>176. Vehari Branch
Tel. No: (067) 3361370-2</p> <p>177. Gagoo Mandi Branch, Distt. Vehari
Tel. No: (067) 3500311-2</p> <p>178. Mailsi Branch, Distt. Vehari
Tel. No: (067) 3750140-5</p> <p>179. Tibba Sultanpur Br., Distt. Vehari
Tel. No: (067) 3692559-60 & 3692714</p> <p>180. Burewala Branch, Distt. Vehari
Tel. No: (067) 3773110 & 20 & 3355779</p> <p>181. Mandi Bahauddin Branch
Tel. No: (0546) 507602, 3 & 8</p> <p>182. Phalia Branch, Distt. Mandi Bahauddin
Tel. No: (0546) 586050-3</p> <p>183. Bahawalnagar Branch
Tel. No: (063) 2274795-6</p> <p>184. Haroonabad Br., Distt. Bahawalnagar
Tel. No: (063) 2251664-5</p> <p>185. Toba Tek Singh Branch
Tel. No: (046) 2513203-4</p> <p>186. Gojra Branch, Distt. Toba Tek Singh
Tel. No: (046) 3516392 & 3515577</p> <p>187. Kamalia Branch, Distt. Toba Tek Singh
Tel. No: (046) 3411405-6</p> <p>188. Pir Mahal Branch
Tel. No: (046) 3361690 & 5</p> <p>189. Pak Pattan Br., Distt. Pak Pattan
Tel.: (0457) 371781-5</p> <p>190. Arif wala Br., Distt. Pak Pattan
Tel.: (0457) 834013, 5 & 6</p> <p>191. Chishtian Branch
Tel. No: (063) 2501141-2 & 0316-8226304-6</p> |
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192. Khanpur Branch
Tel. No: (068) 5577719-20 & 0316-8226307-9
193. Narowal Branch
Tel. No: (0542) 411405 & 0316-8226328-30
194. Rajanpur Branch
Tel. No: (0604) 688108 & 0316-8226396-8
195. Mianwali Branch
Tel. No: (0459) 230825, 6 & 7
196. Bhakkar Branch, Distt. Bhakkar
Tel. No: (045) 3510590,1 & 2
197. SOUTH REGION
Main Branch, Karachi
Tel. No: (021) 32436990 & 111-567-890
198. Clifton Branch, Karachi
Tel. No: (021) 35877773-4, 35861286 &
199. Garden Branch, Karachi
Tel. No: (021) 32232877-8
0316-8226125-30
200. F. B. Area Branch, Karachi
Tel. No: (021) 36373782-3 & 36811646
0316-8226180-7
201. Korangi Industrial Area Br., Karachi
Tel. No: (021) 35113898-9, 35113900-1 &
0316-8226189-92
202. AKU Branch, Karachi
Tel. No: (021) 34852251-3 & 33102498-9
203. Haidery Branch, Karachi
Tel. No: (021) 36638617, 36630409-410 &
0316-8226231-8
204. Jodia Bazar Branch, Karachi
Tel. No: (021) 32441786, 32442208,
32463894 &
0316-8226202-10
205. Shahrah-e-Faisal Branch, Karachi
Tel. No: (021) 34316128, 34316395,
34322150,
34398430 & 34535545-46, 53-54
206. DHA Branch, Karachi
Tel. No: (021) 35852209, 35845211 &
35340825
207. Gulshan-e-Iqbal Branch, Karachi
Tel. No: (021) 34811830-33 &
0316-8226239-45
208. SITE Branch, Karachi
Tel. No: (021) 32568330, 32550997 &
32550903-4
209. Zamzama Branch, Karachi
Tel. No: (021) 35375835 & 35293435
210. Gole Market Branch, Karachi
Tel. No: (021) 36618932, 36618925 &
0316-8226154-62
211. Gulistan-e-Jauhar Branch, Karachi
Tel. No: (021) 34020943-5
212. M. A. Jinnah Road Branch, Karachi
Tel. No: (021) 32213972 & 32213498
213. Lea Market Branch, Karachi
Tel. No: (021) 32526193-4
214. Timber Market Branch, Karachi
Tel. No: (021) 32742491-2
215. Gulbahar Branch, Karachi
Tel. No: (021) 36607744 & 0316-8226434-5
216. North Karachi Branch, Karachi
Tel. No: (021) 36920140-5 &
0316-8226171-2
217. Block-7 Gulshan-e-Iqbal Branch, Karachi
Tel. No: (021) 34815811-2, 34833728 & 777
218. Islamic Banking
Cloth Market Branch, Karachi
Tel. No: (021) 32442961 & 32442977
219. Paria Street Kharadar Branch, Karachi
Tel. No: (021) 32201059, 60 & 61
220. SUPARCO Branch, Karachi
Tel. No: (021) 34970560, 34158325-6,
37080810 & 0316-8226457
221. Chandni Chowk Branch, Karachi
Tel. No: (021) 34937933 & 34141296
222. Allama Iqbal Road Branch, Karachi
Tel. No: (021) 34387673-4
223. Nishtar Road Branch, Karachi
Tel. No: (021) 32239711-3 & 32239678
224. Islamic Banking
Waterpump Branch, Karachi
Tel. No: (021) 36312113 & 36312108,
36312349 & 36311908
225. APWA Complex Branch, Karachi
Tel. No: (021) 32253143 & 32253216
226. Clifton Block-2 Branch, Karachi
Tel. No: (021) 35361115-7
227. Malir Branch, Karachi
Tel. No: (021) 34517982-3
228. Bahadurabad Branch, Karachi
Tel. No: (021) 34135842-3
229. New Challi Branch, Karachi
Tel. No: (021) 32625246 & 32625279
230. Shah Faisal Colony Branch, Karachi
Tel. No: (021) 34602446-7
231. Zaibunissa Street Saddar Br., Karachi
Tel. No: (021) 35220025-7
232. Liaquatabad Branch, Karachi
Tel. No: (021) 34860723-25
233. Korangi Township No: 2 Branch, Karachi
Tel. No: (021) 35058041 & 35071181
234. North Karachi Ind. Area Branch, Karachi
Tel. No: (021) 36962851, 52 & 55
235. F. B. Industrial Area Branch, Karachi
Tel. No: (021) 36829961-4 &
0316-8226180-6
236. Napier Road Branch, Karachi
Tel. No: (021) 32713539-40
237. Gulshan-e-Hadeed Branch, Karachi
Tel. No: (021) 34710252 & 256
238. Metroville Branch, Karachi
Tel. No: (021) 36752206-7
239. Defence Phase-II Extension Br., Karachi
Tel. No: (021) 35386910-12
240. North Karachi Township Branch, Karachi
Tel. No: (021) 36968604-7
241. Stock Exchange Branch, Karachi
Tel. No: (021) 32414003-4 & 32415927-8
242. Gulshan-e-Jamal Branch, Karachi
Tel. No: (021) 34682682-4
243. Alyabad Branch, Karachi
Tel. No: (021) 36826727 & 36332517
244. Saudabad Branch, Malir, Karachi
Tel. No: (021) 34111901-5
245. Shireen Jinnah Colony Branch, Karachi
Tel. No: (021) 34166262-4
246. Islamic Banking
Al-Tijarah Centre Branch, Karachi
Tel. No: (021) 34169251-3
247. Barkat-e-Haidery Branch, Karachi
Tel. No: (021) 36645688-9
248. Shadman Town Branch, Karachi
Tel. No: (021) 36903038-9
249. Enquiry Office Nazimabad
No: 2 Branch, Karachi
Tel. No: (021) 36601502-5
250. Islamic Banking
Rashid Minhas Road Br., Karachi
Tel. No: (021) 34983878 & 34837443-4
251. Khayaban-e-Ittehad Branch, Karachi
Tel. No: (021) 35347413-6
252. Bahria Complex-III (Corporate) Branch,
Karachi
Tel. No: (021) 35640731-6 35640235-7
253. New M. A. Jinnah Road Branch, Karachi
Tel. No: (021) 34894941-3
254. DHA Phase-IV Branch, Karachi
Tel. No: (021) 35311491-2 & 0316-8226285-7



255. Gulberg Branch, Karachi
Tel. No: (021) 36340553, 549 & 0316-8226291-2
256. New Sabzi Mandi Branch, Karachi
Tel. No: (021) 36870506-7 & 0316-8226409-11
257. Clifton Block-08 Branch, Karachi
Tel. No: (021) 35867435-6 & 0316-8226425-7
258. Block-02 Gulshan-e-Iqbal Br., Karachi
Tel. No: (021) 34988781-2
259. Garden Market Branch, Karachi
Tel. No: (021) 32244195-6 & 0316-8226431-3
260. Block-N North Nazimabad Branch, Karachi
Tel. No: (021) 36641623-4 & 0316-8226436-38
261. Marriot Road Branch, Karachi
Tel. No: (021) 32461840-42 & 0316-8226428-30
262. SITE-II Branch, Karachi
Tel. No: (021) 36881235-6 & 0316-8226445-47
263. Shersha Branch, Karachi
Tel. No: (021) 32583001-3 & 0317-4484534-6
264. DHA Phase-VIII Branch, Karachi
Tel. No: 0315-4979265, 328 & 445
265. Khalid Bin Waleed Road Branch, Karachi
Tel. No: (021) 34522044, 5 & 6
266. Bokhari Commercial Branch, Karachi
Tel. No: (021) 35170651, 2 & 3
267. 26th Commercial Street Branch, Karachi
Tel. No: (021) 35290094, 5 & 6
268. Bahria Town Branch, Karachi
Tel. No: 0318-4304576-7
269. Islamic Banking
Gulistan-e-Jauhar Branch, Karachi
Tel. No: 0318-4304615, 7 & 8
270. Islamic Banking
North Karachi Township Branch, Karachi
Tel. No: 021-36948010, 1 & 2
271. Islamic Banking
Korangi Industrial Area Branch, Karachi
Tel. No: 0312-3995436 & 0312-6255436
272. Islamic Banking
Dhoraji Colony Branch, Karachi
Tel. No: (021) 34120053-4
273. Shaheed-e-Millat Road Br., Karachi
Tel. No: (021) 34550381-5
274. Nursery Branch, Karachi
Tel. No: (021) 34374631-2
275. Malir Cantt. Branch, Karachi
Tel. No: (021) 34904901-4
276. Khayaban-e-Shahbaz Branch, Karachi
Tel. No: (021) 35161007-9
277. Block-H North Nazimabad Branch, Karachi
Tel. No: 0316-8226155
278. Scheme 33 Branch, Karachi
Tel. No: (021) 34691462-3
279. Islamic Banking
Saba Avenue Branch, Karachi
Tel. No: (021) 35845124
280. Khayaban-e-Seher Branch, Karachi
Tel. No: (021) 35171292
281. Shahrah-e-Faisal-II Branch, Karachi
Tel. No: (021) 34325321-2
282. Dastagir Branch, Karachi
Tel. No: (021) 36377131-3
283. Soldier Bazar Branch, Karachi
Tel. No: (021) 32220751-2
284. Baber Market Branch, Karachi
Tel. No: (021) 35025821-5
285. Paposh Nagar Branch, Karachi
Tel. No: (021) 36674141-4
286. Main Branch, Hyderabad
Tel. No: (022) 2781528-9, 2782347 & 111-567-890, 0316-8226044-5
287. F. J. Road Branch, Hyderabad
Tel. No: (022) 2728131 & 2785997 2780205
288. Latifabad Branch, Hyderabad
Tel. No: (022) 3816309 & 3816625
289. Qasimabad Branch, Hyderabad
Tel. No: (022) 2651968 & 70
290. Islamic Banking
Isra University Br., Distt. Hyderabad
Tel. No: (022) 2032322 & 2030161-4
291. Prince Ali Road Branch, Hyderabad
Tel. No: (022) 2638514 & 2622122
292. S.I.T.E. Branch, Hyderabad
Tel. No: (022) 3886861-2
293. Faqir Jo Pir Branch, Hyderabad
Tel. No: (022) 2612685-6 & 0316-8226096
294. Auto Bhan Road Branch, Hyderabad
Tel. No: (022) 2100062-3 & 0316-8226313-4
295. Matyari Branch, Distt. Matyari
Tel. No: (022) 2760125-6
296. Tando Allah Yar Branch
Tel. No: (022) 3890260-4
297. Tando Muhammad Khan Branch
Tel. No: (022) 3340371-2 & 0316-8226267-8
298. Pano Aqil Branch, District Sukkur
Tel. No: (071) 5690081, 2 & 3
299. Sukkur Branch
Tel. No: (071) 5622382, 5622925 & 0316-8226055-63
300. IBA Road Branch, Sukkur
Tel. No: (071) 5804439 & 552
301. Sanghar Branch, Distt. Sanghar
Tel. No: (0235) 543376-7 & 0316-8226246-7
302. Tando Adam Branch, Distt. Sanghar
Tel. No: (0235) 571640-44
303. Shahdadpur Br., Distt. Sanghar
Tel. No: (0235) 841982-4
304. Shahpur Chakar Br., Distt. Sanghar
Tel. No: (0235) 846010-12
305. Golarchi Branch, Distt. Badin
Tel. No: (0297) 853192-4
306. Talhar Branch, Distt. Badin
Tel. No: (0297) 830387-9
307. Deh. Sonhar Branch, Distt. Badin
Tel. No: (0297) 870729 & 870781-3
308. Matli Branch
Tel. No: (0297) 840171-2
309. Buhara Branch, Distt. Thatta
Tel. No: 0316-8226439-40
310. Dhabeji Branch, Distt. Thatta
Tel. No: (021) 34420030, 31 & 39
311. Makli Branch, Distt. Thatta
Tel. No: (0298) 581807, 8 & 9
312. Hub Branch, Distt. Lasbela
Tel. No: (0853) 310225-7
313. Umerkot Branch
Tel. No: (0238) 571350 & 356
314. Kunri Branch, District Umerkot
Tel. No: 0310-3581250
315. Nawabshah Branch
Tel. No: (0244) 363918-9
316. Sakrand Branch, Distt. Nawabshah
Tel. No: 0318-4244919 & 0318-4244922 & 3
317. Nawab Wali Muhammad Branch
District Shaheed Benazirabad
Tel. No: (0244) 311069, 70 & 71
318. Mirpurkhas Branch
Tel. No: (0233) 821221 & 821317-8
319. Digri Branch, District Mirpurkhas
Tel. No: (0233) 869661, 2 & 3
320. Larkana Branch
Tel. No: (074) 4058211-13

321. State Life Building Br., Larkana
Tel. No: (074) 4040612
322. Panjhatti Branch
Tel. No: (0243) 552183-6
323. Ghotki Branch
Tel. No: (0723) 680305-6
324. Deharki Branch
Tel. No: (0723) 644156, 158 & 160
325. Thull Branch
Tel. No: 0316-7673237
326. Kandkhot Branch
Tel. No: (0722) 572883-6
327. Jacobabad Branch
Tel. No: (0722) 654041-5
328. Shahdadkot Br., Distt. Qamber Shahdadkot
Tel. No: (074) 4012401-2
329. Dadu Branch
Tel. No: (025) 4711417-8 & 0316-8226294-6
330. Mehar Branch, District Dadu
Tel. No: (025) 4731113-4
331. Bhan Sayedabad Br., Distt. Jamshoro
Tel. No: 0316-8226296-7
332. Shikarpur Branch
Tel. No: (0726) 540381-3 & 0316-8226319-21
333. Moro Branch, District Naushero Feroze
Tel. No: (0242) 4102000, 4102001 & 4102002
334. Mithi Branch, District Tharparkar
Tel. No: (0232) 261291, 2 & 3
335. Main Branch, Quetta
Tel. No: (081) 2821610 & 2821641
336. Islamic Banking
Shahrah-e-Iqbal Branch, Quetta
Tel. No: (081) 2820227-30 & 37
- NORTH REGION**
337. Main Branch, Peshawar
Tel. No: (091) 5277914-8 & 5277394
338. Chowk Yadgar Branch, Peshawar
Tel. No: (091) 2573335-7 & 2220006
339. Islamic Banking
Khyber Bazar Branch, Peshawar
Tel. No: (091) 2566811-3
340. Islamic Banking
G. T. Road Branch, Peshawar
Tel. No: 091-2263347-8 & 2263323-53
341. University Road Branch, Peshawar
Tel. No: 091-5711382, 4 & 5
342. Ring Road Branch, Peshawar
Tel. No: 0316-8226455-7
343. Main Branch, Rawalpindi
Tel. No: (051) 5123123, 4, 5 & 8 & 5123136-7
344. Chandni Chowk Branch, Rawalpindi
Tel. No: (051) 4571160, 63, 86 & 87 & 4571301
345. 22 Number Chungi Branch, Rawalpindi
Tel. No: (051) 5563576-7
346. Muslim Town Branch, Rawalpindi
Tel. No: (051) 5405506 & 4931112-3
347. Pindora Branch, Rawalpindi
Tel. No: (051) 4419020-22
348. Gulraiz Branch, Rawalpindi
Tel. No: (051) 5595148-9 & 5974073
349. Islamic Banking
Peshawar Road Br., Rawalpindi
Tel. No: (051) 5460113-7
350. Bahria Town Branch, Rawalpindi
Tel. No: (051) 5733772-3 & 5733768-9
351. Islamic Banking
Chaklala Scheme-III Branch, Rawalpindi
Tel. No: (051) 5766345-7
352. Adyala Road Branch, Rawalpindi
Tel. No: (051) 5569091, 96, 97 & 99
353. Bahria Town Phase-VII Branch, Rawalpindi
Tel. No: (051) 5400259-60 & 5400255 & 58
354. Bahria Town Phase-VIII Branch, Rawalpindi
Tel. No: (051) 5195232, 4, 5 & 6
355. Islamic Banking
Faisal Town Branch, Rawalpindi
Tel. No: (051) 2720670-5
356. Bewal Br., Distt. Rawalpindi
Tel. No: (051) 3360274-5
357. Wah Cantt. Branch, Distt. Rawalpindi
Tel. No: (051) 4511140-1 & 0317-4484551-3
358. Kallar Syedan Branch, Distt. Rawalpindi
Tel. No: (051) 3570903
359. Islamic Banking
Satellite Town Branch, Rawalpindi
Tel. No: 0310-8143237 & 0310-8153237
360. Liaqat Road Branch, Rawalpindi
Tel. No: (051) 5534111, 22, 33 & 66
361. Top City Branch, District Rawalpindi
Tel. No: 0316-8226466-7
362. Islamic Banking
Central Business District Branch, Rawalpindi
Tel. No: 0316-8226462, 3 & 5
363. Chakri Road Branch, District Rawalpindi
Tel. No: (051) 5438771, 3 & 4
364. Islamic Banking
Chakri Interchange Br., Distt. Rawalpindi
Tel. No: 0316-8226072-3 & 94
365. Kamalabad Br., Jhawara, Distt. Rawalpindi
Tel. No: (051) 5681213-5
366. Khanna Dak Br., Distt. Rawalpindi
Tel. No: (051) 4801790, 93 & 94
367. Main Branch, Islamabad
Tel. No: (051) 2348174 & 78 & 111-567-890
368. G-9 Markaz Branch, Islamabad
Tel. No: (051) 2850171-3
369. Islamic Banking
I-10 Markaz Branch, Islamabad
Tel. No: (051) 4101733-5
370. I-9 Markaz Branch, Islamabad
Tel. No: (051) 4858101-3
371. E-11 Branch, Islamabad
Tel. No: (051) 2228757-8
372. DHA Phase-II Br., Islamabad
Tel. No: (051) 5161967-9 & 5161970-72
373. Islamic Banking
F-8 Markaz Branch, Islamabad
Tel. No: (051) 2818019-21
374. G-11 Markaz Branch, Islamabad
Tel. No: (051) 2363366-68
375. F-11 Markaz Branch, Islamabad
Tel No: (051) 2101076-7 & 0316-8226282-4
376. DHA Phase-II (Corporate) Branch, Islamabad
Tel. No: (051) 5419578-9 & 2826573-4
377. PWD Branch, Islamabad
Tel. No: (051) 5708789, 90 & 91
378. I-8 Markaz Branch, Islamabad
Tel. No: (051) 2719242-44
379. Gulberg Greens Branch, Islamabad
Tel. No: 0312-4015609, 0312-4019186
380. Lathrar Road Branch, Tarlai,
Distt. Islamabad
Tel. No: (051) 2241661-5
381. Soan Garden Br., Distt. Islamabad
Tel. No: (051) 5738940-2
382. Bahria Enclave Br., Islamabad
Tel. No: 0310-4755851-2 & 6 & 0316-8226091
383. G-13 Markaz Br., Islamabad
Tel. No: (051) 2301101-3



384. Bhara Kahu Br., Distt. Islamabad
Tel. No: 0316-8226092, 0311-4463237 & 0311-4883237 & 0311-4993237
385. Rawat Branch, Distt. Islamabad
Tel. No: 0311-6203237 & 0311-6903237
386. Alipur Farash Branch, Distt. Islamabad
Tel. No: (051) 2616202-3 & 2615418-20
387. B-17 Markaz Branch, Islamabad
Tel. No: (051) 2763592-5
388. D-12 Markaz Branch, Islamabad
Tel. No: (051) 2750011-2 & 2750035-6
389. Jhangi Syedan Branch, Distt. Islamabad
Tel. No: 0316-8226113, 5 & 8
390. Islamic Banking
Tarnol Branch, Distt. Islamabad
Tel. No: (051) 2358700, 1 & 4
391. DHA Phase-V Branch, Islamabad
Tel. No: 0316-2280838, 39, 40 & 58
392. Gujar Khan Branch
Tel. No: (051) 3516328, 29 & 30
393. Gujrat Branch
Tel. No: (053) 3520591, 2 & 4
394. Lalamusa Branch, Distt. Gujrat
Tel. No: (053) 7513001-2
395. Dinga Branch, Distt. Gujrat
Tel. No: (053) 7400250-2
396. New Metro City Br., Distt. Gujrat
Tel. No: 0310-2282646-7
397. Kotla Arab Ali Khan, Distt. Gujrat
Tel. No: (053) 7575501 & 3
398. Kharian Branch
Tel. No: (053) 7602904, 5 & 7
399. Islamic Banking
Kharian Branch, Distt. Gujrat
Tel. No: (053) 7532636, 7 & 8
400. Waisa Branch, Distt. Attock
Tel. No: (057) 2651068-9
401. Attock Branch
Tel. No: 0316-8226540-2
402. Islamic Banking
Hazro Branch, District Attock
Tel. No: (057) 2310581-2
403. Fateh Jang Branch, Distt. Attock
Tel. No: (057) 2210148-9
404. Islamic Banking
Swabi Branch, Distt. Swabi
Tel. No: (0938) 221741-45
405. Mirpur Branch, (AJK)
Tel. No: (05827) 444488 & 448044
406. Islamgarh Branch, (AJK)
Tel. No: (05827) 423981-2
407. Jattlan Branch, Distt. Mirpur (AJK)
Tel. No: (05827) 403591-4
408. Bhimber Branch, (AJK)
Tel. No: (05828) 444200-2
409. Muzaffarabad Branch
Tel. No: (0582) 2920025-6
410. CMH Road Branch, Muzaffarabad (AJK)
Tel. No: (0582) 2443535-7
411. Gilgit Branch
Tel. No: (05811) 453749, 450504, (05811) 450498 & 451838
412. NLI Market Branch, Gilgit
Tel. No: (05811) 450802, 4 & 5
413. Denyore Branch, Distt. Gilgit
Tel. No: (05811) 459986-7
414. Jutial Branch, Distt. Gilgit
Tel. No: (05811) 457233-5
415. Aliabad Branch, Hunza
Tel. No: (05813) 455000, 455001 & 455022
416. Gahkuch Branch
Tel. No: (05814) 450409-10
417. Skardu Branch
Tel. No: (05815) 450327 & 450188-9
418. Khaplu Branch
Tel. No: (05816) 450872
419. Benazir Chowk Branch, District Skardu
Tel. No: (05815) 457453
420. Abbottabad Branch
Tel. No: (0992) 385231-3 & 383073-75
421. Jhelum Branch
Tel. No: (0544) 625794-5
422. Dina Branch, District Jhelum
Tel. No: 0310-4755851, 2 & 6
423. Citi Housing Branch, Jhelum
Tel. No: (0544) 226433 & 34
424. Chitral Branch, Distt. Chitral
Tel. No: (0943) 412078-9
425. Chakwal Branch
Tel. No: (0543) 543128-30 & 0316-8226045
426. Mardan Branch
Tel. No: (0937) 864753-7
427. Islamic Banking
Chillas Branch, Distt. Diamer
Tel. No: (05812) 450631-2
428. Islamic Banking
Mingora Branch, Swat
Tel. No: (0946) 714355, 714400 & 0316-8226273-75
- Islamic Banking
429. Matta Branch, District Swat
Tel. No: (0946) 790704
430. Airport Road Branch, District Swat
Tel. No: 0318-4304583-5
431. Battagram Branch
Tel. No: (0997) 311044-6
432. Mansehra Branch
Tel. No: (0997) 301931-6
- Islamic Banking
433. Dera Ismail Khan Branch
Tel. No: (0966) 718010-4 & 718091-4
434. Kohat Branch, Distt. Kohat
Tel. No: (0922) 511011 & 511033
435. Dara Adam Khel Branch, Distt. Kohat
Tel. No: (0922) 810333 & 111
- Islamic Banking
436. Kohat Branch, District Kohat
Tel. No: (0922) - 511911
- Islamic Banking
437. Nowshera Branch, Distt. Nowshera
Tel. No: (0923) 611545-8
- Islamic Banking
438. Tel. No: 0316-8226101 & 0316-8226091, 2 & 9
439. Batkhela Branch
Tel. No: (0932) 411115, 6 & 7
- Islamic Banking
440. Timergara Branch, District Lower Dir.
Tel. No: (0945) 822081, 2 & 3
441. Shigar Branch, District Shigar
Tel. No: (05815) 467029, 31 & 35
442. Sikanderabad Branch, District Nagar
Tel. No: 0316-8226075, 8 & 9
443. Kotli Branch, AJK
Tel. No: (05826) 449060-1 & 449057 & 94

FOREIGN CORRESPONDENTS

Country	Name of Bank
Argentina	Banco Credicoop Cooperativo Limitado Banco De Galicia Y Buenos Aires
Australia	Citibank N.A. JP Morgan Chase Bank, N.A., Sydney Branch National Australia Bank Limited Standard Chartered Bank, Australia
Austria	Erste Bank Der Oesterreichischen Sparkassen AG Erste Group Bank AG Oberbank AG
Bahrain	Al Baraka Islamic Bank B.S.C Al Salam Bank Bahrain Allied Bank Limited, Wholesale Banking Branch Askari Bank Limited, Bahrain Branch Bank Al Habib Limited Bank Alfalah Limited Bahrain Habib Bank Ltd. JS Bank Limited, Bahrain MCB Bank Limited United Bank Limited Bahrain
Bangladesh	Bank Alfalah Limited (Bangladesh - Dhaka Branch) Brac Bank Limited Eastern Bank Plc. Habib Bank Ltd. Jamuna Bank Limited Southeast Bank Limited Standard Chartered Bank United Commercial Bank Plc
Belgium	Belfius Bank SA/NV Habib Bank Ltd. KBC Bank NV
Brazil	Banco Do Brasil S.A. Banco Fibra S.A.
Bulgaria	Unicredit Bulbank Ad
Canada	Citibank Canada Federation Des Caisses Desjardins Du Quebec Habib Canadian Bank Royal Bank Of Canada
Chile	Banco De Credito E Inversiones
China	Agricultural Bank Of China, The Agricultural Development Bank Of China, The Bank Of Beijing Bank Of China Bank Of Communications, Co. Ltd. Bank Of Jiangsu Co Ltd Bank Of Nanjing (Formerly Nanjing City Commercial Bank) Bank Of Ningbo



Country	Name of Bank
	Bank Of Ningxia (Formerly Yinchuan City Commercial Bank) Bank Of Shanghai Changshu Rural Commercial Bank China Citic Bank China Construction Bank Corporation China Everbright Bank China Merchants Bank Citibank (China) Co., Ltd. Habib Bank Limited Urumqi Branch Hua Xia Bank Industrial And Commercial Bank Of China Jiangsu Jiangyin Rural Commercial Bank Jiangsu Suzhou Rural Commercial Bank Co., Ltd (Formerly Jiangsu Wujiang Rural Commercial Bank) Jinan Rural Commercial Bank Co.,Ltd JP Morgan Chase Bank (China) Company Limited Qilu Bank Co., Ltd. Shandong Zhangdian Rural Commercial Bank Shanghai Pudong Development Bank Standard Chartered Bank (China) Limited Sumitomo Mitsui Banking Corporation (China) Limited Hangzhou Branch Weifang Rural Commercial Bank Co., Ltd Zhejiang Tailong Commercial Bank Co.,Ltd Zhejiang Xiaoshan Rural Commercial Bank Company Limited Zhongshan Rural Commercial Bank Company Limited
Colombia	Bancolombia S.A.
Cyprus	Hellenic Bank Public Company Ltd.
Czechia	Ceskoslovenska Obchodni Banka, A.S. Citibank Europe Plc, Organizacni Slozka Commerzbank AG Unicredit Bank Czech Republic And Slovakia, A.S.
Denmark	Danske Bank A/S
Egypt	Banque Misr Citibank N.A. - Cairo Branch Mashreq Bank The United Bank
Ethiopia	Dashen Bank S.C.
Finland	Danske Bank A/S, Finland Branch OP Corporate Bank Plc
France	Banque Palatine CM - CIC Banques Credit Du Nord Credit Mutuel - CIC Banques National Bank Of Pakistan Societe Generale
Germany	Commerzbank AG Commerzbank AG (Formerly Dresdner Bank AG) Deutsche Bank AG Dz Bank AG (Formerly WgZ Bank AG)



Country	Name of Bank
	DZ Bank AG Deutsche Zentral-genossenschaftsbank Hamburg Commercial Bank AG Hamburger Sparkasse AG J.P. Morgan SE Landesbank Baden-Wuerttemberg M.M.Warburg U. Co (AG U. Co.) Kgaa National Bank Of Pakistan, Frankfurt Sparkasse Dortmund Sparkasse Krefeld - Zweckverbandssparkasse Der Stadt Krefeld Und Des Kreises Viersen - Sparkasse Westmuensterland Standard Chartered Bank AG
Greece	Alpha Bank AE Citibank Europe Plc Greece Branch Piraeus Bank SA
Hong Kong	Bank Of America, National Association, Hk Branch (Organised With Limited Liability Under The Laws Of Usa) Citibank N.A. Deutsche Bank AG Habib Bank Zurich (Hong Kong) Limited JP Morgan Chase Bank, N.A., Hong Kong Branch (Organized Under The Laws Of U.S.A. With Limited Liability) KBC Bank NV, Hong Kong National Bank Of Pakistan, Hong Kong Shinhan Bank, Hong Kong Branch Standard Chartered Bank (Hong Kong) Limited Sumitomo Mitsui Banking Corporation Unicredit Bank Ag Hong Kong Branch Incorporated In Germany With Limited Liability Wells Fargo Bank, N.A., Hong Kong Branch
Hungary	Raiffeisen Bank Zrt.
India	Citibank N.A. Deutsche Bank AG ICICI Bank Limited JP Morgan Chase Bank, N.A., Mumbai Branch Mashreq Bank Punjab National Bank Standard Chartered Bank The Kalupur Commercial Co-Operative Bank Limited
Indonesia	Bank Mandiri (Persero), PT Citibank, N.A. JP Morgan Chase Bank, N.A., Jakarta Branch MuFG Bank, Ltd. Jakarta Branch PT Bank Hsbc Indonesia Standard Chartered Bank
Ireland	Citibank Europe Plc Danske Bank A/S J.P. Morgan SE, Dublin Branch, Ireland
Italy	Banca Di Credito Popolare Banca Monte Dei Paschi Di Siena S.P.A. Banca Popolare Di Sondrio Banca Ubae SPA Banco Bpm SPA



Country	Name of Bank
	Bper Banca S.P.A. Cassa Di Risparmio Di Fermo SPA Commerzbank AG Deutsche Bank S.P.A. Iccrea Banca - Istituto Centrale Del Credito Cooperativo Unicredit S.P.A.
Japan	Citibank N.A., Tokyo Branch JP Morgan Chase Bank, N.A., Tokyo Branch Mizuho Bank, Ltd. MUFG Bank, Ltd. National Bank Of Pakistan Resona Bank, Ltd., Tokyo Saitama Resona Bank, Limited Standard Chartered Bank Sumitomo Mitsui Banking Corporation
Jordan	Citibank N.A.
Kenya	Habib Bank AG Zurich Kenya KCB Bank Kenya Limited
Korea, Republic Of	Busan Bank Citibank Korea Inc Daegu Bank, Ltd.,The Industrial Bank Of Korea JP Morgan Chase Bank, N.A., Seoul Branch KEB Hana Bank Kookmin Bank National Bank Of Pakistan, Seoul Branch Korea Nonghyup Bank (Formerly Known As National Agricultural Cooperative Federation) Shinhan Bank Standard Chartered Bank Korea Limited Suhyup Bank Woori Bank, Seoul
Kuwait	Citibank N.A. Commercial Bank Of Kuwait KPSC,The National Bank Of Kuwait S.A.K.P.
Latvia	JSC Citadele Banka
Luxembourg	J.P. Morgan Bank Luxembourg S.A. Luxembourg
Malaysia	Citibank Berhad Hong Leong Bank Berhad JP Morgan Chase Bank Berhad MUFG Bank (Malaysia) Berhad Standard Chartered Bank Malaysia Berhad
Mauritius	Habib Bank Ltd Mauritius Standard Chartered Bank (Mauritius) Ltd



Country	Name of Bank
Mexico	Banco Nacional De Mexico S.A.
Morocco	Attijariwafa Bank (Formerly Banque Commerciale Du Maroc)
Nepal	Himalayan Bank Ltd.
Netherlands	ABN Amro Bank N.V. Citibank Europe Plc Netherlands Branch Commerzbank AG Kantoor Amsterdam Deutsche Bank AG
New Zealand	Bank Of New Zealand
Norway	Danske Bank A/S DNB Bank ASA
Oman	Bank Dhofar (S.A.O.G.) Habib Bank Oman Sohar International Bank S.A.O.G Standard Chartered Bank
Panama	BanESCO S.A.
Philippines	Asian Development Bank MUFG Bank, Ltd., Manila Branch Standard Chartered Bank
Poland	Bank Handlowy W Warszawie Sa
Portugal	Banco BPI SA Caixa Central Credito Agricola Mutuo
Qatar	Doha Bank Dukhan Bank (Formerly Barwa Bank) Standard Chartered Bank The Commercial Bank (P.S.Q.C.) United Bank Limited, Doha
Romania	Banca Comerciala Romana S.A Citibank Europe Plc, Dublin-sucursala Romania
Saudi Arabia	Al Inma Bank Bank Al Bilad Bank Al-Jazira Banque Saudi Fransi Emirates NBD PJSC JP Morgan Chase Bank, N.A. Riyadh National Bank Of Pakistan Riyad Bank
Serbia	Unicredit Bank Srbija A.D.



Country	Name of Bank
Singapore	Bank Mandiri (Persero) TBK. PT Bank Of America, N.A. Singapore Citibank, NA. Commerzbank AG, Singapore Branch Credit Suisse AG, Singapore Branch Deutsche Bank AG Habib Bank Limited JP Morgan Chase Bank, N.A. KBC Bank N.V. Singapore Branch Mizuho Bank, Ltd. Singapore Branch Standard Chartered Bank (Singapore) Limited Sumitomo Mitsui Banking Corporation Wells Fargo Bank, NA
Slovakia	Ceskoslovenska Obchodna Banka, A.S.
Slovenia	Unicredit Banka Slovenija D.D.
South Africa	Citibank South Africa Firststrand Bank Limited HBZ Bank Limited Standard Chartered Bank
Spain	Banco De Sabadell, S.A. Caixabank, S.A. Commerzbank AG Deutsche Bank Sociedad Anonima Espanola Kutxabank, S.A.
Sri Lanka	Bank Of Ceylon Commercial Bank Of Ceylon Plc Habib Bank Ltd. Hatton National Bank Plc MCB Bank Ltd. People's Bank, Head Office Standard Chartered Bank
Sweden	Danske Bank
Switzerland	Arab Bank (Switzerland) Ltd Banque Cantonale De Geneve Banque Cantonale Vaudoise Banque De Commerce Et De Placements S.A. Barclays Bank (Suisse) S.A. Habib Bank AG Zurich Luzerner Kantonalbank UBS Switzerland AG Zuercher Kantonalbank
Taiwan	Citibank Taiwan Limited JP Morgan Chase Bank, N.A., Taipei Branch Mizuho Bank, Ltd., Taipei Branch Standard Chartered Bank (Taiwan) Limited

Country	Name of Bank
Thailand	Bank Of Ayudhya Public Company Limited Citibank N.A. Kasikornbank Public Company Limited Krung Thai Bank Public Company Limited Mizuho Bank, Ltd., Bangkok Branch Siam Commercial Bank PCL., The Standard Chartered Bank (Thai) PCL Sumitomo Mitsui Banking Corporation
Tunisia	Tunis International Bank
Turkiye	Akbank T.A.S. Aktif Yatirim Bankasi A.S. Albaraka Turk Participation Bank Alternatifbank A.S. Citibank A.S. Denizbank A.S. Habib Bank Ltd. Kuveyt Turk Katilim Bankasi A.S. Odeabank A.S. QNB Finansbank A.S. Turkiye Cumhuriyeti Ziraat Bankasi A.S. Turkiye Finans Katilim Bankasi A.S. Turkiye Vakiflar Bankasi T.A.O. Turland Bank A.S. (T-bank) Yapi Ve Kredi Bankasi A.S. Vakif Katilim Bankasi A.S.
United Arab Emirates	Abu Dhabi Commercial Bank Bank Alfalah Limited (Dubai Branch) Citibank N.A. Deutsche Bank AG, Abu Dhabi Dubai Islamic Bank Emirates Islamic Bank First Abu Dhabi Bank PJSC Habib Bank AG Zurich Habib Bank Limited Mashreqbank PSC. MCB Bank Limited National Bank Of Fujairah National Bank Of Ras Al-Khaimah, The Standard Chartered Bank United Bank Ltd.
United Kingdom	Bank Of America, N.A. London Bank Of Ireland (Trade Finance Belfast) Bank Of Ireland (UK) Plc Citibank N.A. Danske Bank Deutsche Bank AG Habib Bank Zurich Plc



Country	Name of Bank
	HBL Bank UK Limited JP Morgan Chase Bank, N.A. Mashreq Bank PSC Northern Bank Limited (Trading As Danske Bank) Standard Chartered Bank United National Bank
United States Of America	Bank Of America, N.A. BOKF, Na Citibank N.A. Citizens Bank, Na Comerica Bank Deutsche Bank Trust Company Americas East-West Bank First Horizon Bank Flagstar Bank, N.A. (Formerly New York Community Bank) Habib American Bank International Finance Corporation JP Morgan Chase Bank, N.A. Keybank National Association Mashreq bank Psc., New York Branch MUFG Bank Ltd. National Bank Of Pakistan PNC Bank, N.A. Regions Bank Standard Chartered Bank The Bank Of New York Mellon Truist Bank U.S. Bank N.A. Wells Fargo Bank, N.A.
Uzbekistan	National Bank For Foreign Economic Activity Of The Republic Of Uzbekistan
Viet Nam	Asia Commercial Bank Citibank N.A. Kookmin Bank Shinhan Bank Vietnam Limited Standard Chartered Bank (Vietnam) Limited Vietnam Export Import Commercial Joint-Stock Bank Vietnam Public Joint Stock Commercial Bank – Pvcombank



Soneri Bank

PROXY FORM

32nd Annual General Meeting

I/We _____ of
_____ being member(s) of SONERI BANK LIMITED
and holder of _____ ordinary shares.

Register Folio No.: _____

CDC Participant I.D. No.: _____

Sub-Account No.: _____

CNIC No.:

or Passport No.: _____

hereby appoint _____ of _____ or failing him/her
_____ of _____ who is/are also member(s) of
SONERI BANK LIMITED as my/our proxy to attend and vote for me/our behalf at the 32nd Annual General
Meeting of the Bank to be held on 08 March 2024 or at any adjournment thereof.

Affix Rs. 50
Revenue
Stamp

(Signatures should agree with the
specimen signature registered
with the Bank)

Dated this _____ day of _____ 2024

Signature of Shareholder _____

Signature of Proxy _____

1. WITNESS

Signature: _____

Name: _____

Address: _____

CNIC No.:

or Passport No.: _____

2. WITNESS

Signature: _____

Name: _____

Address: _____

CNIC No.:

or Passport No.: _____

IMPORTANT:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Bank at SONERI BANK LIMITED, 2nd Floor, 307-Upper Mall Scheme Lahore-54000 not less than 48 hours before the time of holding the meeting.
2. No person shall act as Proxy unless he/she himself/herself is a member of the Company, 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 Company, all such instruments of proxy shall be rendered invalid.
4. CDC Shareholders and their Proxies should attach an attested photocopy of their Computerised National Identity Card (CNIC) or Passport with the Proxy Form before submission to the Company. (Original CNIC/Passport is required to be produced at the time of the meeting).
5. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature of the nominee shall be submitted along with the Proxy Form to the Company.

Soneri Bank Limited

AFFIX
CORRECT
POSTAGE

The Company Secretary
Soneri Bank Limited
2nd Floor, 307-Upper
Mall Scheme Lahore
54000



Soneri Bank

پراکسی فارم

بتیسواں سالانہ عام اجلاس

میں مسمیٰ / مسماۃ _____
ضلع _____ بحیثیت ممبر سونی ری بینک لمیٹڈ اور حق ملکیت رکھتے ہوئے
عام حصص کی جس کا اندراج: _____

رجسٹرڈ فوئیو نمبر: _____
سی ڈی سی پارٹنر شپ نمبر: _____
شناختی کارڈ نمبر: _____
مسمیٰ / مسماۃ _____
سب اکاؤنٹ نمبر: _____
پاسپورٹ نمبر: _____
ساکن: _____
یا اُن کے نہ جانے پر، مسمیٰ / مسماۃ _____ ساکن: _____

جو خود بھی سونی ری بینک کا / کے رکن ہے / ہیں، کو بطور پراکسی مقرر کرتا ہوں / کرتے ہیں تاکہ وہ میری / ہماری جگہ اور میری / ہماری طرف سے بینک کے بتیسواں سالانہ عام اجلاس جو بتاریخ ۸ مارچ ۲۰۲۴ کو منعقد ہو رہا ہے۔ اس میں یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے اور ووٹ ڈالے۔

(دستخط کا بینک میں رجسٹرڈ نمونے سے
مطابقت رکھنا ضروری ہے)

پچاس (50) کی
ریونیو اسٹیپ

دستخط حصص داران _____
دستخط پراکسی _____

تاریخ _____ ۲۰۲۴

۲۔ گواہی

۱۔ گواہی

دستخط: _____
نام: _____
پتہ: _____
شناختی کارڈ نمبر: _____
پاسپورٹ نمبر: _____

دستخط: _____
نام: _____
پتہ: _____
شناختی کارڈ نمبر: _____
پاسپورٹ نمبر: _____

نوٹ:

۱۔ یہ مکمل پُر کردہ اور دستخط شدہ پراکسی فارم، ہمارے رجسٹرڈ آفس سونی ری بینک لمیٹڈ، دوسری منزل، 307، اپر مال، اسکیم، لاہور-54000، پر اجلاس انعقاد سے ۴۸ گھنٹے قبل موصول ہونا لازمی ہے۔

۲۔ کوئی بھی شخص، کسی دوسرے شخص کی پراکسی کے طور پر نمائندگی نہیں کر سکتا جب تک خود بھی کمپنی کا ممبر نہ ہو سوائے کارپوریٹ ادارے کے جو کسی نام ممبر کو بھی پراکسی منتخب کر سکتے ہیں۔

۳۔ اگر ایک رکن ایک سے زائد پراکسی مقرر کرتا ہے اور کمپنی کے پاس رکن کی طرف سے پراکسی فارم کی ایک سے زائد دستاویزات جمع کروائی جاتی ہیں تو پراکسی کی ایسی تمام دستاویزات کا عدم تصور ہوں گی۔

۴۔ سی ڈی سی حصص داران اور ان کے نامزد اشخاص کے لیے ضروری ہوگا کہ وہ اپنا پراکسی فارم جمع کروانے سے قبل اس کے ساتھ اپنا تصدیق شدہ کمپیوٹر انزڈ قومی شناختی کارڈ یا پاسپورٹ کی کاپی منسلک کریں۔ (تاہم نامزد شخص کو شناخت کی غرض سے اجلاس میں شرکت کے وقت اپنا اصل قومی شناختی کارڈ یا اصل پاسپورٹ مہیا کرنا ہوگا۔)

۵۔ کارپوریٹ ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ نامزد شخص کے دستخط کے ساتھ پراکسی فارم کمپنی کو جمع کروانا ہوگا۔

سونیری بینک لمیٹڈ

درست رتم کا
ٹکٹ چسپاں کریں

کمپنی سیکریٹری
سونیری بینک لمیٹڈ
دوسری منزل، 307،
اپر مال، اسکیم،
لاہور-54000



Bank Mandate Form

Note: Bank Mandate details must be verified by the concerned Bank Branch to avoid any error. Shareholders holding shares in physical form should send this form to Share Registrar, THK Associates (Pvt.) Ltd. Whereas CDC Shareholders should send it to Investor Account Services or Broker where shares are placed in electronic form, along with legible photocopy of valid CNIC.

