

ANNUAL
REPORT
2022

Resilience in
Motion

SILKBANK 
Yes we can

CORPORATE INFORMATION**Board of Directors**

Khalid Aziz Mirza	Chairman
Rashid Akhtar Chughtai	Director
Zubair Nawaz Chattha	Director
Masroor Ahmed Qureshi	Director
Tariq Iqbal Khan, FCA	Director
Samia Shahzad Murad	Director
Goharulayn Afzal	Director
Shahram Raza Bakhtari	President & CEO

Company Secretary

Faiz Ul Hasan Hashmi

Chief Financial Officer

Khuram Khan

Audit Committee

Masroor Ahmed Qureshi	Chairman
Tariq Iqbal Khan, FCA	Member
Samia Shahzad Murad	Member
Head of Audit	Secretary

Nomination, Remuneration & Human Resource Committee

Khalid Aziz Mirza	Chairman
Rashid Akhtar Chughtai	Member
Samia Shahzad Murad	Member
Head of HR	Secretary

Risk Management Committee

Tariq Iqbal Khan, FCA	Chairman
Masroor Ahmed Qureshi	Member
Goharulayn Afzal	Member
Chief Risk Officer	Secretary

Information Technology Committee

Zubair Nawaz Chattha	Chairman
Masroor Ahmed Qureshi	Member
Goharulayn Afzal	Member
Head of IT	Secretary

Auditors

M/s. Grant Thornton Anjum Rahman (GTAR)
Chartered Accountants

Legal Advisor

M/s. Abdul Majeed & Co
Advocates & Corporate Consultants

Registered Office

Silkbank Limited,
13-L, F-7 Markaz,
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PABX: (051) 26080-77-78-79 Ext: 111
Fax: (051) 26080-29
Email: companysecretary@silkbank.com.pk
Website: www.silkbank.com.pk

Share Registrar

M/s. CDC Share Registrar Services Limited
CDC House, 99 – B, Block 'B',
S.M.C.H.S., Main Shakra-c-Faisal
Karachi-74400.
Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053
Email: info@cdcsrsl.com
Website: www.cdcsrsl.com

Chairman Message:

On behalf of the Board of Directors ("Board"), I am pleased to present the Annual Report of Silkbank Limited for the year ended December 31, 2022.

The year under review continued to be challenging as the global economy faced significant headwinds in the aftermath of the pandemic. Global economic growth prospects remained subdued, with uncertainties and macroeconomic imbalances elevating the risk of stagnation in major economies. The International Monetary Fund (IMF) has projected global growth at 2.9% for 2023, citing key factors such as geopolitical tensions, persistently high inflation, and a slowed Chinese economy as primary drivers of this weak growth outlook.

The domestic economy has faced a range of significant challenges. Rising commodity prices and a substantial fiscal deficit have increased the import bill, pushing the country to the brink of a balance of payments crisis. The national currency has dropped to an all-time low, and international reserves have dwindled to barely two months' worth of import cover. While these economic pressures persist, the government has implemented measures to address the situation, and tax collection for FY-2022 exceeded Rs. 6.0 trillion mark, demonstrating a positive momentum in fiscal management.

The banking sector has faced significant challenges, including tightening liquidity, rising interest rates, and increasing credit risks. Despite these hurdles, the sector remains pivotal in supporting economic recovery.

The Bank faced a challenging year, reporting a post-tax loss of Rs. 6.39 billion, primarily due to the impact of higher interest rates on Net Interest Income and regulatory provisions for non-performing loans, largely linked to the real estate sector. Increased markup suspensions and a rise in non-earning assets further strained the Bank's financial position. Despite these setbacks and the pressures of mounting inflation and currency devaluation, the Bank demonstrated resilience by emphasizing operational efficiency and effectively managing operating costs. However, we remain committed to addressing these challenges and improving performance in the year ahead.

Our ability to navigate these challenges is a testament to the collective efforts of the Board, management, and employees, whose dedication has enabled the Bank to adapt and persevere in these testing times.

The Board remains committed to safeguarding the best interests of the Bank's shareholders by implementing a series of strategic initiatives aimed at enhancing operational efficiency and driving growth. To support this, the Board has established well-structured committees with clearly defined roles and Terms of Reference, ensuring the effective discharge of responsibilities.

In this regard, the Bank has successfully optimized costs through IT and operational restructuring, outsourcing, and efficient vendor management. Additionally, the organizational structure has been streamlined by flattening hierarchies and implementing rightsizing measures, while physical presence has been optimized by relocating and merging branches and office premises to improve cost-efficiency and customer accessibility. A key focus has been the aggressive growth of the

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Current Account portfolio, with the introduction of differentiated value-added features to enhance customer experience.

Furthermore, the Bank has concentrated efforts on reducing the corporate book, particularly non-performing loans, by aligning recovery plans with customer needs, thereby improving asset quality.

I would like to take this opportunity to express my sincere gratitude to our Board Members for their unwavering commitment and invaluable contributions to the success of the Bank. I also extend my heartfelt thanks to our shareholders for their trust and confidence in the Board and management.

Additionally, I would like to acknowledge the hard work and dedication of our employees. Their commitment has been instrumental in navigating the challenges of the past year, and I look forward to continuing our collaborative efforts to achieve further success in the year ahead.

Thank you for your continued support.



Khalid Aziz Mirza
Chairman

Dated: December 13, 2024

Silkbank Limited

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Website: www.silkbank.com.pk

Director's Report for the Year ended December 31, 2022.**REPORT****Dear Shareholders,**

The Directors are pleased to present the 29th Annual Report and the Audited Financial Statements for the year ended December 31, 2022.

Economic Review:

Pakistan's impressive growth rate of 5.97% in the fiscal year 2021-2022 has been overshadowed by the re-emergence of fiscal and current account deficits. While the country dealt with the aftermath of floods, high international fuel and commodity prices led to an increase in trade deficit to US\$ 39.63 billion. The external deficit reached 4.6% of GDP to USD 17.4 billion.

The sharp depreciation PKR by 28.20% increased the inflation to 24.5% for the month of December 2022. Average inflation for the financial year 2022 increased to 19.72%. It is expected to remain elevated through financial 2023. In order to tame the inflationary pressures SBP increased the policy rate from 9.75% in FY-21 to 16.00% by the end of year 2022.

The Large-Scale Manufacturing ("LSM") decreased by 3.5% year on year basis (up 12.40% MoM) during December 2022. On the backdrop of December numbers, LSM during 1HFY-22 posted a decline of 3.7%. Growth in December 2022 was witnessed in Apparel, Food, Furniture and Petroleum by 25.5%, 11.1%, 182.4% and 3.5% respectively. The major decline was witnessed in Textile, Iron & Steel, Pharmaceuticals, Autos, Machinery and Equipment, Electrical Equipment, and Tobacco which fell by 21.2%, 8.1%, 12.7%, 36.2%, 77.9% 4.4% and 28.8% respectively.

The current account deficit increased US\$ 12.56 billion for financial year 2022. High Current Account Deficit resulted in strain on country FX reserves which fell from US\$ 24.4 billion in FY-21 to US\$ 15.50 billion in FY-22. Rupee parity fell to 226.43 as of December 31st, 2022, from Rs. 176.513 as of December 31st, 2021. Overall depreciation for the year was 28.28%. It is expected to decline another 18% - 23% in the year 2023. Workers' remittances increased from US\$ 29.45 billion in FY-21 to US\$ 31.27 billion in FY-22, registering a growth of 6.1%. Roshan Digital Account attracted gross inflows of US\$ 2.41 billion and a Net inflow of US\$ 1.28 billion during the year 2022. Amid devastation caused by floods and deteriorating macros equity market trend remained downwards as it closed 9% lower on a year-on-year basis. The overall loss to GDP due to floods was estimated at Rs. 2.8 trillion – 3.3 trillion which amounts to 3.90% of GDP. International investors remained broadly on the sell side. The overall debt repayment concerns increased as the IMI program took longer than anticipated to materialize. The country faced difficulty in raising external funding as major bilateral debt providers linked the funds' availability to IMF approval.

Banking Sector:

Despite challenging conditions, banking sector stability indicators largely remained steady during CY-22. The asset base grew by 19.1%, reflecting the growth momentum of previous years. However, a surge in investment in government securities principally supported this growth as banks' exposure to the government reached 55.5% of the asset base. Private sector advances, despite slight moderation, increased at a notable pace as higher input prices augmented the growth in working capital finance. On the funding side, banks' reliance on borrowings rose further due to a significant deceleration in deposits.

The credit risk of the banking sector remained contained during CY-22. Non-performing loans (NPLs) grew at a slower pace than advances; in addition, banks maintained adequate provisions to cover loan losses. The gross non-performing loans ratio lowered to 7.3 percent in CY-22 from 7.9 percent last year, while the net NPLs ratio (NNPLR) slightly inched up to 0.8 percent from 0.7 percent. The residual risk, i.e. NNPLR and NNPL to capital ratio however remained at one of its lowest levels of last two decades.

SILKBANK'S PERFORMANCE DURING 2022.

Financial Performance:

As of December 31, 2022, the Bank's deposit base stood at Rs. 145.29 billion, marking an increase of Rs. 1.54 billion which includes an increase of Rs. 0.84 billion in its current and non-remunerative account base assisting the Bank in ensuring liquidity flow with reduced cost. Gross advances closed at Rs. 94.32 billion, reflecting a reduction of Rs. 5.34 billion year-over-years. Non-performing loans increased by Rs. 1.26 billion, closing at Rs. 45.12 billion, primarily due to fresh classifications.

Summarized financial performance of Silkbank Limited for the year ended December 31, 2022 is as follows:

	2022	2021
	Rs. in million	
Net mark-up / return / profit / interest income	-2,351	2,833
Provisions and write offs – net	-6,592	-9,946
Non markup / interest income	3,254	-3,921
Non markup / interest expense	-7,698	-7,606
Loss before Tax	-13,387	-18,640
Taxation	7,001	6,358
Loss after Tax	-6,386	-12,282
	Rupee	
Basic and diluted Loss per share	(0.70)	(1.35)

The Bank reported post-tax loss of Rs. 6.39 billion, primarily due to negative Net Interest Income (NII) and provisions made for non-performing loans (NPLs) in compliance with the SBP Prudential Regulations. The Bank sustains a loss of Rs. 5.18 billion as compared to corresponding last year mainly due to higher interest rates which has greatly affected the Bank's spread on markup. In addition, higher markup suspensions and increase in non-earning assets resulting in higher leverage position has further deteriorated the position at NII level. The provision made against NPLs relate to certain borrowers primarily engaged in real estate businesses.

The provisions made against NPLs are on timeline basis and mainly related to certain borrowers primarily engaged in real estate businesses.

On the operating cost front, a one-off legal expense of Rs. 318 million was incurred in the previous year. Excluding this expense, operating cost increased by Rs. 545 million, primarily due to higher inflation and the depreciation of the Rupee against the US Dollar during the year. These factors offset the savings achieved through the implementation of various cost rationalization strategies and initiatives.

As at December 31, 2022, the Bank's Minimum Capital Requirement (MCR) was negative Rs. 15.44 billion, and the Capital Adequacy Ratio (CAR) stood at negative 45.89%, both below the regulatory minimums of Rs. 10 billion and 11.50%, respectively. Consequently, the Bank remains non-compliant with both MCR and CAR as at December 31, 2022.

On October 31, 2024, United Bank Limited (UBL), submitted an offer to amalgamate the Bank with an into UBL, under a scheme of amalgamation to be sanctioned by the SBP in accordance with section 48 of the Banking Companies Ordinance, 1962. Given the Bank's negative equity and deteriorated financial position, the Board of Directors, in their meeting held on November 06, 2024, granted an in-principle approval for the proposed amalgamation.

Later in separate meetings held on December 02, 2024, and December 04, 2024, the Board of Directors of UBL and the Bank approved:

- The Amalgamation of the Bank with and into UBL through a share swap arrangement in accordance with section 48 of the Banking Companies Ordinance, 1962;
- Execution of the Agreement to Amalgamate, Scheme of Amalgamation and other ancillary documentation in connection with the Amalgamation;
- The swap ratio of one (1) new ordinary share of UBL having face value of Rs. 10/- (Pakistan Rupee Ten Only) in exchange of 325 already issued shares of the Bank, each share having a face value of Rs. 10/- (Pakistan Rupee Ten Only), issuance of 27,944,188 ordinary shares of UBL other than right issue; and
- Convening of Extraordinary General Meeting (EoGM) of the Bank on December 26, 2024 and of UBL on December 30, 2024 for consideration and approval of the Amalgamation and above-mentioned matters by the respective shareholders of the Bank and UBL.

This amalgamation is contingent upon completion of all required legal formalities and receipt of all necessary corporate, regulatory and third-party approvals. Accordingly, the external auditors have highlighted 'Material Uncertainty related to Going Concern' in their audit opinion.

SECTORAL PERFORMANCE.

Branch Banking:

Branch Banking continues to remain one of the most integral businesses for the Bank, serving over 245,743 customers contributing more than 75% of the Bank's deposit base. Total deposit as of 31st December 2022 stood approximately at Rs. 109.24 billion. The total Year-to-date deposit grew by Rs. 11.32 billion till December 31st, 2022, out of which the current & savings account portfolio grew by Rs. 11.28 billion.

In 2022, Silkbank Visa Debit Cards experienced strong growth, issuing 31,928 new cards and increasing the total active card base to 182,131. Debit card spending at points of sale and online transactions reached Rs. 3.60 billion across 870,000 transactions during the year. Additionally, Silkbank ATMs dispensed over Rs. 7.8 billion in cash nationwide.

In 2022, bancassurance generated a year-to-date business of Rs. 84.02 million, resulting in an NPI of Rs. 30.47 million. Various marketing and sales initiatives implemented throughout FY2022 led to a 25% increase in business compared to Rs. 67 million achieved in 2021.

The segment adopted an aggressive strategy while simultaneously shifting focus from the conventional mode to the digital mode of banking. Our dedication to sustainable growth remains unwavering. Building on our recent momentum, we are prioritizing enhanced profitability through strategic initiatives such as acquiring cost-effective deposits, optimizing high-earning assets, and advancing digitization. Concurrently, we are concentrating on robust IT enhancements, improving staff satisfaction, and delivering best-in-class management practices and customer service excellence. As we navigate complexities, we are confident in our ability to thrive and lead in the ever-evolving landscape of banking and finance.

Consumer Banking:

The bank has successfully closed the year 2022 with a record profit before tax of Rs. 2.3 billion for all unsecured products on a portfolio of close to Rs. 18 billion.

- **Ready Line:**

2022 was a year of robust growth of Ready line marking record before tax profitability of Rs. 1.2 billion against 46,000 active accounts on an active portfolio of Rs. 7.6 billion.

Various other successful spend and portfolio enhancement initiatives which includes tactical promotions & targeted spend campaigns were launched throughout the year. As a result, we have posted astonishing annual spend of Rs. 22 billion in this year with highest ever utilization of 49%.

- **Personal Loan:**

Concurring all the challenges faced by this product because of economic outlook and repercussions of the pandemic, the bank closed the year 2022 with an active portfolio of Rs. 3.1 billion with close to 17,000 active customers.

- **Credit Cards:**

Credit Card KPIs showed positive signs due to gaining the business momentum post Covid restrictions, which encouraged people to resume spending on multiple avenues. Credit card sales gained momentum resulting in total fresh acquisition of 36,283 cards for the year, which increased the cards in force (CIF) to 180,241 cards while ENR stood at Rs. 6.88 billion, close to 7 billion setting an entire new benchmark. Total Spending on Credit Cards for the year 2022 was 38 billion, whereas highest ever ENR of 6,883 was recorded in Dec-22.

Credit Cards business continued to promote digital channels for credit card repayments via other bank ADC & OTC services, which was supplemented by credit card repayment campaigns and customer education drives on usage of digital payment channels. Silkbank became one of the top 3 banks in terms of credit card repayment volumes via digital channels. Overall, 80% of total repayments (which were 45% in Dec 2021) of Silkbank credit cards were made through digital channels in December 2022.

We did a host of tactical spend campaigns on e-commerce, groceries, and fuel along with event-based campaigns increasing Credit Cards utilization to 35% which is the highest ever to date. There were also multiple campaigns to build ENR volume including the Azaadi campaign in the month of August and the blessed Friday campaign in November which eventually generated FIP (Flexible Installment Plan) volume booking of 3 billion in the year 2022. Silkbank Credit Card Alliances played an instrumental role by keeping customers engaged with enticing new Flexible Installment Plan (FIP) offers, discount offers on online merchants, other strategic offerings, and inducted new alliance partners for the existing portfolio as well as exclusively for Signature Credit Card. There are many initiatives in the pipeline that will further strengthen Silkbank Credit Cards positioning in the market i.e. Tokenization, MVISA QR Issuance, Segment based cards, IBFT Through Credit Cards, and Online Acquisition Portal.

Wholesale Banking:

- **Treasury & Financial Institutions.**

Treasury earned Foreign Exchange Income of Rs. 439 million during CY22 against budget of Rs. 307 million, which was 43 percent higher than the budget. Higher FX income was earned on back of multiple rates fluctuations in 2022 and in each rate movement, we recorded an additional income and capitalize on these opportunities and secondly, during 2022 we tap more business from our existing customers for trade business supplemented by targeting existing clients to increase our share in their total trade as well. As the policy rate increased by 625 bps in CY22, Net Interest Income (NNI) turned negative due to high funding cost and was better off by Rs. 174 million against the budget. FI department generated Non-Funded Income (NFI) of Rs. 86.77 million.

Emaan Islamic Banking (Emaan):

Emaan Islamic Banking is dedicated to providing Shariah-compliant banking products while ensuring a high level of customer satisfaction. Despite the challenges faced by the banking industry during the year, Emaan Islamic Banking maintained its position and achieved exceptional performance in 2022. The bank concluded its deposit portfolio at Rs. 15,93 million, with a CASA to time deposit ratio of 75:25.

Emaan Islamic Banking continued to demonstrate robust growth, opening 4,517 new accounts throughout the year, which brought the total to 42,176 accounts. In alignment with the bank's core values, our staff has consistently prioritized outstanding service delivery. This commitment is reflected in Emaan's focus on customer service, resulting in a "Very Good" rating for the year.

Customer Services & Quality (CS&Q):

Update Complaint Management Posters and Silkbank website:

CS & Q Introduced Call Back Confirmation Bancassurance ISM: CSQ started monitoring calls pertaining to Sale of Third-Party Products, wherein recording of CBC calls made to customers are listened and 15 attributes are checked whether specific information is conveyed to customers before debiting premium amount from customers' account.

- **Mystery Shopping Program (MSP) –**

Initiated Mystery Shopping Program for the year 2022. Regional Customers' Experience Manager (RCEM) guided all the branches for MSP guidelines and product knowledge.

The overall score for the year 2022 was 88% as compared to 82% in 2021.

MSP	Overall Results 2022	Overall Results 2021
Conventional & Emaan Banking	88%	82%

- **Internal Service Measures (ISMs)**

Internal Service Measures is a measuring tool that typically measures the "timeliness," "accuracy" and "effectiveness" of any critical process leads to customer satisfaction.

ISM	Overall Results 2022	Overall Results 2021
Conventional & Emaan Banking	91%	91%
Support Segments	94%	95%

Complaint Management Unit:

The Complaint Management Unit (CMU) made significant strides in 2022 toward enhancing customer satisfaction and efficient complaint resolution, aligning with regulatory requirements for a robust Consumer Grievance Handling Mechanism (CGHM). Building on the revised CGHM shared in 2021, CMU successfully implemented the framework, yielding notable improvements.

CMU resolved 23,237 customer concerns with an average complaint resolution time of 2.22 days in 2022.

Comparison of actual complaints reported in 2021 v/s 2022.

Complaints	2021	2022
Qtr1	1,837	5,239
Qtr2	2,062	4,809
Qtr3	2,046	6,988
Qtr4	4,368	6,201
Grand-Total	10,313	23,237

The complaint resolution process demonstrated impressive efficiency, with 97% of complaints resolved promptly within 8 days and only 3% requiring additional time.

Complaint Response Timeliness	2021	2022
0 - 8 days	96%	97%
8 + days	4%	3%
Grand Total	100%	100%

Several initiatives drove these improvements. CMU upgraded the Customer Services Management Service Portal, incorporating mandatory points from the CGHM as instructed by regulators. The existing Complaint Lodgment via SMS process was simplified for customer ease. Furthermore, CMU promoted WhatsApp Banking by adding links to emails, facilitating easy complaint lodgment and status updates.

To ensure staffs were well-versed in the revised procedures, multiple e-shots were sent. Bi-Annual SMS messages were also rolled out to inform customers about complaint lodgment modes, as advised by regulators CMU maintained an impressive 99.85% Turn-Around-Time (TAT) compliance with regulators.

Corporate Social Responsibility & Impact of Business on Environment:

Over the years Silkbank has stood firm with its commitment of uplifting the society through a well-defined corporate Social Responsibility framework. Our objective of being a socially responsible organization resonates with our mission of benefitting the communities in which we operate, being aware of its responsibility to protect the environment and preserve natural resources. The Bank is also aware of the environmental values of its actions and is consistently striving to develop a sustainable business model beneficial for all stakeholders.

Prior to the issuance of guidelines on “Green banking” from SBP, the bank already had a SEMS Policy (Social and Environmental Management Systems Policy) in place since 2009, to ensure that the Bank’s existing Portfolio is based on environment-friendly industries and projects. The SEMS policy includes social & environmental screening of different types of financing, Project Categories, Applicable requirements, Social & Environmental procedures, controls, and reporting. The SEMS policy will continue to be applicable in addition to the Central Bank’s suggested framework for green banking initiatives.

Nearly 36 Branches are converted to solar power generation for ATMs, Information technology systems, lighting, and security alarm Systems. The future strategy of the Bank is to convert all its ATM booths to green ATMs in the near future. These hybrid systems also contribute in saving fuel costs during weekends and public holidays.

The credit approval process for Corporate Banking has been carried out through a work stream, a paperless system, for the last ten years. Our internet banking service available through the web as well as the phone apps is also part of the same chain. Over the years, the bank has been increasingly substituting manual systems with automated solutions in its endeavor towards a paperless environment. The Bank is also planning to digitalize various processes in due course with the aim to eliminate paper from its processes as much as possible.

Silkbank has throughout maintained a persistent focus on developing innovative banking products and providing superior customer service. The bank has a very clear Digital Agenda, and this move will not only enhance the Bank’s digital presence but will also offer its customers a vast suite of banking services enabling them to fulfill banking needs 24/7 on the go while maintaining security protocols. From a customer viewpoint, Silkbank’s WhatsApp Banking Solution is something to look forward to because of its unique features and enriched service menu in comparison to other WhatsApp Banking offerings currently available in the Banking Industry.

Board of Directors:

Category	Names
Independent Director	Mr. Khalid Aziz Mirza Mr. Rashid Akhtar Chughtai Mr. Masroor Ahmed Qureshi
Non-Executive Director	Mr. Tariq Iqbal Khan, FCA Mr. Zubair Nawaz Chattha Mrs. Samia Shahzad Murad Mr. Goharulayn Afzal

Names of the persons who, at any time during the financial year, were directors of the Bank:

1. Mr. Khalid Aziz Mirza
2. Mr. Rashid Akhtar Chughtai
3. Mr. Masroor Ahmed Qureshi
4. Mr. Tariq Iqbal Khan, FCA
5. Mr. Zubair Nawaz Chattha
6. Mrs. Samia Shahzad Murad
7. Mr. Goharulayn Afzal

Composition of Board Committees:

In accordance with the SBP guidelines, the Board has constituted its committees, current composition of which are as follows:

Audit Committee:

- | | |
|-------------------------|-----------|
| - Masroor Ahmed Qureshi | Chairman |
| - Tariq Iqbal Khan, FCA | Member |
| - Samia Shahzad Murad | Member |
| - Head of Audit | Secretary |

Nomination, Remuneration & Human Resource Committee:

- | | |
|--------------------------|-----------|
| - Khalid Aziz Mirza | Chairman |
| - Rashid Akhtar Chughtai | Member |
| - Samia Shahzad Murad | Member |
| - Head of HR | Secretary |

Risk Management Committee:

- | | |
|-------------------------|-----------|
| - Tariq Iqbal Khan, FCA | Chairman |
| - Masroor Ahmed Qureshi | Member |
| - Goharulayn Afzal | Member |
| - Chief Risk Officer | Secretary |

Information Technology Committee:

- | | |
|-------------------------|-----------|
| - Zubair Nawaz Chattha | Chairman |
| - Masroor Ahmed Qureshi | Member |
| - Goharulayn Afzal | Member |
| - Head of IT | Secretary |

Performance Evaluation of Board of Directors:

In compliance with the guidelines on performance evaluation of Board of Directors issued by the State Bank of Pakistan, a questionnaire formulated by the Pakistan Institute of Corporate Governance was placed before the Board. The questionnaire was divided into two parts, Board as a whole (which also includes the Board Committees) and individual director evaluation (undertaken by the Chairman). Apart from these, the Board members were also provided an opportunity to give their opinion on any emerging issue. The questionnaire covered all aspects of the Board structure, size, composition, responsibilities, as well as the performance of individual director and its Committees.

The results/ feedbacks received from Directors on the basis of this questionnaire were compiled by means of quantitative techniques and have been considered by the Board to review its overall standards & performance.

Silkbank Limited

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Corporate and Financial Reporting Framework:

The Board is committed to fulfill its responsibilities under the Code of Corporate Governance of the SECP. In doing so, it wishes to make the following statements:

- a) The financial statements prepared by the management of the Bank, present fairly its state of affairs, the result of its operation, cash flow and changes in equity.
- b) Proper books of account of the Bank have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- c) The system of internal control is sound in design and has been effectively implemented and monitored. Management's statement on internal control is enclosed herewith which is endorsed by the Board as required by the State Bank of Pakistan. The Board is ultimately responsible for the Bank's system of internal control and reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve objectives and by its nature can provide only reasonable and not absolute assurance against material misstatement or loss.

The process used by the Board to review the effectiveness of the system of internal control includes, inter alia, the following:

- i) An audit committee has been formed with approved terms of reference and reports to the Board. It reviews the approach adopted by the Bank's internal audit department, as well as the scope of and its relationship with the external auditors. It also receives reports from the internal audit, and any material control weakness that is identified is discussed and agreed actions are taken in areas of concern.
- ii) An organization structure has been established which supports clear lines of communication and tiered levels of authority with the delegation of appropriate responsibility and accountability.
- iii) Business strategies agreed at divisional level are approved by the Board. In addition, there is an annual budgeting and strategic planning process. These strategies are reviewed during the year to reflect any significant changes in the business environment.

iv) The principal features of control framework include:

- Evaluation and approvals procedures for major capital expenditure and other transactions.
- Regular reporting and monitoring of financial performance using operating statistics and monthly managements accounts which highlight key performance indicators and variance from budget and quarterly forecasts.
- Review of the health, safety, environment and contingency management processes and other significant policies.
- Further, reviews of the system of internal control are also carried out by the internal audit department and management conclusions on internal control are confirmed by divisional management to the Board.
- There are no significant doubts upon the Bank's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

D) The value of investments of Provident fund and Gratuity Fund is Rs. 806 million and Rs. 676 million, respectively, as per the audited financial statements of these funds for the year ended December 31, 2022.

Risk Management Framework:

Consistent efforts have been carried out over the years for improvement in the overall Risk Management function, resulting in better control & risk environment plus creating an overall "Risk Culture" within the Bank. With the growing shift towards Basel Implementation on a successive basis and enhanced focus for management of risk on an integrated pattern, following are some important aspects of the Risk Management Function at Silk Bank Limited:

A. Credit Risk

Managing credit risk is considered one of the key functions at RMG. Independent Risk Management Units catering to the Corporate / Commercial / SME and Consumer segments are fully operational and clearly follow the laid-out procedures formulated in the form of policies / Manuals and Product Programs in line with the prevalent SBP guidelines. Credit Risk is thus continuously monitored by the respective sanctioning units. Broad based Credit Approval Authorities have also been delegated to various approvers for credit sign off. Additionally, Credit Administration units are in place for all segments of the Bank, effectively taking care of all documentation and safekeeping. The Bank over the years has developed in-house Obligor Risk Rating (ORR) models / systems for Corporate, Commercial and SMEs, which are regularly reviewed/ updated for certain refinements. Besides, RMG also has a robust Early Warning System (EWS) in place. RMG had also put in place a facility risk rating (FRR) model which now stands fully implemented on a bank wide basis and effectively measures the risk in relation to each facility granted for all customers. These processes are capable of identifying problem loans at an early stage for timely remedial actions. Results for establishing these systems are now beginning to reflect in the management letters issued by the external auditors and the annual reports compiled by the SBP inspection teams through reduced instances of system and procedural failures.

Under Consumer Banking, a separate collection unit operates for follow up and recovery of loans responsible for a strong recovery stream of written off consumer loans, thus ensuring a pivotal role in bolstering business growth for the bank during the year. A centralized Special Assets Management Unit is also in place and is primarily responsible for handling the NPL accounts and the overall recovery process. The unit is performing its task in a professional and efficient manner. RMG has also kept a close watch on the accounts identified as having developed certain signs of "Potential Weaknesses". Business units are required to provide quarterly updates on such accounts which are then comprehensively reviewed by RMG and strategies for moving forward are debated upon with all stakeholders. As per practice, this list is also shared with the Risk committee of the board during quarterly meetings and their valuable input is invariably sought for future implementation.

Besides various management committees of the bank, Credit Risk is also overviewed by the Risk Committee of the Board on an ongoing basis. Regular guidance is sought from the Board on credit-related matters and the findings are implemented in letter and spirit. During the year major emphasis was placed on Macro issues to ensure that the overall health of the credit portfolio remains intact.

A number of customers were provided with financial relief by virtue of restructuring/rescheduling of loans. These customers are consistently being monitored for keeping abreast with latest developments on the business front and thus ensuring timely repayments. The list of these customers is also shared with the SBP on a monthly basis.

In addition, various other customers have also approached the Bank with request for restructuring of their loans and advances. Given the economic hardships being faced by the business community in general the bank has tried to help out these customers on merit and in line with the prevalent SBP regulations. This step has ensured that the present status of the portfolio is kept current and up to date.

In addition, RMG has also kept a close watch to ensure that high risk areas are avoided and prescribed limits are adhered to. We have thus been lending to new customers in a prescribed and cautious manner.

B. Market Risk

A Middle Office function (independent of the Treasury) has been established within the Bank with the primary responsibility of monitoring the market risk function and onward reporting to the Chief Risk Officer, Investment Committee (IC), Market Risk Policy Committee (MRPC) and Asset and Liabilities Committee (ALCO) which are also functioning to supervise and approve Market Risk exposures. At Silkbank, we have a well-defined Liquidity Policy, duly approved by the Board. Presently, various excel based tools, which are updated from time, are in use to generate MIS on Market Risk and reporting to the senior management and regulators. We have also successfully set up the "Web Tech system" which is capable of generating sophisticated modeling reports and independent monitoring of various treasury functions in a live environment.

Silkbank Limited

Central Office:

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Clifton 75600, Karachi-Pakistan

PABX: 021-111-00-7455

Website: www.silkbank.com.pk

C. Operational Risk

Globally, Operational Risk has emerged as the most important risk category for financial institutions, especially since operational risk can simultaneously trigger many other risk categories. Mitigating IT security threats and data-related risks with the increasing usage of digital Banking have assumed top priority. Under Operational Risk, appropriate Operational Policies and Procedures have been documented and disseminated for managing operational risk on a bank wide basis. Operational Risk Manual has since been prepared and approved by the Board. Risk Control self-assessment questionnaires have also been sent across to various segments of the bank and based on the received feedback we plan to update the process on a bank wide basis in due course.

Operational Risk reporting under OLED has been initiated in the bank and a detailed procedural guideline has been duly approved by the Senior Management. All segments and departments of the bank have been instructed for regular reporting. Workshops for the benefit and understanding of reporting units are being held for all related staff, enabling them to report all incidents to RMG for reporting and capturing of the loss data within the bank.

After successful implementation of the framework, we have now started collection of the required loss event data on a monthly basis and are now dealing with the issues, hands on. This data is the first step towards forming the historical pool which will help in improving our procedures further. The data collected on a quarterly basis is presented to the Board's risk committee.

An Internal Control Unit is also operational with the primary task of over-viewing and ensuring implementation of various operational guidelines and monitoring tools and reconciliation across the Bank. Additionally, an independent Internal Audit function is also in place within the Bank, reporting to the Audit Committee of the Board. Our Compliance Department is also functional, inter alia to ensure that all legal and regulatory requirements are properly addressed in addition to the implementation of Anti Money Laundering and Know your Customer (AML/KYC) Policies.

In this respect, appropriate training to relevant staff has been regularly imparted including training on strict monitoring of transactions and AML/KYC. Business Continuity Plan (BCP) is also in place to deal with any eventuality. Self-Assessment of Key Risk Indicators (KRI's) and compliance of standards, codes and guidelines is also regularly carried out and documented.

Directors' Training:

All Directors on the Board are fully conversant with their duties and responsibilities as Directors of the Bank. All Directors of the Bank have obtained the required certification whereas, two Directors of the Bank stand exempted from the requirement of the said certification.

Board of Director's & Committees' Meetings during 2022:

During the year 2022, following Board and its Committees meetings were held. Attendances by the Directors & President & CEO were as follows:

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S. No.	Directors	Board Meetings		Audit Committee Meetings		Human Resource Committee Meetings		Risk Committee Meetings		IT Committee Meetings	
		Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
1	Mr. Khalid Aziz Mirza	9	7	-	-	5	5	-	-	-	-
2	Mr. Rashid Akhtar Chughtai	9	6	-	-	5	5	-	-	-	-
3	Mr. Tariq Iqbal Khan	9	8	6	6	-	-	4	4	-	-
4	Mr. Zubair Nawaz Chattha	9	7	-	-	-	-	-	-	2	2
5	Mr. Masroor Ahmed Qureshi	9	7	6	6	-	-	4	4	2	2
6	Mrs. Samia Murad	9	8	6	6	5	5	-	-	-	-
7	Mr. Goharulayn Afzal	9	9	-	-	-	-	4	4	2	2

Pattern of Shareholding:

The pattern of shareholding as required under the Companies Act, 2017 and the Companies (Code of Corporate Governance) Regulations, 2019 is as follows:

Combined pattern of CDC and Physical Share Holding as at December 31, 2022

S. No.	Categories of Shareholders	Number of Shareholders	Shares Held	Percentage %
01	Directors, Chief Executive Officer and their spouse(s) and minor children	08	432,567,673	4.76
02	Associated Companies, undertakings and related Parties	12	5,712,657,208	62.91
03	Executives	07	2,085,552	0.02
04	Banks Development Financial Institutions, Non-Banking Financial Institutions	04	45,860,163	0.50
05	Insurance Companies	04	2,127,904	0.02
06	Modarabas and Mutual Funds	02	22,380,417	0.25
07	General Public – Foreign	184	306,668,057	3.38
08	General Public – Local	11,122	2,402,734,556	26.46
09	Others	81	154,779,707	1.70
	Total:	11,424	9,081,861,237	100.00

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*In accordance with the Pakistan Stock Exchange (PSX) definition of the term "Executive" used in clause No. 5.6.1 (d) (Disclosure of Price-Sensitive Information To The Exchange:) of Chapter 5 of PSX Rule Book, the Board of Directors of the Bank has passed a resolution in its 154th meetings held on October 28, 2016 & set the threshold for the term "Executive" as the CEO, COO, CFO, Head of Internal Audit and Company Secretary by whatever name called, and covering employees of the Bank of Grade - 8 and above.

The aggregate shares held by the Directors, Chief Executive and their spouse and minor children along with Associated Companies, Undertakings Related Parties and Mutual Funds as at December 31, 2022

S. No.	Categories of Shareholders	Number of Shares held	Category wise No. of Folios / CDC Accs.	Category wise Shares held	Percentage
	Directors, Chief Executive Officer and their Spouse and Minor Children		8	432,567,673	4.76
1	Mr. Tariq Iqbal Khan	16,997			0
2	Mr. Khalid Aziz Mirza	500			0
3	Mr. Masroor Ahmed Qureshi	500			0
4	Mr. Zubair Nawaz Chattha	415,626,000			4.58
5	Mrs. Samia Shahzad Murad	3,200,000			0.04
6	Mr. Goharulayn Afzal	12,543,796			0.14
7	Mr. Shahram Raza Bakhtari	679,880			0.01
8	Mr. Shahzad Enver Murad (Husband of Mrs. Saima Shahzad Murad)	500,000			0.01
	Associated Companies, Undertakings and Related Parties. (5% & above shareholding).		12	5,712,657,208	62.91
1	Arif Habib Corporation Limited	2,563,901,924			28.23
2	Mr. Shaukat Tarin*	1,049,091,791			11.55
3	International Finance Corporation	702,689,067			7.74
4	Mr. Zulqarnain Nawaz Chattha	704,508,000			7.76
5	Nomura European Investment Limited	356,676,342			3.93
6	Bank Muscat S.A.O.G	315,776,969			3.48
7	Azmat Shahzad Ahmed Tarin	20,013,115			0.22

S. No.	Categories of Shareholders	Number of Shares held	Category wise No. of Folios / CDC Acs.	Category wise Shares held	Percentage
	Executive		7	2,085,552	0.02
1	Sardar Kamran	1,111,041			0.01
2	Murced Hussain	300,000			0
3	Muhammad Atif Kauser	169,970			0
4	Samira Javed	500,000			0.01
5	Abid Hussain	4521			0
6	Syed Muhammad Qasim Rizvi	10			0
7	Mr. Faiz-ul-Hassan Hashmi	10			0
	Mutual Funds		2	20,880,417	0.23
1	CDC Trustee National Investment (Unit) Trust	20,880,417			0.23

External Auditors.

The retiring auditors, M/s. Grant Thornton Anjum Rahman (GTAR), Chartered Accountants, being eligible, offer themselves for re-appointment till the conclusion of the next Annual General Meeting of the Bank. The Audit Committee and Board has recommended their appointment as the statutory auditors of the Bank for the financial year 2023.

Compliance with Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR).

As of December 31st, 2022, the equity of the Bank stood at negative Rs. 14.62 billion excluding surplus on revaluation of assets. This includes share capital (net of losses and discount on shares) of negative Rs. 15.44 billion. By virtue of this, the Capital Adequacy Ratio (CAR) of the Bank is negative 45.89%.

Credit Rating:

The long-term entity rating of the Bank is A- (Single A Minus) and the short-term rating is A-2 (A-Two) as determined by "JCR VIS" Credit Rating Company Limited.

Future Outlook:

As already mentioned in Financial Section of the report, United Bank Limited ("UBL") has formally conveyed its offer for the potential merger of Silkbank Limited ("Bank") with and into UBL. UBL has disclosed this material information to the Pakistan Stock Exchange Limited ("PSX"), confirming the submission of an offer regarding a possible merger. Accordingly, the Bank also disseminated its material information to the PSX on November 1, 2024.

We further inform you that the Board of Directors of the Bank, in its meeting held on November 06, 2024, has accorded its in-principle approval for a potential merger of the Bank with and into UBL. This merger would be executed through a scheme of amalgamation to be sanctioned by the State Bank of Pakistan under Section 48 of the Banking Companies Ordinance, 1962 ("Potential Merger"). The Bank also disseminated this Material Information to the PSX on November 06, 2024.

Subsequently, the Board meetings of UBL and Silkbank were held on December 02 and December 04, 2024, respectively, wherein both the Boards approved the proposed amalgamation of the Bank with and into UBL through a share swap arrangement under Section 48 of the Banking Companies Ordinance, 1962. The Boards also authorized the execution of the Agreement to Amalgamate, the Scheme of Amalgamation, and other related documentation necessary for implementing the amalgamation.

The approved share swap ratio entails the issuance of one (1) new ordinary share of UBL, with a face value of Rs. 10, in exchange for 325 existing shares of the Bank, each with a face value of Rs. 10. This arrangement will result in the issuance of 27,944,188 ordinary shares of UBL, excluding any right issuance.

Additionally, the Boards resolved to convene Extraordinary General Meetings (EOGMs) for shareholder approval of the amalgamation and related matters. The EOGM of the Bank is scheduled for December 26, 2024, while UBL's EOGM is set for December 30, 2024.

This amalgamation remains subject to the fulfillment of all necessary legal formalities and obtaining the requisite corporate, regulatory, and third-party approvals. In light of this process, the external auditors have included a note in their audit opinion, highlighting a 'Material Uncertainty Related to Going Concern'.

We shall keep our shareholders updated with respect to this Potential Merger by making further announcements as and when the matter progresses.

Acknowledgement:

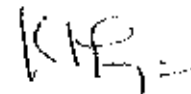
We, once again, take this opportunity to express our deepest gratitude to our customers and business partners for their continued support and trust, and our sincere appreciation to the State Bank of Pakistan for their guidance and cooperation.

We are also equally thankful to our associates, staff and colleagues for their committed services, and look forward to their continued support.

**For and on Behalf of the Board of
Silkbank Limited**



**Shahram Raza Bakhtiari
President & CEO**



**Khalid Aziz Mirza
Chairman**

Karachi, December 13, 2024

Slik Bank Limited - Annual Report December 2022

ڈائریکٹرز کی رپورٹ

معزز شیئر ہولڈرز،

ڈائریکٹرز نہایت مسرت کے ساتھ 31 دسمبر 2022 کو ختم ہونے والے سال کے لیے 29 ویں سالانہ رپورٹ جمعہ آڈٹ شدہ مالیاتی بیانات پیش کر رہے ہیں۔

معاشی جائزہ

مالی سال 2021-2022 میں پاکستان کی متاثر کن شرح نمو 5.97% رہی، لیکن مالی اور کرنٹ اکاؤنٹ خسارے کے دوبارہ اُبھرنے سے یہ کامیابی مانہ ہو گئی۔ ملک نے سیلاب کے بعد کی صورتحال سے نمٹتے ہوئے، بین الاقوامی ایمنڈمنٹ اور ایشیائی خورد و نوش کی بلند قیمتوں کے باعث تجارتی خسارہ بڑھ کر 39.63 ارب امریکی ڈالر تک پہنچ گیا۔ بیرونی خسارہ جی ڈی پی کے 4.6% یعنی 17.4 ارب امریکی ڈالر تک جا پہنچا۔

پاکستانی روپے کی قدر میں 28.20% کی تیز گراؤٹ نے مہنگائی کو دسمبر 2022 میں 24.5% تک بڑھا دیا۔ مالی سال 2022 کے لیے اوسط مہنگائی 19.72% تک پہنچ گئی۔ توقع ہے کہ مالی سال 2023 میں یہ بلند سطح پر برقرار رہے گی۔ مہنگائی کے دباؤ کو کم کرنے کے لیے اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو مالی سال 2021 کے 9.75% سے بڑھا کر 2022 کے آخر میں 16.00% کر دیا۔

بڑے پیمانے پر مینوفیکچرنگ (LSM) میں دسمبر 2022 کے دوران سال بہ سال بنیاد پر 3.5% کمی ہوئی (ماہ بہ ماہ بنیاد پر 12.40% اضافہ ہوا)۔ دسمبر کے اعداد و شمار کی روشنی میں، مالی سال 2022 کی پہلی سہ ماہی میں LSM میں 3.7% کمی کی ریکارڈ کی گئی۔ دسمبر 2022 میں اضافہ بلوسات، خوراک، فرنیچر، اور پٹرولیم کے شعبوں میں ہوا، جو بالترتیب 25.5%، 11.1%، اور 3.5% رہا۔ سب سے زیادہ کمی ٹیکسٹائل، آئرن اور اسٹیل، فارماسیوٹیکلز، آٹوز، مشینری اور آلات، برقی آلات، اور تہا کو کے شعبوں میں دیکھی گئی، جو بالترتیب 21.2%، 8.1%، 12.7%، 36.2%، 77.9%، 4.4% اور 28.8% تھی۔

مالی سال 2022 کے دوران کرنٹ اکاؤنٹ خسارہ 12.56 ارب امریکی ڈالر تک بڑھ گیا۔ اس بلند خسارے نے ملک کے زرمبادلہ کے ذخائر پر دباؤ ڈالا، جو مالی سال 2021 کے 24.4 ارب امریکی ڈالر سے کم ہو کر مالی سال 2022 میں 15.50 ارب امریکی ڈالر رہ گئے۔ روپے کی قدر 31 دسمبر 2022 کو 226.43 تک گر گئی، جو 31 دسمبر 2021 کو 176.513 تھی۔ سال بھر میں روپے کی مجموعی قدر میں 28.28% کمی ہوئی۔ توقع ہے کہ 2023 میں یہ مزید 18 تا 23 فیصد تک کم ہو سکتی ہے۔

دور کرزکی تریبلٹ زر مالی سال 2021 کے 29.45 ارب امریکی ڈالر سے بڑھ کر مالی سال 2022 میں 31.27 ارب امریکی ڈالر ہو گئیں، جس میں 6.1% کا اضافہ ریکارڈ کیا گیا۔ روٹن ڈیجیٹل اکاؤنٹ نے سال 2022 کے دوران 2.41 ارب امریکی ڈالر کے مجموعی اور 1.28 ارب امریکی ڈالر کے خالص انفلو کی طرف توجہ مبذول کرائی۔ سیلاب کی تباہ کاریوں اور خراب معاشی حالات کے درمیان ڈیکوئی مارکیٹ کا رجحان نیچے کی طرف رہا، اور یہ سال بہ سال 9% کی کمی پر بند ہوئی۔ سیلاب کے باعث جی ڈی پی کو مجموعی نقصان کا اندازہ 2.8 ٹریلین سے 3.3 ٹریلین روپے لگایا گیا، جو جی ڈی پی کا 3.90% بنتا ہے۔ بین الاقوامی سرمایہ کار مجموعی طور پر فروخت کی طرف مائل رہے۔ قرض کی ادائیگی کے خدشات بڑھ گئے کیونکہ آئی ایم ایف پروگرام متوقع سے زیادہ وقت میں عمل میں آیا۔ ملک کو بیرونی فنڈز اکٹھا کرنے میں دشواری کا سامنا کرنا پڑا کیونکہ بڑے دو طرفہ قرض دہندگان نے فنڈز کی دستیابی کو آئی ایم ایف کی منظوری سے مشروط کر دیا۔

بینکنگ سیکٹر:

مشکل حالات کے باوجود سال 2022 کے دوران بینکنگ سیکٹر کے استحکام کے اشاریے بڑی حد تک مستحکم رہے۔ اثاثہ جات کی بنیاد میں 19.1% کا اضافہ ہوا، جو پچھلے سالوں کی ترقی کی رفتار کو ظاہر کرتا ہے۔ تاہم، حکومتی سیکورٹیز میں سرمایہ کاری میں اضافے نے اس ترقی کو بنیادی طور پر سہارا دیا، کیونکہ بینکوں کی حکومتی ایکسپوزر اثاثہ جات کی بنیاد کے 55.5% تک پہنچ گئی۔ نجی شعبے کی ایڈوانسز، معمولی کمی کے باوجود، نمایاں رفتار سے بڑھیں کیونکہ بلند قیمتوں نے ورکنگ کپٹل فنانس میں اضافے کو تقویت دی۔ فنڈنگ کے پبلس، بینکوں کا قرضے لینے پر انحصار مزید بڑھ گیا، کیونکہ ڈپازٹس میں نمایاں سست روی دیکھنے میں آئی۔

سال 2022 کے دوران بینکنگ سیکٹر کا ریڈت ریسک قابو میں رہا۔ غیر فعال قرضے (NPLs) ایڈوانسز کے مقابلے میں سست رفتار سے بڑھے، اس کے علاوہ، بینکوں نے قرضوں کے نقصانات کو پورا کرنے کے لیے مناسب پروویژنز برقرار رکھیں۔ مجموعی غیر فعال قرضوں کا تناسب سال 2022 میں 7.9% سے کم ہو کر 7.3% رہ گیا، جبکہ خالص غیر فعال قرضوں کا تناسب (NNPLR) معمولی طور پر بڑھ کر 0.8% ہو گیا، جو پچھلے سال 0.7% تھا۔ بنیاداً خطرہ، یعنی NNPLR اور خالص غیر فعال قرضوں کا سرمایہ کے تناسب کے ساتھ، گزشتہ دو دہائیوں کی کم ترین سطح پر رہا۔

سٹاک ایکس کی کارکردگی سال 2022 کے دوران

مالی کارکردگی:

31 دسمبر 2022 تک سٹاک ایکس کے ڈپازٹس کی بنیاد 145.29 ارب روپے پر تھی، جس میں 1.54 ارب روپے کا اضافہ ہوا، جس میں موجودہ اور غیر منافع بخش اکاؤنٹس کی بنیاد میں 0.84 ارب روپے کا اضافہ شامل ہے۔ اس اضافے نے سٹاک ایکس کو کم لاگت کے ساتھ لیکویڈیٹی فراہم کرنے میں مدد فراہم کی۔ مجموعی ایڈوانسز 94.32 ارب روپے پر بند ہوئے، جو سال بہ سال 5.34 ارب روپے کی کمی کو ظاہر کرتے ہیں۔ غیر فعال قرضوں میں 1.26 ارب روپے کا اضافہ ہوا، جو 45.12 ارب روپے پر بند ہوئے، جو بنیادی طور پر نئی درجہ بندیوں کی وجہ سے تھا۔

سٹاک ایکس ایکویٹیڈ کی 31 دسمبر 2022 کو ختم ہونے والے سال کی خلاصہ مالی کارکردگی درج ذیل ہے:

2021	2022	
	روپے ملین میں	
2833	-2,351	نیٹ مارک آپ اور بیٹرن انٹرسٹ انکم
-9,946	-6,592	پروویژنز اور رائلٹی آف نیٹ
-3,921	3,254	ٹران مارک آپ انٹرسٹ انکم
-7,606	-7,698	ٹران مارک آپ انٹرسٹ خرچ
-18,640	-13,387	نقصان قبل از ٹیکس
6,358	7,001	ٹیکس
-12,282	-6,386	نقصان بعد از ٹیکس
	روپے	
(1.35)	(0.70)	بنیادی اور ڈیویڈنڈ نقصان فی شیئر

سٹاک ایکس نے 6.39 ارب روپے کا بعد از ٹیکس خسارہ رپورٹ کیا، جو بنیادی طور پر منفی نیٹ انٹرسٹ انکم (NII) اور غیر فعال قرضوں (NPLs) کے لیے اسٹیٹ ایکس آف پاکستان کے پروویڈنٹل ریگولیشنز کے مطابق کی گئی پروویژنز کی وجہ سے ہے۔ سٹاک ایکس کو پچھلے سال کے مقابلے میں 5.18 ارب روپے کا خسارہ ہوا، جو زیادہ تر بلانڈ شرح سود کی وجہ سے ہے، جس نے سٹاک ایکس کے مارک اپ اسپریڈ کو بری طرح متاثر کیا۔

اس کے علاوہ، زیادہ مارک اپ سسپنشنز اور غیر منافع بخش اثاثوں میں اضافے، جس کے نتیجے میں زیادہ لیوریج پوزیشن پیدا ہوئی، اس نے NII کی سطح پر پوزیشن کو مزید خراب کر دیا۔ غیر فعال قرضوں کے لیے کی گئی پروویژنز وقت کی بنیاد پر ہیں اور بنیادی طور پر ان مخصوص قرض دہندگان سے متعلق ہیں جو زیادہ تر ریل اسٹیٹ کے کاروبار میں ملوث ہیں۔

آپریٹنگ اخراجات کے حوالے سے، پچھلے سال 318 ملین روپے کی ایک بار کی قانونی لاگت برداشت کی گئی۔ اس اخراجات کو نکال کر، آپریٹنگ لاگت میں 545 ملین روپے کا اضافہ ہوا، جو بنیادی طور پر سال کے دوران زیادہ مہنگائی اور روپے کی امریکی ڈالر کے مقابلے میں قدر میں کمی کی وجہ سے ہوا۔ یہ عوامل مختلف لاگت کی عملی حکمت عملیوں اور اقدامات کے نفاذ کے ذریعے حاصل کردہ بچتوں کو ختم کر دیتے ہیں۔

31 دسمبر 2022 تک، بینک کی کم از کم سرمایہ ضروری پات (MCR) منفی 15.44 ارب روپے تھیں، اور کیپٹل ایڈیکویٹی ریشو (CAR) منفی 45.89% پر تھی، جو بالترتیب 10 ارب روپے اور 11.50% کے ریگولیٹری کم از کم سے کم تھیں۔

13 اکتوبر 2024 کو، یونائیٹڈ بینک لمیٹڈ (UBL) نے بینک کے ساتھ انضمام کی پیشکش جمع کروائی، جو بینکنگ کمینیز آرڈیننس 1962 کے سیکشن 48 کے تحت اسٹیٹ بینک آف پاکستان کی منظوری سے عمل میں آئے گی۔ بینک کی موجودہ مالیاتی صورتحال، منفی ایکویٹی اور خراب ہوتی ہوئی مالی پوزیشن کو مد نظر رکھتے ہوئے، بورڈ آف ڈائریکٹرز نے 6 نومبر 2024 کو ہونے والے اجلاس میں اس تجویز کو اصولی طور پر منظور کر لیا۔

اس کے بعد، 2 دسمبر 2024 اور 4 دسمبر 2024 کو منعقدہ الگ الگ اجلاسوں میں، یونائیٹڈ بینک لمیٹڈ (UBL) اور بینک کے بورڈ آف ڈائریکٹرز نے مجوزہ انضمام کی مزید تفصیلات پر غور کیا اور درج ذیل فیصلے کیے:

بینک کا یونائیٹڈ بینک انٹرنیشنل (UBI) کے ساتھ انضمام، جو کہ بینکنگ کمینیز آرڈیننس 1962 کے سیکشن 48 کے تحت شیئر سوئپ معاہدے کے ذریعے ہوگا:

انضمام کے معاہدے کی تکمیل، انضمام کے منصوبے اور انضمام کے حوالے سے دیگر ضمنی دستاویزات کی تکمیل؛

سوئپ کا تناسب ایک (1) نیا عام شیئر یو بی ایل کا جس کا ٹیس ویلیو 10 روپے (پاکستانی روپیہ دس روپے) ہوگا، بینک کے 325 پہلے سے جاری شدہ شیئرز کے بدلے، ہر شیئر کی ٹیس ویلیو 10 روپے (پاکستانی روپیہ دس روپے) ہوگی، اور یو بی ایل کے 27,944,188 عام شیئرز کا اجرا بغیر کسی حق کی پیشکش؛

بینک 26 دسمبر 2024 کو غیر معمولی جنرل اجلاس (FOGM) اور یونائیٹڈ بینک لمیٹڈ (UBL) کا 30 دسمبر 2024 کو اجلاس طلب کرنا، تاکہ بینک اور UBL کے متعلقہ شیئر ہولڈرز کی جانب سے انضمام اور اپوز کر کردہ امور پر غور اور منظوری حاصل کی جاسکے۔

یہ انضمام تمام ضروری قانونی کارروائیوں کی تکمیل اور تمام ضروری کارپوریٹ، ریگولیٹری اور ٹیکس پارٹی کی منظوریوں کی وصولی پر مشروط ہے۔ اس کے مطابق، بیرونی آڈیٹرز نے اپنی آڈٹ رائے میں 'گوانگ کنفرنس سے متعلق اہم غیر یقینی صورتحال' کو اجاگر کیا ہے۔

شعبہ جاتی کارکردگی

برانچ بینکنگ:

برانچ بینکنگ، بینک کے لیے سب سے اہم کاروباروں میں سے ایک ہے، جو 245,743 سے زائد صارفین کو خدمات فراہم کرتا ہے اور بینک کی ڈپازٹس میں 75% سے زائد حصہ فراہم کرتا ہے۔ 31 دسمبر 2022 تک کل ڈپازٹ تقریباً 109.24 ارب روپے تھا۔ سال کے دوران کل ڈپازٹ میں 11.32 ارب روپے کا اضافہ ہوا، جس میں سے کرنٹ اور سہولت اکاؤنٹ پورٹ فولیو میں 11.28 ارب روپے کا اضافہ ہوا۔

2022 میں، سلاک، بینک ویزا ڈیپٹ کارڈز میں زبردست نمو دیکھی گئی، 31,928 نئے کارڈ جاری کیے گئے اور کل ایکٹیو کارڈز میں کو 182,131 تک پہنچا دیا گیا۔ ڈیپٹ کارڈ کی خریداری کے پوائنٹس اور آن لائن ٹرانزیکشنز میں 870,000 ملین روپے کے دوران 3.60 ارب روپے کا خرچ ہوا۔ اس کے علاوہ، سلاک بینک اسے ٹی ایگز نے ملک بھر میں 7.8 ارب روپے سے زائد کی نقدی فراہم کی۔

2022 میں، بینک شورٹس نے 84.02 ملین روپے کا کاروبار حاصل کیا، جس کے نتیجے میں 30.47 ملین روپے کا NFI حاصل ہوا۔ مالی سال 2022 کے دوران مختلف مارکیٹنگ اور بیزنس اقدامات نے 2021 میں حاصل شدہ 67 ملین روپے کے مقابلے میں 125% اضافے کا باعث بنے۔

اس شعبے نے ایک جارحانہ حکمت عملی اپنائی اور ساتھ ہی روایتی طریقے سے ڈیجیٹل بینکنگ کے طریقے کی طرف توجہ مرکوز کی۔ ہمارے پائیدار ترقی کے لیے عزم میں کوئی کمی نہیں آئی ہے۔ حالیہ ترقی کی رفتار کو مد نظر رکھتے ہوئے، ہم منافع میں اضافے کو ترجیح دے رہے ہیں، اس کے لیے حکمت عملی اقدامات جیسے کہ کم لاگت والے ڈپازٹس حاصل کرنا، زیادہ منافع بخش اثاثوں کی اصلاح اور ڈیجیٹلائزیشن کی ترقی پر توجہ مرکوز کر رہے ہیں۔ ساتھ ہی، ہم مضبوط آئی ٹی کی بہتری، عملے کی تربیت میں اضافے اور بہترین مینجمنٹ پریکٹس اور کسٹمر سروس کی مہارت فراہم کرنے پر بھی مرکوز ہیں۔ جیسے کہ ہم پیچیدگیوں کا سامنا کر رہے ہیں، ہم اس بات پر پختہ یقین رکھتے ہیں کہ ہم بینکنگ اور مالیات کے تیزی سے تبدیل ہوتے منظر نامے میں کامیاب ہو کر رہیں گے اور دوسروں کی بھی راہنمائی کریں گے۔

کنزومر بینکنگ:

بینک نے 2022 کے سال کو ایک ریکارڈ منافع کے ساتھ ختم کیا، جس میں تمام آن سیکورڈ پروڈکٹس پر ٹیکس سے پہلے 2.3 ارب روپے کا منافع حاصل کیا، جو کہ تقریباً 18 ارب روپے کے پورٹ فولیو پر تھا۔

ریڈی لائن:

سال 2022 ریڈی لائن کے لیے شاندار ترقی کا سال ثابت ہوا، جس میں 46,000 فعال اکاؤنٹس پر 17.6 ارب روپے کے فعال پورٹ فولیو کے ساتھ 1.2 ارب روپے کا ریکارڈ قبل از ٹیکس منافع حاصل ہوا۔ پورے سال کے دوران کئی کامیاب اخراجات اور پورٹ فولیو میں بہتری کے اقدامات کیے گئے، جن میں حکمت عملی کے تحت پروموشنز اور ہدف شدہ اخراجاتی مہمات شامل تھیں۔ اس کے نتیجے میں اس سال 22 ارب روپے کی حیرت انگیز سالانہ اخراجات کے ساتھ 49% کی سب سے زیادہ استعمال کی شرح حاصل ہوئی۔

پرسنل لون:

بینک نے اس پروڈکٹ کو درپیش اقتصادی حالات اور وبا کے اثرات کے باوجود 2022 کے سال کو 3.1 ارب روپے کے فعال پورٹ فولیو کے ساتھ ختم کیا، جس میں تقریباً 17,000 فعال کسٹمرز شامل ہیں۔

کریڈٹ کارڈز:

کریڈٹ کارڈز کے کلیدی کارکردگی کے اشاروں نے مثبت اشارے دکھائے کیونکہ COVID-19 کی پابندیوں کے بعد کاروباری رفتار میں اضافہ ہوا، جس کی وجہ سے لوگوں کو مختلف مقامات اور مواقعوں پر خرچ کرنے کی ترغیب ملی۔ کریڈٹ کارڈ کی فروخت میں تیزی آئی، جس کے نتیجے میں سال بھر میں 36,283 نئے کارڈ جاری ہوئے، جس سے کارڈز ان فوریس کی تعداد 180,241 تک پہنچ گئی، جبکہ ای این آر 6.88 ارب روپے تھا، جو کہ ایک نئے سنگ میل 7 ارب روپے کے قریب ہے۔ سال 2022 کے لیے کریڈٹ کارڈز پر مجموعی خرچ 38 ارب روپے تھا، جبکہ دسمبر 2022 میں سب سے زیادہ ای این آر 6,883 ریکارڈ کیا گیا۔

کریڈٹ کارڈز کے کاروبار نے کریڈٹ کارڈ کی ادائیگیوں کے لیے ڈیجیٹل چینلز کو فروغ دینا جاری رکھا، جس میں دوسرے بینکوں کی ADC اور OTC خدمات شامل تھیں، جنہیں کریڈٹ کارڈ کی ادائیگی کی مہمات اور ڈیجیٹل ادائیگی کے چینلز کے استعمال کے بارے میں کسٹمرز کو آگاہ کرنے کی ایشٹنہاری مہم سے سپورٹ کیا گیا۔ سلک بینک کریڈٹ کارڈ کی ادائیگی کے لحاظ سے ڈیجیٹل چینلز کے ذریعے ٹاپ 3 بینکوں میں شامل ہو گیا۔ دسمبر 2022 میں سلک بینک کے کریڈٹ کارڈز کی مجموعی ادائیگیاں 80% (جو کہ دسمبر 2021 میں 45% تھیں) ڈیجیٹل چینلز کے ذریعے کی گئیں۔

ہم نے ای کامرس، گروسری اور فوڈ پر خرچ کرنے کی متعدد حکمت عملی کے تحت مہمات چلائیں، جن کے ساتھ ایونٹ پر مبنی مہمات نے کریڈٹ کارڈز کے استعمال میں 35% تک اضافہ کیا، جو کہ اب تک کا سب سے زیادہ استعمال تھا۔ ENR کے حجم کو بڑھانے کے لیے متعدد مہمات چلائی گئیں، جن میں اگست میں آزادی مہم اور نومبر میں بلیڈ فرائیڈے کی مہم شامل تھی، جس نے آخر کار سال 2022 میں 3 ارب روپے کا ایف آئی پی (فلیکس ایبل انٹیلجنٹ پلان) کا حجم پیدا کیا۔ سلک بینک کریڈٹ کارڈز انٹرنیشنل نے کسٹمرز کو دلکشی نئے فلیکس ایبل انٹیلجنٹ پلان (FIP) کی پیشکشوں، آن لائن تاجروں پر ڈسکاؤنٹ آفرز، دیگر حکمت عملی کے پیشکشوں اور موجودہ پورٹ فولیو کے لیے نئے انٹرنیشنل پارٹنرز کے شامل کرنے میں اہم کردار ادا کیا۔ مارکیٹ میں سلک بینک کریڈٹ کارڈز کی پوزیشن کو مزید مستحکم کرنے کے لیے بہت سی منصوبہ بندی کی جا رہی ہے جیسے نو کانسٹریکشن، ایم وی آئی ایس اے کیو آر جاری کرنا، سیگمنٹ پر مبنی کارڈز، کریڈٹ کارڈز کے ذریعے آئی بی ایف ٹی اور آن لائن اکونٹیشن پورٹل۔

ہول سیل بینکنگ:

ٹریڈری اور مالیاتی ادارے

ٹریڈری نے مالی سال 2022 میں 439 ملین روپے کا غیر ملکی زرمبادلہ کا منافع حاصل کیا، جو کہ بجٹ 307 ملین روپے سے 43 فیصد زیادہ تھا۔ 2022 میں مختلف شرحوں میں اتار چڑھاؤ کے باعث زیادہ غیر ملکی زرمبادلہ کی آمدنی حاصل کی گئی، اور ہر شرح کی تبدیلی پر اضافی آمدنی ریکارڈ کی گئی اور ان مواقع سے فائدہ اٹھایا گیا۔ اس کے علاوہ، 2022 میں ہم نے اپنے موجودہ کسٹمرز سے تجارتی کاروبار کے لیے مزید کاروبار حاصل کیا، اور اپنے موجودہ کلائنٹس کو ان کے مجموعی تجارتی حصے میں اضافہ کرنے کے لیے ہدف بنایا۔ جیسے ہی پالیسی کی شرح 6.25 پوائنٹس تک بڑھی، نیٹ انٹرسٹ انکم (NNI) ہائی فنڈنگ کی لاگت کی وجہ سے متاثر ہوئی، اور یہ بجٹ سے 174 ملین روپے بہتر رہی۔ مالیاتی ادارے کے شعبے نے 86.77 ملین روپے کی ٹان فنڈ انکم (NFI) حاصل کی۔

ایمان اسلامی بینکنگ (ایمان):

ایمان اسلامی بینکنگ، شریعت کے مطابق بینکنگ مصنوعات فراہم کرنے اور ساتھ ہی ساتھ کسٹمر کی تسلی بخش خدمت کو یقینی بنانے کے لیے پرعزم ہے۔ اس سال کے دوران بینکنگ انڈسٹری کو ریٹیلنگ کے باوجود، ایمان اسلامی بینکنگ نے اپنی پوزیشن برقرار رکھی اور 2022 میں شاندار کارکردگی کا مظاہرہ کیا۔ بینک نے اپنے ڈپازٹ پورٹ فولیو کو 15.93 بلین روپے پر ختم کیا، جس میں CASA اور ٹائم ڈپازٹ کا تناسب 75:25 تھا۔

ایمان اسلامی بینکنگ نے مسلسل مستحکم ترقی کا مظاہرہ کیا، سال بھر میں 4,517 نئے اکاؤنٹس کھولے گئے، جس سے کل اکاؤنٹس کی تعداد 42,176 ہو گئی۔ بینک کی بنیادی اقدار کے مطابق، ہمارے عملے نے ہمیشہ عمدہ خدمت کی فراہمی کو ترجیح دی۔ یہ عزم ایمان کے کسٹمرسرس پر توجہ مرکوز ہونے میں ظاہر ہوتا ہے، جس کے نتیجے میں سال کے لیے "Very Good" درجہ بندی حاصل ہوئی۔

کسٹمر سروسز اور کوالٹی (CS&Q):

حکایت کے انتظام کے پوسٹرز اور سلک بینک ویب سائٹ کی اپ ڈیٹ: کسٹمر سروسز اور کوالٹی نے کال بیک کنفرینس بینک شورشورس آئی ایس ایم متعارف کروایا۔ CS&Q نے تھرڈ پارٹی پروڈکٹس کی فروخت سے متعلق کالز کی نگرانی شروع کی، جس میں کال بیک کنفرینس (CBC) کالز کی ریکارڈنگ سنی جاتی ہے اور 15 خصوصیات چیک کی جاتی ہیں تاکہ یہ یقینی بنایا جاسکے کہ صارفین کو پریمیم رقم صارف کے اکاؤنٹ سے ڈیبٹ کرنے سے پہلے مخصوص معلومات فراہم کی گئی ہیں۔

مسٹری شاپنگ پروگرام (MSP):

سال 2022 کے لیے مسٹری شاپنگ پروگرام شروع کیا گیا۔ ریجنل کسٹمرز ایکسپیرینس مینیجر (RCEM) نے تمام برانچز کو MSP کے رہنما اصول اور پروڈکٹ کے علم کے بارے میں ہدایات فراہم کیں۔ سال 2022 کے لیے مجموعی اسکور 88% تھا، جو 2021 میں 82% کے مقابلے میں بہتر ہوا۔

سال 2021 کا مجموعی نتیجہ	سال 2022 کا مجموعی نتیجہ	MSP
82%	88%	روایتی اور ایمان بینکنگ

انٹرنل سروسز کی پیمائش (ISMs):

انٹرنل سروسز کی پیمائش، جانچ کاری کا ایسا ذریعہ ہے جو عموماً کسی بھی اہم عمل کی "بروقت فراہمی"، "درستگی"، اور "موثریت" کو جانچتا ہے، جو بالآخر کسٹمر کی تسلی کا باعث بنتا ہے۔

سال 2021 کا مجموعی نتیجہ	سال 2022 کا مجموعی نتیجہ	MSP
82%	88%	روایتی اور ایمان بینکنگ
95%	94%	پورٹل کی جے

شکایات پیچمنٹ پورٹ:

شکایات پیچمنٹ پورٹ (CMU) نے 2022 میں کسٹمر کی تسلی اور شکایات کے مؤثر حل کو بہتر بنانے کے لیے نمایاں پیش رفت کی، جو ایک مضبوط صارف شکایات پیچمنٹ میکانزم (CGHM) کے لیے ریگولیشنز کی ضروری بنیاد ہے۔ ہم آہنگ ہے۔ 2021 میں شیئر کیے گئے نظر ثانی شدہ CGHM پر کام کرتے ہوئے، CMU نے کامیابی سے اس فریم ورک کو نافذ کیا، جس کے نتیجے میں نمایاں بہتری آئی۔

2022 میں CMU نے 23,237 کسٹمر کے مسائل حل کیے، اور اوسط شکایت کے حل کا وقت 2.22 دن رہا۔

2021 اور 2022 کے درمیان رپورٹ کی گئی شکایات کا موازنہ۔

شکایات	2021	2022
1 سہائی	1,837	5,239
2 سہائی	2,062	4,809
3 سہائی	2,046	6,988
4 سہائی	4,368	6,201
ٹوٹل	10,313	23,237

شکایت حل کرنے کے عمل نے شاعر کارکردگی کا مظاہرہ کیا، جہاں 97% شکایات کو 8 دن کے اندر فوری طور پر حل کیا گیا، جبکہ صرف 3% شکایات کے لیے اضافی وقت درکار ہوا۔

شکایت پر عمل کی بروقتی	2021	2022
0-8 دن	96%	97%
8 سے زائد دن	4%	3%
ٹوٹل	100%	100%

ان بہتریوں کے پیچھے کئی اقدامات شامل تھے۔ CMU نے کسٹمر سروس پیچمنٹ سرورس پورٹل کو اپ گریڈ کیا، جس میں CGHM کے لازمی نکات کو شامل کیا گیا جیسا کہ ریگولیشنز کی ہدایات تھیں۔ SMS کے ذریعے شکایت درج کرنے کے موجودہ عمل کو کسٹمر کی آسانی کے لیے مزید سادہ بنایا گیا۔ مزید برآں، CMU نے وائس ایپ بیکنگ کو فروغ دیا، ای میلز میں لنکس شامل کر کے شکایت درج کرنے اور اس کی حیثیت معلوم کرنے کے عمل کو آسان بنایا۔

اس بات کو یقینی بنانے کے لیے کہ عمل کو نظر ثانی شدہ طریقہ کار سے اچھی طرح آگاہ کیا جائے، متعدد ای۔ شوٹ بھیجے گئے۔ ریگولیشنز کے مشورے کے مطابق، کسٹمرز کو شکایات درج کرنے کے طریقوں کے بارے میں مطلع کرنے کے لیے ہر چھ ماہ بعد SMS بھی بھیجے گئے۔ CMU نے ریگولیشنز کے ساتھ 99.85% ٹرن اراؤڈ ٹائم (TAT) کی تسلی کو برقرار رکھا۔

کارپوریٹ سماجی ذمہ داری اور کاروبار کا ماحولیاتی اثر:

سالوں سے، سلک بینک نے ایک واضح کارپوریٹ سماجی ذمہ داری کے فریم ورک کے تحت معاشرے کو بہتر بنانے کے اپنے عزم پر قائم رہتے ہوئے کام کیا ہے۔ ایک سماجی طور پر ذمہ دار ادارہ ہونے کا ہمارا مقصد ان کیونٹریز کو فائدہ پہنچانا ہے جہاں ہم کام کرتے ہیں، جبکہ ماحول کی حفاظت اور قدرتی وسائل کو محفوظ رکھنے کی ذمہ داری کو سمجھتے ہیں۔ بینک اپنے اقدامات کے ماحولیاتی اثرات سے بھی آگاہ ہے اور تمام اسٹیک ہولڈرز کے لیے فائدہ مند ایک پائیدار کاروباری ماڈل تیار کرنے کی مسلسل کوشش کر رہا ہے۔

اسٹیٹ بینک آف پاکستان (SBP) کی جانب سے "گرین بینکنگ" سے متعلق ہدایات جاری ہونے سے پہلے ہی، بینک نے 2009 سے SEMS پالیسی (سوشل اینڈ انوائرنمنٹل مینجمنٹ سسٹمز پالیسی) نافذ کر رکھی تھی تاکہ یہ یقینی بنایا جاسکے کہ بینک کا موجودہ پورٹ فولیو ماحول دوست صنعتوں اور منصوبوں پر مبنی ہو۔ SEMS پالیسی میں مختلف اقسام کی نناننگ کا سماجی اور ماحولیاتی جائزہ، پروجیکٹ کیٹگریز، لاگو تقاضے، سماجی اور ماحولیاتی طریقہ کار، کنٹرولز، اور رپورٹنگ شامل ہیں۔ یہ پالیسی سینٹرل بینک کے گرین بینکنگ اقدامات کے لیے تجویز کردہ فریم ورک کے علاوہ نافذ العمل رہے گی۔

تقریباً 36 براؤنچر کوسولر پاور جنریشن پر منتقل کیا گیا ہے تاکہ اسے ٹی ایبز، انفارمیشن ٹیکنالوجی سسٹم، روشنیوں، اور سیکورٹی لارم سسٹمز کو بجلی فراہم کی جاسکے۔ بینک کی مستقبل کی حکمت عملی تمام اسے ٹی ایم پوتھو کو گرین اسے ٹی ایبز میں تبدیل کرنے کی ہے۔ یہ ہاؤسنگ سسٹم ویک اینڈز اور عوامی تعطیلات کے دوران ایندھن کے اخراجات میں بھی کمی کا سبب بنتے ہیں۔

کارپوریٹ بینکنگ کے لیے کریڈٹ اپروول پرائس گزیشنز دس سالوں سے ورک اسٹریم کے ذریعے کیا جا رہا ہے، جو ایک پیپر لیس نظام ہے۔ ہماری انٹرنیٹ بینکنگ سروس، جو ویب اور فون انہیں کے ذریعے دستیاب ہے، اسی سلسلے کا حصہ ہے۔ سالوں سے، بینک نے دستی نظاموں کو خود کار طریقوں سے تبدیل کرنے میں مستقل پیشرفت کی ہے تاکہ کاغذ کے بغیر ماحول کی جانب پیش قدمی کی جاسکے۔ بینک مختلف پرائیسوں کو ڈیجیٹائز کرنے کی بھی منصوبہ بندی کر رہا ہے تاکہ کاغذ کے استعمال کو زیادہ سے زیادہ ختم کیا جاسکے۔

سلک بینک نے ہمیشہ جدید بینکنگ پراڈکٹس تیار کرنے اور اعلیٰ درجے کی کسٹمر سروس فراہم کرنے پر مسلسل توجہ دی ہے۔ بینک کے پاس ایک واضح ڈیجیٹل ایجنڈا ہے، اور یہ اقدام نہ صرف بینک کی ڈیجیٹل موجودگی کو بڑھائے گا بلکہ اپنے صارفین کو بینکنگ سروسز کی ایک وسیع رینج فراہم کرے گا جو انہیں اپنی ضروریات 24/7 پورا کرنے کی اجازت دے گا، جبکہ سیکورٹی پروٹوکولز کو برقرار رکھے گا۔ صارف کے نقطہ نظر سے، سلک بینک کا وائس ایپ بینکنگ حل منفرد خصوصیات اور مزید بہتر سروس مینو کی بدولت بینکنگ انڈسٹری میں موجود دیگر وائس ایپ بینکنگ پیشکشوں کے مقابلے میں ایک نمایاں حل ہے۔

بورڈ آف ڈائریکٹرز:

کمپنری

نام

جناب خالد عزیز مرزا

انڈیپنڈنٹ ڈائریکٹر

جناب راشد اختر چغتائی

جناب منصور احمد قریشی

جناب طارق اقبال خان، FCA

ٹان ایگزیکٹو ڈائریکٹر

جناب ذہیر نواز چٹھہ

محترمہ سامعہ شہزاد مراد

جناب گوہر امین افضل

ان افراد کے نام، جو اس مالیاتی سال میں کسی بھی مدت کے دوران بینک کے ڈائریکٹرز رہے ہیں:

1- جناب خالد عزیز مرزا

2- جناب راشد اختر چغتائی

3- جناب منصور احمد قریشی

4- جناب طارق اقبال خان، FCA

5- جناب ذہیر نواز چٹھہ

6- محترمہ سامعہ شہزاد مراد

7- جناب گوہر امین افضل

بورڈ کی کمیٹیوں کی ترتیب:

اسٹیٹ بینک آف پاکستان کی گائیڈ لائنز کے مطابق، بورڈ نے اپنی کمیٹیاں جس طرح سے تشکیل دی ہیں وہ مندرجہ ذیل ہے:

آڈٹ کمیٹی:

چیئرمین

منصور احمد قریشی

ممبر

طارق اقبال خان، FCA

ممبر

سامعہ شہزاد مراد

سیکرٹری

ہیڈ آف آڈٹ

معاوضے، مشاورے اور انسانی وسائل کی کمیٹی:

چیئر مین	خالد عزیز مرزا
ممبر	راشد اختر چغتائی
ممبر	سامعہ شہزاد مراد
سیکرٹری	ہیڈ آف ایچ آر

رسک مینجمنٹ کمیٹی:

چیئر مین	طارق اقبال خان، FCA
ممبر	مسرور احمد قریشی
ممبر	گوہر العین افضل
سیکرٹری	چیف رسک آفیسر

انفارمیشن ٹیکنالوجی کمیٹی:

چیئر مین	زبیر نواز چٹھہ
ممبر	مسرور احمد قریشی
ممبر	گوہر العین افضل
سیکرٹری	ہیڈ آف آئی ٹی

بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ:

اسٹیٹ بینک آف پاکستان کی جانب سے جاری کردہ گائیڈ لائنز کے مطابق بورڈ آف ڈائریکٹرز کی کارکردگی کے جائزے کے لیے پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس کی جانب سے تیار کردہ سوالنامہ بورڈ کے سامنے پیش کیا گیا۔ یہ سوالنامہ دو حصوں میں تقسیم کیا گیا: بورڈ کی مجموعی کارکردگی (جس میں بورڈ کمیٹیاں بھی شامل ہیں) اور انفرادی ڈائریکٹرز کا جائزہ (جو چیئر مین نے لیا)۔ ان کے علاوہ، بورڈ کے ارکان کو کسی ابھرتے ہوئے مسئلے پر اپنی رائے دینے کا بھی موقع فراہم کیا گیا۔ سوالنامے میں بورڈ کی ساخت، سائز، تشکیل، ذمہ داریاں، انفرادی ڈائریکٹرز کی کارکردگی اور اس کی کمیٹیوں کے تمام پہلوؤں کا احاطہ کیا گیا۔

ڈائریکٹرز کی جانب سے اس سوالنامے کے نتائج / فیڈ بیک کو مفید اور عملی بنانے کے ذریعے مرتب کیا گیا اور بورڈ نے اپنے مجموعی معیار اور کارکردگی کا جائزہ لینے کے لیے ان پر غور کیا۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:

بورڈ SECP کے کوڈ آف کارپوریٹ گورننس کے تحت اپنی ذمہ داریوں کو پورا کرنے کے لیے پرعزم ہے۔ اس ضمن میں بورڈ درج ذیل بیانات دینا چاہتا ہے:

(a) بینک کی انتظامیہ کے ذریعے تیار کردہ مالیاتی بیانات بینک کے اسٹینڈس، عملیاتی نتائج، کمیشن ان فلور ایکویٹی میں تبدیلیوں کو درست طور پر ظاہر کرتے ہیں۔

(b) بینک کی اکاؤنٹس کتب مناسب انداز میں برقرار رکھی گئی ہیں۔

(c) مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مسلسل اپنایا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط انداز سے پرستی ہیں۔

(d) پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کو مالیاتی بیانات کی تیاری میں اپنایا گیا ہے اور جہاں ان سے انحراف ہوا ہے، اسے مناسب طور پر ظاہر کیا گیا ہے۔

(e) اندرونی کنٹرول کا نظام ڈیزائن میں مضبوط ہے اور موثر طریقے سے نافذ اور مانیٹر کیا گیا ہے۔ اندرونی کنٹرول پر انتظامیہ کا بیان اس کے ساتھ منسلک ہے جس کی توثیق بورڈ نے اسٹیٹ بینک آف پاکستان کی ضروریات کے مطابق کی ہے۔ بورڈ بالآخر بینک کے اندرونی کنٹرول کے نظام اور اس کی موثریت کا جائزہ لینے کا ذمہ دار ہے۔ تاہم، اس طرح کا نظام خطرے کو مکمل طور پر ختم کرنے کے بجائے انتظام کے لیے ڈیزائن کیا گیا ہے اور اس کی نوعیت کے باعث یہ مادی غلط بیانی یا نقصان کے خلاف معقول یقین دہانی فراہم کر سکتا ہے لیکن مکمل یقین دہانی نہیں دے سکتا۔

بورڈ کی جانب سے اندرونی کنٹرول کے نظام کی موثریت کا جائزہ لینے کے لیے استعمال ہونے والے عمل میں درج ذیل شامل ہیں:

(i) ایک آڈٹ کمیٹی تشکیل دی گئی ہے جس کے منظور شدہ حوالہ جات ہیں اور جو بورڈ کو رپورٹ کرتی ہے۔ یہ کمیٹی بینک کے انٹرنل آڈٹ کے شعبے کے اپنائے گئے طریقہ کار کا جائزہ لیتی ہے، اس کے ساتھ ہی ایکسٹرنل آڈیٹرز کے ساتھ اس کے تعلقات اور دائرہ کار کو بھی دیکھتی ہے۔ یہ کمیٹی انٹرنل آڈٹ کی رپورٹس حاصل کرتی ہے، اور اگر کوئی میٹریل کنٹرول کی کمزوری سامنے آتی ہے تو اس پر بات چیت کی جاتی ہے اور توثیق والے حصوں میں ضروری اقدامات کیے جاتے ہیں۔

(ii) ایک تنظیمی ڈھانچہ قائم کیا گیا ہے جو واضح مواصلاات کی لائنوں اور اختیارات کی سطحوں کی حمایت کرتا ہے، جس میں مناسب ذمہ داری اور احتساب کی تفویض کی جاتی ہے۔

(iii) وہ کاروباری حکمت عملی جو ڈیزائن کی سطح پر منظور کی جاتی ہے، بورڈ کے ذریعے منظور کی جاتی ہے۔ اس کے علاوہ سالانہ بجٹ اور اسٹریٹجک منصوبہ بندی کا عمل بھی موجود ہے۔ یہ حکمت عملیاں سال بھر کے دوران اس لیے جائزہ لی جاتی ہیں تاکہ کاروباری ماحول میں ہونے والی اہم تبدیلیوں کو سامنے لایا جاسکے۔

(iv) کنٹرول فریم ورک کی بنیادی خصوصیات میں شامل ہیں:

- اہم سرمائے کے اخراجات اور دیگر سودوں کے لیے تشخیص اور منظوری کے طریقہ کار
- مالی کارکردگی کی باقاعدہ رپورٹنگ اور گرائی، جس میں آپریٹنگ شماریات اور ماہانہ بیجمنٹ اکاؤنٹس استعمال کیے جاتے ہیں، جو اہم کارکردگی کے اشارے اور بجٹ اور سرمایہ پیش گوئیوں سے انحراف کو اجاگر کرتے ہیں۔
- صحت، حفاظت، ماحولیات اور ہنگامی صورتحال کے انتظام کے عمل اور دیگر اہم پالیسیوں کا جائزہ۔

- مزید برآں، اندرونی کنٹرول کے نظام کا جائزہ داخلی آڈٹ کے شعبے کے ذریعے بھی لیا جاتا ہے اور اندرونی کنٹرول پر انتظامیہ کے نتائج کو ڈویژنل مینجمنٹ کے ذریعے بورڈ کو تصدیق کیا جاتا ہے۔
- بینک کی جاری سرگرمی کے طور پر چلنے کی صلاحیت پر کوئی اہم شک نہیں ہے۔
- کارپوریٹ گورنس کے بہترین طریقوں سے کوئی مادی انحراف نہیں ہوا ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل سے بیان کیا گیا ہے۔
- (f) پروڈیونٹ فنڈ اور گریجویٹ فنڈ کی سرمایہ کاری کی قیمت بالترتیب 806 ملین روپے اور 676 ملین روپے ہے، جیسا کہ ان فنڈز کے آڈٹ مالیاتی بیانات میں 31 دسمبر 2022 کو ختم ہونے والے سال کے لیے ظاہر کیا گیا ہے۔

رئیس مینجمنٹ فریم ورک:

سالوں کے دوران ریسک مینجمنٹ کے مجموعی نفل میں بہتری کے لیے مسلسل کوششیں کی گئی ہیں، جس کے نتیجے میں کنٹرول اور ریسک کے ماحول میں بہتری آئی اور بینک میں ایک مضبوط "ریسک کلچر" کی تخلیق ہوئی۔ ہسٹری کی پالیسی پر بندرتج عمل درآمد اور ریسک کے انتظام میں مربوط طریقہ کار پر بڑھتی ہوئی توجہ کے ساتھ، ریسک مینجمنٹ کے ریسک مینجمنٹ نفل کے کچھ اہم پہلو درج ذیل ہیں:

کریڈٹ ریسک

کریڈٹ ریسک کا انتظام RMG کے اہم فراہم کنندہ میں سے ایک سمجھا جاتا ہے۔ کارپوریٹ، کمرشل، ایس ایم ای، اور کنزیومر سیگمنٹ کے لیے آزاد ریسک مینجمنٹ یونٹس مکمل طور پر فعال ہیں اور اسٹیٹ بینک آف پاکستان کی موجودہ ہدایات کے مطابق بنائی گئی پالیسیز/مینیولز اور پروڈکٹ پروگرامز کی واضح طریقہ کار کے تحت عمل کرتے ہیں۔ کریڈٹ ریسک کو متعلقہ منظوری دینے والے یونٹس کے ذریعے مستقل طور پر مانیٹر کیا جاتا ہے۔ مختلف منظوری دینے والوں کو کریڈٹ اپروول اتھارٹیز بھی تفویض کی گئی ہیں تاکہ منظوری کا عمل آسان ہو۔

مزید برآں، بینک کے تمام سگمنٹ کے لیے کریڈٹ ایڈمنسٹریشن یونٹس موجود ہیں، جو دستاویزات اور محفوظ رکھنے کے عمل کو موثر طریقے سے سنبھالنے ہیں۔ بینک نے ان ہاکس آبلنگ ریسک ریٹنگ (ORR) ماڈل/اسسٹو تیار کیے ہیں جو کارپوریٹ، کمرشل، اور ایس ایم ای کے لیے مخصوص ہیں اور وقتاً فوقتاً نظر ثانی اور بہتری کے لیے اپڈیٹ کیے جاتے ہیں۔ اس کے علاوہ، آرا ایم جی نے ایک مضبوط ابتدائی وارننگ سسٹم (EWS) بھی نافذ کیا ہے۔

آرا ایم جی نے ایک فیسلٹی ریسک ریٹنگ (FRR) ماڈل بھی متعارف کرایا ہے، جو اب بینک کی سطح پر مکمل طور پر نافذ ہو چکا ہے اور تمام کسٹمرز کو دی جانے والی کیش فیسلٹی کے ریسک کو مؤثر طریقے سے ناپتا ہے۔ یہ عمل مسئلہ زدہ قرضوں کو ابتدائی مرحلے میں شناخت کرنے کے قابل بناتے ہیں تاکہ بروقت اصلاحی اقدامات کیے جاسکیں۔ ان نظاموں کے قیام کے نتائج اب بیرونی آڈیٹرز کی مینجمنٹ لیٹرز اور اسٹیٹ بینک آف پاکستان کی انکوائری ٹیموں کی سالانہ رپورٹس میں ظاہر ہونے لگے ہیں، جہاں سسٹم اور طریقہ کار کی ناکامیوں کی تعداد میں کمی دیکھی جا رہی ہے۔

کنزیومر بینکنگ کے تحت، ایک علیحدہ کلائینٹ یونٹ قرضوں کے فالو اپ اور ریکوری کے لیے کام کرتا ہے، جو کنزیومر قرضوں کی مضبوط ریکوری اسٹریٹجی کو یقینی بناتا ہے۔ اس سے بینک کی کاروباری ترقی کو مضبوط بنانے میں ایک اہم کردار ادا کیا جاتا ہے۔ ایک مرکزی اسٹریٹجی ایسیس مینجمنٹ یونٹ بھی موجود ہے، جو بنیادی طور پر نان پرفارمنگ لونز، اکاؤنٹس اور مجموعی ریکوری عمل کو سنبھالنے کا ذمہ دار ہے۔ یہ یونٹ اپنے فراہم کنندگان اور مؤثر طریقے سے انجام دے رہا ہے۔

آراہیم جی اُن اکاؤنٹس پر قریبی نظر رکھے ہوئے ہے جن میں کچھ "مکانہ کمزوریوں" کی علامات ظاہر ہو رہی ہوں۔ بزنس یونٹس کو ان اکاؤنٹس پر سرمایہ اپڈیٹس فراہم کرنے کی ضرورت ہوتی ہے، جنہیں پھر آراہیم جی جامع طور پر جائزہ لینا ہے اور مستقبل کی حکمت عملی پر تمام متعلقہ فریقین کے ساتھ بحث کی جاتی ہے۔ معمول کے مطابق، ریفرسٹ بورڈ کی رسک کمیٹی کے ساتھ سرمایہ اجلاسوں میں بھی شیئر کی جاتی ہے اور آئندہ عمل درآمد کے لیے ان کی قیمتی تجاویز کو لازمی طور پر شامل کیا جاتا ہے۔

بینک کی مختلف سبجسٹ کمیٹیوں کے علاوہ کریڈٹ رسک کا جائزہ بورڈ کی رسک کمیٹی کے ذریعے مستقل بنیادوں پر لیا جاتا ہے۔ کریڈٹ سے متعلق امور پر بورڈ سے باقاعدہ رہنمائی حاصل کی جاتی ہے اور ان ہدایات پر مکمل طور پر عمل درآمد کیا جاتا ہے۔ سال کے دوران، مجموعی کریڈٹ پورٹ فولیو کی صحت برقرار رکھنے کے لیے ہیکرو مسائل پر خصوصی توجہ دی گئی۔

متعدد کسٹرز کو قرضوں کی ری اسٹریکچرنگ/ری شیڈولنگ کے ذریعے مالی ریلیف فراہم کیا گیا۔ ان گاہکوں کی مسلسل نگرانی کی جارہی ہے تاکہ کاروباری معاملات میں ہونے والی تازہ ترین پیش رفت سے آگاہ رہیں اور بروقت ادائیگی کو یقینی بنایا جاسکے۔ ان کسٹرز کی فہرست بھی ماہانہ بنیادوں پر اسٹیٹ بینک آف پاکستان کے ساتھ شیئر کی جاتی ہے۔

مزید یہ کہ مختلف دیگر کسٹرز نے بھی اپنے قرضوں اور ایڈوانسز کی ری اسٹریکچرنگ کی درخواستوں کے ساتھ بینک سے رابطہ کیا ہے۔ کاروباری کیونٹی کو ریپیش اقتصادی مشکلات کے پیش نظر، بینک نے ان کسٹرز کی درخواستوں پر میرٹ کے مطابق اور اسٹیٹ بینک آف پاکستان کے موجودہ ضوابط کے مطابق مدد فراہم کرنے کی کوشش کی ہے۔ اس اقدام نے یہ یقینی بنایا ہے کہ پورٹ فولیو کی موجودہ حالت کو برقرار اور اپ ٹو ڈیٹ رکھا جاسکے۔

اس کے علاوہ، آراہیم جی نے اس بات پر بھی قریبی نظر رکھی ہے کہ زیادہ خطرے والے عناصر سے بچا جائے اور مقررہ حدود پر عمل درآمد یقینی بنایا جائے۔ اسی لیے ہم نئے کسٹرز کو ایک محتاط اور مقررہ طریقے سے قرض فراہم کر رہے ہیں۔

مارکیٹ رسک

بینک کے اندر ایک ملڈ آفس فنکشن قائم کیا گیا ہے جو ٹریڈری سے آزاد ہے اور اس کا بنیادی کام مارکیٹ رسک کے عمل کی نگرانی اور چیف رسک آفیسر، انویسٹمنٹ کمیٹی (IC)، مارکیٹ رسک پالیسی کمیٹی (MRPC)، اور اسٹوڈیو اجبات کمیٹی (ALCO) کو رپورٹ کرنا ہے، جو مارکیٹ رسک کی نمائندگی کی نگرانی اور منظوری کے لیے بھی فعال ہیں۔

سٹاک بینک میں ایک واضح لیکویڈیٹی پالیسی موجود ہے جو بورڈ سے منظور شدہ ہے۔ اس وقت مختلف ایکسل بیڈ ٹولز استعمال کیے جا رہے ہیں، جنہیں وقتاً فوقتاً اپڈیٹ کیا جاتا ہے تاکہ مارکیٹ رسک پر پیچھنٹ انفارمیشن سسٹم (MIS) تیار کیا جاسکے اور سینٹر پیچمنٹ اور ریگولیشنز کو رپورٹ کیا جاسکے۔

ہم نے کامیابی سے "ویب بینک سسٹم" بھی قائم کیا ہے، جو جدید ماڈلنگ رپورٹس تیار کرنے اور مختلف ٹریڈری فنکشنز کی آزاد نگرانی کو لازمی ماحول میں انجام دینے کی صلاحیت رکھتا ہے۔

آپریٹیشنل رسک

دنیا بھر میں آپریٹیشنل رسک مالیاتی اداروں کے لیے سب سے اہم رسک کیٹیگری کے طور پر ابھرا ہے، خاص طور پر اس لیے کہ آپریٹیشنل رسک بیک وقت کئی دیگر رسک کیٹیگریز کو متحرک کر سکتا ہے۔ ڈیجیٹل بینکنگ کے بڑھتے ہوئے استعمال کے ساتھ آئی ٹی سیکورٹی خطرات اور ڈیٹا سے متعلق خطرات کو کم کرنا اولین ترجیح بن گیا ہے۔

آپریٹیشنل رسک کے تحت، بینک کی سطح پر آپریٹیشنل رسک کے انتظام کے لیے مناسب پالیسیز اور طریقہ کار دستاویزی شکل میں تیار اور تقسیم کیے گئے ہیں۔ آپریٹیشنل رسک مینول تیار کیا گیا ہے اور بورڈ سے اس کی منظوری حاصل کی گئی ہے۔ رسک کنٹرول سیلف ایسٹیمینٹ کے سوائے بینک کے مختلف شعبوں میں بھیجے گئے ہیں، اور موصول فیڈ بیک کی بنیاد پر ہم اس عمل کو وقت کے ساتھ بینک کی سطح پر اپڈیٹ کرنے کا ارادہ رکھتے ہیں۔

آپریٹیشنل رسک رپورٹنگ کا آغاز بینک میں OLED کے تحت کیا گیا ہے، اور ایک تفصیلی طریقہ کار گائیڈ لائن سینٹر بینجمنٹ سے منظوری گئی ہے۔ بینک کے تمام شعبوں اور ڈیپارٹمنٹس کو ہدایت دی گئی ہے کہ وہ باقاعدگی سے رپورٹنگ کریں۔ رپورٹنگ پوائنٹس کی سہولت اور فہم کے لیے تمام متعلقہ عملے کے لیے ورکشاپس منعقد کی جا رہی ہیں، تاکہ وہ تمام واقعات کی رپورٹنگ آراہم جی کو کر سکیں اور بینک کے اندر نقصان کا ڈیٹا ریکارڈ کیا جاسکے۔

فریم ورک کے کامیاب نفاذ کے بعد، ہم نے اب ہر ماہ مطلوبہ نقصان کے واقعات کا ڈیٹا جمع کرنا شروع کر دیا ہے اور مسائل کو براہ راست حل کر رہے ہیں۔ یہ ڈیٹا تاریخی ریکارڈ بنانے کی طرف پہلا قدم ہے، جو ہمارے طریقہ کار کو مزید بہتر بنانے میں مدد دے گا۔ جمع کیا گیا سامی ڈیٹا بورڈ کی رسک کمیٹی کو پیش کیا جاتا ہے۔

بینک میں ایک اندرونی کنٹرول یونٹ بھی فعال ہے، جس کا بنیادی کام مختلف آپریٹیشنل گائیڈ لائنز، مانیٹرنگ ٹولز، اور بینک بھر میں ریگولیشن کی نگرانی اور عمل درآمد کو یقینی بنانا ہے۔ اس کے علاوہ، ایک آزاد اندرونی آڈٹ کا نظام بھی موجود ہے جو بورڈ کی آڈٹ کمیٹی کو رپورٹ کرتا ہے۔ ہمارا کمپلائنس ڈیپارٹمنٹ بھی فعال ہے، جو دیگر کاموں کے ساتھ ساتھ اس بات کو یقینی بناتا ہے کہ تمام قانونی اور ریگولیٹری تقاضے درست طریقے سے پورے کیے جائیں، نیز ایٹمی لائڈنگ (AML) اور اپنے صارف کو جانیں (KYC) پالیسیوں پر عمل درآمد ہو۔

اس سلسلے میں، متعلقہ عملے کو مناسب تربیت باقاعدگی سے فراہم کی جاتی ہے، جس میں ٹرانزیکشنز کی سخت نگرانی اور KYC/AML پر تربیت شامل ہے۔ کسی بھی ہنگامی صورت حال سے نمٹنے کے لیے برانس کنٹریبولی پلان (BCP) بھی موجود ہے۔ اہم خطرے کے اشاریوں (KRI) کی خود تشخیصی اور معیارات، کوڈز، اور گائیڈ لائنز کی پابندی بھی باقاعدگی سے کی جاتی ہے اور اس کی دستاویزی بندی کی جاتی ہے۔

ڈائریکٹرز کی ٹریڈنگ:

بورڈ کے تمام ڈائریکٹرز بینک کے ڈائریکٹرز کے طور پر اپنی ذمہ داریوں اور فرائض سے مکمل طور پر واقف ہیں۔ بینک کے تمام ڈائریکٹرز نے مطلوبہ سرٹیفیکیشن حاصل کر لیا ہے، جبکہ دو ڈائریکٹرز اس سرٹیفیکیشن کی شرط سے مستثنیٰ ہیں۔

بورڈ آف ڈائریکٹرز اور کمپنیوں کے اجلاس 2022 کے دوران:

سال 2022 کے دوران، بورڈ اور اس کی کمپنیوں کے درج ذیل اجلاس منعقد کیے گئے۔ ڈائریکٹرز اور صدر رومی اہی او کی شرکت کی تفصیلات درج ذیل ہیں:

نمبر شمار	ڈائریکٹرز	بورڈ ممبرانگ	آڈٹ کمیٹی ممبرانگ	ایم این این ویس کمیٹی ممبرانگ	ریسک کمیٹی ممبرانگ	آئی ٹی کمیٹی ممبرانگ
	منعقدہ	شرکت	منعقدہ	شرکت	منعقدہ	شرکت
1	جناب خالد عزیز مرزا	9	7	5	5	-
2	جناب اشدر اختر چٹاکی	9	6	5	5	-
3	جناب ملارقی اقبال خان	9	8	-	4	4
4	جناب زبیر نواز چٹھہ	9	7	-	-	2
5	جناب سرد احمد قریشی	9	7	-	4	4
6	محترمہ ساجدہ مراد	9	8	5	5	-
7	جناب گوہر امین افضل	9	9	-	4	4

پیٹرین آف شیئر ہولڈنگ:

کمپنیز ایکٹ 2017 اوپن میٹرز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت پیٹرین آف شیئر ہولڈنگ مندرجہ ذیل ہوگا:

31 دسمبر 2022 تک CDC اور فریبل شیئر ہولڈنگ کا مشترکہ پیٹرین

نمبر شمار	شیئر ہولڈرز کی کٹیگریز	شیئر ہولڈرز کی تعداد	رکھے گئے شیئرز کی تعداد	پر سیٹج %
01	ڈائریکٹرز، چیف ایگزیکٹو آفیسر اور ان کے شریک حیات اور ناخالص بچے	08	432,567,673	4.76
02	وابستہ کمپنیاں، انڈر ٹیکنگ اور متعلقہ فریقین	12	5,712,657,208	62.91
03	ایگزیکٹوز	07	2,085,552	0.02
04	ہیکس ڈیولپمنٹ فنانشیل انسٹی ٹیوشنز، نان بینکنگ فنانشیل انسٹی ٹیوشنز	04	45,860,163	0.50
05	انسورنس کمپنیاں	04	2,127,904	0.02
06	مشارکہ اور میوچل فنڈز	02	22,380,417	0.25
07	عوام الناس - غیر ملکی	184	306,668,057	3.38
08	عوام الناس - مقامی	11,122	2,402,734,556	26.46
09	دیگر	81	154,779,707	1.70
	ٹوٹل	11,424	9,081,861,237	100.00

پاکستان اسٹاک ایکسچینج (PSX) کے رول بک کے باب 5 کی شق نمبر (d) 5.6.1 (ا) کی قوت کی حساس معلومات کی فراہمی: میں "ایگزیکٹو" کی تعریف کے مطابق، بینک کے بورڈ آف ڈائریکٹرز نے 28 اکتوبر 2016 کو منعقدہ اسپن 154 ویں اجلاس میں ایک قرارداد منظور کی۔ اس قرارداد کے تحت "ایگزیکٹو" کی تعریف میں سی ای او، سی ایو ای، سی ایو ایف، او، ہیڈ آف انٹرنل آڈٹ، کپنی سیکریٹری (کسی بھی نام سے پکارا جائے) اور بینک کے گریڈ 8 یا اس سے اوپر کے ملازمین شامل ہیں۔

31 دسمبر 2022 تک ڈائریکٹرز، چیف ایگزیکٹو، ان کے شریک حیات، نابالغ بچے، متعلقہ کمپنیاں، ادارے، متعلقہ فریقین اور پوئلگھوں کے ذریعہ ملکیت کل شیئرز کی تفصیلات درج ذیل ہیں۔

نمبر شمار	شیئر ہولڈرز کی کیٹیگریز	موجودہ شیئرز کی تعداد	کیٹیگری کے حساب سے فولیو نمبر اسی ڈی سی اکاؤنٹ	کیٹیگری کے حساب سے رکھے گئے شیئرز	پرستیج %
	ڈائریکٹرز، چیف ایگزیکٹو آفیسر ان کے شریک حیات اور نابالغ بچے		8	432,567,673	4.76
1	جناب طارق اقبال خان	16,997			0
2	جناب خالد عزیز مرزا	500			0
3	جناب سرور احمد قریشی	500			0
4	جناب زبیر نواز چٹھہ	415,626,000			4.58
5	محترمہ سامعہ شہزاد مراد	3,200,000			0.04
6	جناب گوہر امین افضل	12,543,796			0.14
7	جناب شہرام رضا بختیاری	679,880			0.01
8	جناب شہزاد انور مراد (محترمہ سامعہ شہزاد مراد کے شوہر) داہستہ کمپنیاں، انڈر ٹیکنگ اور متعلقہ فریقین (% اور زیادہ شیئر ہولڈنگ)	500,000	12	5,712,667,208	62.91
1	عارف حبیب کارپوریشن لمیٹڈ	2,563,901,924			28.23
2	جناب شوکت ترین*	1,049,091,791			11.55
3	انٹرنیشنل فنانس کارپوریشن	702,689,067			7.74
4	جناب ذوالقرنین نواز چٹھہ	704,508,000			7.76
5	نومورا یورپین انویسٹمنٹ لمیٹڈ	356,676,342			3.93
6	بینک منگلا S.A.O.G	315,776,969			3.48
7	عظمت شہزاد احمد ترین	20,013,115			0.22

نمبر شمارہ	شیئرز ہولڈرز کی کیٹیگریز	موجودہ شیئرز کی تعداد	کیٹیگری کے حساب سے فولیو نمبر ای ڈی سی اکاؤنٹ	کیٹیگری کے حساب سے رہنے والے شیئرز	پرستیج %
	ایگزیکٹو		7	2,085,552	0.02
1	سردار کامران	1,111,041			0.01
2	مرید حسین	300,000			0
3	محمد عارف کوثر	169,970			0
4	کیمرہ جاوید	500,000			0.01
5	عابد حسین	4521			0
6	سید محمد قاسم رضوی	10			0
7	فیض الحسن ہاشمی	10			0
	میو چل انڈرز		2	20,880,417	0.23
1	ای ڈی سی۔ ٹرینیٹیل				
	انویسٹمنٹ (پونٹ) ٹرسٹ	20,880,417			0.23

بیرونی آڈیٹرز:

ریٹائر ہونے والے آڈیٹرز میسرز گرانٹ تھاٹنٹن انٹرمیڈیاٹ (پرائیویٹ) لمیٹڈ، چارٹرڈ اکاؤنٹنٹس دوبارہ تقرری کے لیے اہل ہیں اور آئندہ متعقدہ سالانہ جنرل میٹنگ تک دوبارہ تقرری کے لیے اپنی خدمات پیش کرتے ہیں۔ آڈٹ کمیٹی اور بورڈ نے مالی سال 2023 کے لیے بینک کے قانونی آڈیٹرز کے طور پر ان کی تقرری کی سفارش کی ہے۔

کم از کم سرمایہ کی ضرورت (MCR) اور کپٹل ایلیکیویٹی ریشو (CAR) پر عملدرآمد:

31 دسمبر 2022 تک، بینک کی ایکویٹی اثاثوں کی دوبارہ تشخیص پر موجود سرمایہ کو چھوڑ کر منفی 14.62 ارب روپے تھی۔ اس میں شیئرز کپٹل (خساروں اور شیئرز پر ڈسکاؤنٹ کو نکال کر) منفی 15.44 ارب روپے شامل ہے۔ اس بنیاد پر، بینک کی کپٹل ایلیکیویٹی ریشو (CAR) منفی 45.89% ہے۔

کریڈٹ ریٹنگ:

بینک کی طویل مدتی ادارتی ریٹنگ A- (سنگل اے مائنس) اور مختصر مدتی ریٹنگ A-2 (اے مائنس ٹو) ہے، جیسا کہ "بے سی آر وی آئی ایس" کریڈٹ ریٹنگ کمیٹی لینیڈ نے طے کیا ہے۔

منسقبل کا منظر نامہ:

جیسا کہ رپورٹ کے مالیاتی سیکشن میں پہلے ذکر کیا گیا ہے، یونائیٹڈ بینک لمیٹڈ (UBL) نے رکی طور پر سلگ بینک لمیٹڈ ("بینک") کے ساتھ اپنے ممکنہ انضمام کی پیشکش دی ہے۔ یو بی ایل نے اس مادی معلومات کو پاکستان اسٹاک ایکسچینج لمیٹڈ ("PSX") کو فراہم کیا ہے، جس میں ممکنہ انضمام کی پیشکش کی تصدیق کی گئی ہے۔ اسی کے مطابق، بینک نے بھی اپنی مادی معلومات 1 نومبر 2024 کو PSX کو فراہم کیں۔

مزید یہ کہ، بینک کے بورڈ آف ڈائریکٹرز نے 6 نومبر 2024 کو منعقدہ اجلاس میں یو بی ایل کے ساتھ ممکنہ انضمام کے لیے اصولی منظوری دے دی ہے۔ یہ انضمام بینکنگ کمپنیز آرڈیننس 1962 کی شق 48 کے تحت اسٹیٹ بینک آف پاکستان سے منظور شدہ اسکیم آف اکیویٹیشن کے ذریعے عمل میں لایا جائے گا ("مکنہ انضمام")۔ بینک نے یہ مادی معلومات بھی 6 نومبر 2024 کو PSX کو فراہم کیں۔

بعد ازاں، یو بی ایل اور سلگ بینک کے بورڈ اجلاس بالترتیب 2 دسمبر اور 4 دسمبر 2024 کو منعقد ہوئے، جن میں دونوں بورڈز نے بینک کے یو بی ایل کے ساتھ اور اس میں مکنہ انضمام کی منظوری دی۔ یہ انضمام بینکنگ کمپنیز آرڈیننس 1962 کی شق 48 کے تحت شیئرسوپ آرڈیننس کے ذریعے عمل میں لایا جائے گا۔ بورڈز نے انضمام کے معاہدے، انضمام کی اسکیم، اور دیگر ضروری دستاویزات کی تیاری اور عمل درآمد کی بھی منظوری دی۔

منظور شدہ شیئرسوپ تناسب کے مطابق، یو بی ایل کا ایک (1) نیا عام شیئر، جس کی قیمت 10 روپے ہے، بینک کے 325 موجودہ شیئرز کے عوض جاری کیا جائے گا، جن میں سے ہر ایک کی قیمت 10 روپے ہے۔ اس ترتیب کے نتیجے میں یو بی ایل کے 27,944,188 عام شیئرز جاری کیے جائیں گے، جس میں کسی بھی رائٹ ایڈیشن کا اطلاق شامل نہیں ہوگا۔

اضافی طور پر، بورڈز نے انضمام اور متعلقہ معاملات کی منظوری کے لیے غیر معمولی جنرل اجلاس (EOGMs) بلائے کی قرارداد منظور کی۔ بینک کا غیر معمولی جنرل اجلاس 26 دسمبر 2024 کو منعقد ہوگا، جبکہ یو بی ایل کا غیر معمولی جنرل اجلاس 30 دسمبر 2024 کے لیے طے کیا گیا ہے۔

یہ انضمام تمام ضروری قانونی تقاضوں کی تکمیل اور مطلوبہ کارپوریٹ، ریگولیٹری، اور تیسرے فریق کی منظور یوں کے حصول سے مشروط ہے۔ اس عمل کے پیش نظر، بیرونی آڈیٹرز نے اپنے آڈٹ رائے میں ایک نوٹ شامل کیا ہے، جس میں 'کاروبار کی تسلسل سے متعلق مادی غیر یقینی صورتحال' کو نمایاں کیا گیا ہے۔

ہم اپنے شیئر ہولڈرز کو اس مکنہ انضمام کے حوالے سے پیش رفت کے مطابق مزید اعلانات کے ذریعے آگاہ کرتے رہیں گے۔

اظہارِ تشکر:

ہم ایک بار پھر اپنے صارفین اور کاروباری شراکتہ داروں کا ان کے مسلسل تعاون اور اعتماد کے لیے دل کی گہرائیوں سے شکر ادا کرتے ہیں، اور اسٹیٹ بینک آف پاکستان کے رہنمائی اور تعاون پر اپنی مخلعہ ساز قدر دانی کا اظہار کرتے ہیں۔

ہم اپنے معاونین، عملے اور ساتھیوں کے عزم و خدمات کے بھی نہایت شکر گزار ہیں اور ان کے مسلسل تعاون کے منتظر ہیں۔

بینک کے بورڈ کی جانب سے:

سلک بینک لمیٹڈ

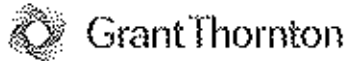
خالد عزیز مرزا

چیئرمین

شہرام رضا مختیاری

پریذیڈنٹ اینڈ سی ای او

13 دسمبر 2024



INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Silk Bank Limited
Review Report on the Statement of Compliance contained in
Listed Companies (Code of Corporate Governance) Regulations, 2019

Grant Thornton Anjum
Rahman
1st & 3rd Floor,
Modern Motors House,
Benazir Road,
Karachi, Pakistan.

T +92 21 35672951-56

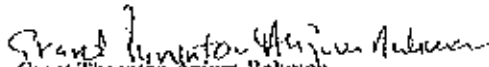
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Silkbank Limited (the Bank) for the year ended December 31, 2022, in accordance with the requirements of Regulation No. 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Bank's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Bank for the year ended December 31, 2022.


Grant Thornton Anjum Rahman
Chartered Accountants
Karachi

Date: December 13, 2024

UDIN: CR202210126V20kp5NcW

**Statement of Compliance with Listed Companies
(Code of Corporate Governance) Regulations, 2020**

**Silk Bank Limited
For the Year ended December 31, 2022**

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

1. The total number of directors are 7 as per the following:

- a. Male: 6
- b. Female: 1

2. The composition of the Board is as follows:

i.	Independent Directors	Mr. Khalid Aziz Mirza Mr. Rashid Akhtar Chughtai Mr. Masroor Ahmed Qureshi
ii.	Non-Executive Directors	Mr. Tariq Iqbal Khan, FCA Mr. Zubair Nawaz Chattha Mr. Goharulayn Afzal Mrs. Samia Shahzad Murad

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Bank.
4. The Bank has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies for the company. 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 minutes of meetings of the Board.
8. The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations.

Silkbank Limited

Central Office:

Ground Floor, No.13, COM-3 Mall,

Block-6, KDA Scheme # 5,

Clifton 75600, Karachi-Pakistan

PABX: 021-111-00-7455

Website: www.silkbank.com.pk

9. All the Directors on the Board are fully conversant with their duties and responsibilities as Directors of the Bank and have completed their director training under the director training program except the following two Directors of the Bank stand exempted from the requirement of the said certification:
- Mr. Khalid Aziz Mirza.
 - Mr. Rashid Akhtar Chughtai.
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 relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
- a) Audit Committee**
- | | |
|-----------------------|-----------|
| Masroor Ahmed Qureshi | Chairman |
| Tariq Iqbal Khan, FCA | Member |
| Samia Shahzad Murad | Member |
| Head of Audit | Secretary |
- b) Nomination, Remuneration & Human Resource Committee**
- | | |
|------------------------|-----------|
| Khalid Aziz Mirza | Chairman |
| Rashid Akhtar Chughtai | Member |
| Samia Shahzad Murad | Member |
| Head of HR | Secretary |
- c) Risk Management Committee**
- | | |
|-----------------------|-----------|
| Tariq Iqbal Khan, FCA | Chairman |
| Masroor Ahmed Qureshi | Member |
| Goharulayn Afzal | Member |
| Chief Risk Officer | Secretary |
- d) Information Technology Committee**
- | | |
|-----------------------|-----------|
| Zubair Nawaz Chhatta | Chairman |
| Masroor Ahmed Qureshi | Member |
| Goharulayn Afzal | Member |
| Head of IT | Secretary |
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee was as per following:

- | | |
|--|-------------|
| a) Audit Committee | Quarterly |
| b) Nomination, Remuneration & Human Resource Committee | Quarterly |
| c) Risk Management Committee | Quarterly |
| d) Information Technology Committee | Half Yearly |

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Bank.

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

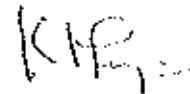
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

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

For and on Behalf of the Board of
Silkbank Limited



Shahram Raza Bakhtiar
President & CEO



Khalid Aziz Mirza
Chairman

Karachi, December 13, 2024.

MANAGEMENT'S STATEMENT ON INTERNAL CONTROLS
AS OF DECEMBER 31, 2022

This statement is issued in compliance with the State Bank of Pakistan (SBP) BSD Circular No: 07 of 2004 on Internal Controls.

An internal control system is a set of processes and procedures designed to identify and mitigate the risk of failure to meet the business objectives of the Bank. It is the responsibility of the Bank's management to establish an internal control system, to maintain an adequate and effective internal control environment. Maintaining effective controls is an integral part of the management and accountability function in Silkbank. The focus of internal control both as a concept and a management tool has evolved over the years to a broad-based risk assessment and mitigation system covering all areas of operations in the Bank.

As part of the strategy to ensure effective monitoring and improvement of internal controls, the Bank has implemented the COSO framework of internal controls, in line with regulatory guidelines (ICFR) and COSO implementation (BSD-7). With regular monitoring and improvement of the defined controls, the overall control environment in the Bank is now geared to provide reasonable assurance with regards to effectiveness and reliability to the Bank's management and other stakeholders.

The Bank's internal control structure comprises of different levels of monitoring activities. The Bank follows the "three lines of defense" model, with the first line comprising of front office, customer-facing and enabling functions, the second line being Compliance, Risk, and other control functions and the third line of defense being Internal Audit. The first line's role is to ensure that business risks are properly identified and mitigated, while ensuring that controls are operating effectively, and corrective actions are implemented promptly. The Bank's control units housed within the second line are responsible for conducting end-to-end reviews of processes, identifying, and monitoring gaps and ensuring that timely remedial action is undertaken for their rectification. The second line, as part of its governance responsibilities, also sets policies and defines risk tolerance levels.

The Compliance function's role is to strengthen the compliance environment and manage compliance risk across the institution by enabling the Bank to comply with applicable laws, regulations, guidelines and the Bank's internal policies and procedures. Accordingly, Compliance is responsible for advising and providing training on regulatory requirements and related compliance policies, along with identifying, assessing, monitoring, testing, and reporting compliance risk in liaison with the business, for which a Compliance Risk Management framework has been developed. A regulatory Risk & Control Self-Assessment (RCSA) exercise is also underway where RCSAs based on different regulatory themes are being implemented.

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Website: www.silkbank.com.pk

The management has established a Compliance Committee of Management (CCM) and a Controls Committee (CC) to monitor, review and provide oversight of compliance and control related matters across all units and locations of the Bank. Where known gaps exist, corrective action plans are in place to address them and are reviewed/ monitored by the respective Committee. Significant control issues are reported to the Board Audit Committee (BAC) on a quarterly basis. The Committee acts as an oversight Authority and supports the Board in embedding compliance and control culture in the Bank.

Internal Audit as the third line of defense reports directly to the Audit Committee of the Board and provides independent assurance by conducting risk-based audits of activities and processes to evaluate the adequacy and effectiveness of the control environment. All significant/material findings of Internal Audit and External Audit are reported to the BAC with agreed management actions and timelines. Internal Audit tracks closure of all findings through validation of agreed management actions and the status is regularly reported at the Management Control Committee and at the BAC. BAC oversees implementation of internal controls to ensure that any identified risks are mitigated to safeguard the interest of the Bank.

The Bank has implemented various key policies and procedure guidelines/manuals covering all the areas of management and operations including those related to Branch Banking Operations, Centralized Operations, Trade Business, Treasury, Credit Risk, HR, Finance, Compliance and Administration.

Management gives due consideration to the recommendations made by the internal and external auditors for improvements in the internal control system and takes action to implement such recommendations.

The management has established evaluation and approval procedures for all major capital expenditure and other transactions. An organizational structure has been established which supports clear lines of communication and tiered levels of authority and segregation of duties commensurate with accountability.

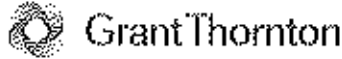
Management also emphasizes imparting training to enhance knowledge and understanding of the Bank's internal policies and procedures and prudential regulations. This has greatly contributed towards strengthening the control environment.

The Bank is continuously making efforts to ensure that an effective and efficient Internal Controls System remains active and implemented through consistent and periodic monitoring that would help further strengthening of the overall control environment.



Shahram Raza Bakhtiari
President & CEO

Karachi, December 13, 2024



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SILKBANK LIMITED
Report on the Audit of the Financial Statements

**Grant Thornton Anjum
Rahman**
1st & 3rd Floor,
Modern Motors House,
Boulevard Road,
Karachi, Pakistan.

T +92 21 35672951-56

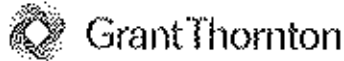
Opinion

We have audited the annexed financial statements of **Silkbank Limited (the Bank)**, which comprise the statement of financial position as at **December 31, 2022**, and the profit and loss account and other comprehensive income or the statement of comprehensive income the statement of changes in equity and the statement of cash flows for the year then ended, along with unaudited certified returns received from the branches except for the 10 branches which have been audited by us and notes to the financial statements, including a summary of significant accounting policies 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, profit or loss account and other comprehensive or the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 **December 31, 2022**, and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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



Material Uncertainty Related to Going Concern

We draw attention to notes 1.3 and 1.4 to the financial statements, which indicates, among other things, that the Bank has incurred a net loss of Rs. 6,386.345 million (2021: Rs. 12,281.221 million) for the year ended December 31, 2022, resulting in accumulated losses of Rs. 38,873.264 million (2021: Rs. 32,490.279 million) and negative net equity of Rs. 13,970.762 million (2021: negative net equity of Rs. 7,160.646 million) as at December 31, 2022. Furthermore, the Bank's paid-up capital (net of losses), Capital Adequacy Ratio (CAR), and Minimum Capital Requirement (MCR) do not meet the thresholds prescribed by the State Bank of Pakistan (SBP) as of December 31, 2022.

These events and conditions indicate a material uncertainty on the bank's ability to continue as a going concern. Our report is not modified in respect of this matter.

Emphasis of Matters

We draw attention to the following matters:

1. As fully explained in note 12.3.2 of the financial statements, there is an ongoing litigation between the buyer and the Bank on the sales transaction of the office building.
2. As disclosed in note 14.1 of the financial statements, which states that the deferred tax asset has been recorded based on the expectation that the acquiring bank, as part of the amalgamation arrangement (as disclosed in Note 1.4), will be able to realize the asset through its future profitability and the available tax benefits from provisions against non-performing loans. The recognition of the deferred tax asset relies on management's assumptions about the future financial performance and the successful completion of the merger.
3. As disclosed in note 15.2.3 to the financial statements that refers to the excess of prescribed limit by the Bank under Debt Property Swap Regulation.
4. As disclosed in note 23.3.1 to the financial statements that describes the effects to the Suits for damages which have been filed against the Bank up to the tune of Rs. 24.45 billion by various borrowers / employees in respect of certain disputes relating to loans and advances.

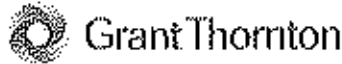
Our opinion is not modified in respect of the above matters.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of 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:

Key Audit Matter	How our audit addressed the key audit matter
<p>Provision against advances</p> <p>Refer note 5.1.1 and 11.3 of the financial statements for the accounting policy and particulars of provision against advances respectively, gross advances at cost of the Bank amounted to Rs. 94,317.88 million as at December 31, 2022 (2021: Rs. 99,657.32 million) and provision against advances to Rs. 30,200.68 million (2021: Rs. 24,227.56 million) represents 10% (2021: 9%) of total assets as at December 31, 2022 as presented on the statement of financial position.</p> <p>As described in note 11 to the financial statements, the Bank makes provision against advances on a time-based criteria that involves ensuring all non-performing loans and advances are classified in accordance with the ageing criteria specified in the Prudential Regulations (PRs) issued by the State Bank of Pakistan.</p> <p>In addition to the above time-based criteria, the PRs require a subjective evaluation of the credit worthiness of borrowers to determine the classification of advances.</p> <p>The PRs also require the creation of general provision for certain categories of advances.</p> <p>The Bank has recognized a net provision against advances amounting to Rs. 6,987.83 million (2021: Rs. 10,471.55 million) in the profit and loss account for the year ended December 31, 2022.</p> <p>The determination of provision against advances based on the above criteria remains a significant area of judgement and estimation. Because of the significance of the impact of these judgements / estimations and the materiality 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.</p>	<p>Our audit procedure to assess the provision against advances amongst others include the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the procedures and evaluated the design and implementation of relevant internal controls over classification and grouping of customers. • We selected a sample of loan accounts and performed the following substantive procedures: <ul style="list-style-type: none"> ○ checked repayments of loan / mark-up installments and tested classification of non-performing loans based on the number of days overdue; ○ evaluated the management's assessment for classification of customers' loan facilities as performing or non-performing based on review of repayment pattern, inspection of credit documentation and through discussions with the management. • We checked the accuracy of specific provision made against non-performing advances and of general provision by recomputing the provision amount in accordance with the criteria prescribed under the PRs. • We assessed the adequacy and completeness of the Bank's disclosures in respect of credit risk, structure and quality of loan portfolio and impairment allowance in accordance with PRs.



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 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 in the other information we are required to report that fact. We have nothing to report in this regard.

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

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

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

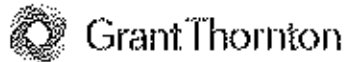
The Board of Directors is responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- 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.

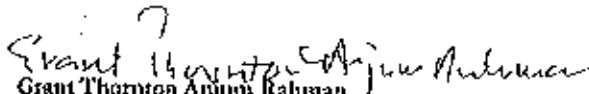
Report on Other Legal and Regulatory Requirements

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



- c) investments made, expenditure incurred and guarantees extended during the year were in accordance with the objects and powers of the Bank / branches and the transactions of the Bank/ branches which have come to our notice have been within the powers of the Bank / branches; 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 Muhammad Shaukat Naseeb.


Grant Thornton Anjum Rahman
Chartered Accountants
Karachi

Date: December 13, 2024

UDIN: AR202210126rDTA1Us


SILKBANK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

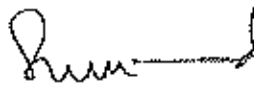
	Note	2022	2021
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	10,198,476	12,224,513
Balances with other banks	6	586,790	547,553
Lendings to financial institutions	9	8,148,196	3,388,407
Investments	10	165,676,518	144,283,801
Advances	11	64,117,202	75,429,764
Fixed assets	12	5,429,237	5,865,493
Intangible assets	13	366,437	390,129
Deferred tax assets	14	22,661,840	15,137,537
Other assets	15	16,282,612	15,265,573
		293,467,403	272,552,820
LIABILITIES			
Bills payable	16	3,040,491	4,262,000
Borrowings	17	148,016,140	122,122,429
Deposits and other accounts	18	145,298,894	143,755,073
Liabilities against assets subject to finance lease		-	-
Subordinated debt	19	2,438,666	2,438,666
Deferred tax liabilities		-	-
Other liabilities	20	8,643,979	7,135,318
		307,438,170	279,713,666
NET ASSETS		(13,970,762)	(7,160,646)
REPRESENTED BY			
Shareholders' equity			
Share capital - net	21	23,431,374	23,431,374
Statutory reserves		820,890	820,890
Surplus on revaluation of assets - net of tax	22	850,238	1,077,369
Accumulated losses		(38,873,264)	(32,490,279)
		(13,970,762)	(7,160,646)
CONTINGENCIES AND COMMITMENTS			
	23		

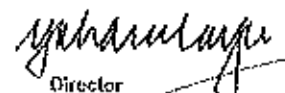
The annexed notes from 1 to 49 and annexure I and II form an integral part of these financial statements. *QIA*


 Chief Financial Officer


 President & Chief Executive Officer


 Director


 Director


 Director

SILKBANK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	2022 Rupees in '000	2021
Mark-up / return / profit / interest earned	25	27,340,292	16,605,275
Mark-up / return / profit / interest expensed	26	(29,691,379)	(13,772,039)
Net mark-up / return / profit / interest (expense) / income		(2,351,087)	2,833,236
NON MARK-UP / INTEREST INCOME			
Fee and commission income	27	2,826,759	2,358,726
Dividend income	28	-	-
Foreign exchange income		558,110	279,879
Loss from derivatives		(7,539)	(81,093)
Loss on securities	29	(197,878)	(1,580,710)
Other income / (loss)	30	74,137	(4,897,308)
Total non-markup / interest income / (loss)		3,253,589	(3,920,506)
Total income / (loss)		902,602	(1,087,270)
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	31	(7,079,555)	(7,453,013)
Workers Welfare Fund		-	-
Other charges	32	(18,724)	(162,583)
Total non-markup / interest expenses		(7,698,279)	(7,605,596)
Loss before provisions, extra ordinary / unusual item and taxation		(6,795,777)	(8,092,866)
Provisions and write offs - net Extra ordinary / unusual items	33	(6,591,764)	(9,946,449)
LOSS BEFORE TAXATION		(13,387,538)	(18,638,315)
Taxation	34	7,001,193	6,358,094
LOSS AFTER TAXATION		(6,386,345)	(12,281,221)
		Rupee	
Basic and Diluted Loss Per Share	35	(0.70)	(1.35)

The annexed notes from 1 to 49 and annexure I and II form an integral part of these financial statements.


Chief Financial Officer


President & Chief Executive Officer


Director


Director


Director

SILKBANK LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

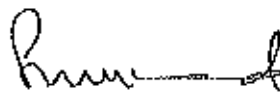
	2022	2021
	Rupees in '000	
Loss after taxation for the year	(6,366,345)	(12,281,221)
Other comprehensive (loss) / income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in (deficit) / surplus on revaluation of investments - net of tax	(121,131)	232,020
Items that will not be reclassified to profit and loss account in subsequent periods:		
Re measurement (loss) / gain on defined benefit obligations - net of tax	(3,155)	17,005
Movement in surplus on revaluation of operating fixed assets - net of tax	(3,188)	(2,326)
Movement in surplus on revaluation of non-banking assets - net of tax	(2,764)	(45,787)
	(9,107)	(31,108)
Total comprehensive loss	(6,816,631)	(12,080,309)

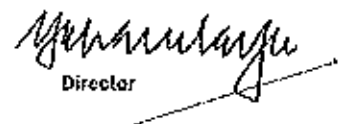
The annexed notes from 1 to 49 and annexure I and II form an integral part of these financial statements. *e.m.*


 Chief Financial Officer


 President & Chief Executive Officer


 Director


 Director


 Director

SILKBANK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

	Share Capital	Surplus / (deficit) on revaluation of		Capital Reserve	Reserve Reserve	Total Equity
		Investments	Fixed / Non-Banking Assets			
Rupees in '000						
Opening balance as at January 01, 2021	23,431,374	(1,051,131)	1,974,593	829,690	(20,276,145)	4,849,581
Loss after taxation for the year ended December 31, 2021	-	-	-	-	(12,281,221)	(12,281,221)
Other comprehensive income / (loss) - net of tax	-	232,080	(48,113)	-	17,006	200,912
Transfer to statutory reserves	-	-	-	-	-	-
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	22.1	-	-	-	3,679	3,679
Transfer from surplus on revaluation of non-banking assets on account of incremental depreciation - net of tax	22.2	-	-	-	2,032	2,032
Transfer from surplus on revaluation of non-banking assets on account of disposal of assets - net of tax	22.2	-	-	-	44,411	44,411
Closing balance as at December 31, 2021	23,431,374	(819,051)	1,926,480	829,690	(32,480,270)	(7,160,646)
Loss after taxation for the year ended December 31, 2022	-	-	-	-	(6,386,345)	(6,386,345)
Other comprehensive loss - net of tax	-	(421,181)	(5,850)	-	(3,155)	(430,226)
Transfer to statutory reserves	-	-	-	-	-	-
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	22.1	-	-	-	3,679	3,679
Transfer from surplus on revaluation of non-banking assets on account of incremental depreciation - net of tax	22.2	-	-	-	2,025	2,025
Transfer from surplus on revaluation of non-banking assets on account of disposal of assets - net of tax	22.2	-	-	-	910	910
Closing balance as at December 31, 2022	23,431,374	(1,270,291)	1,920,630	829,690	(38,873,164)	(13,970,762)

* Statutory reserves represent amount set aside as per requirements of section 21 of the Banking Companies Ordinance, 1962.

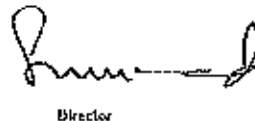
Every banking company incorporated in Pakistan is required to transfer 20% of its profit after tax to a statutory reserve until the amount of the reserve equals the paid-up share capital. Thereafter, 10% of the profit after tax of the Bank is required to be transferred to this reserve. Consequently to the loss for the year, no amount has been transferred during the year.

The annexed notes from 1 to 49 and annexes I and II form an integral part of these financial statements. *QTA*


 Chief Financial Officer


 President & Chief Executive Officer


 Director


 Director


 Director

SILKBANK LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022

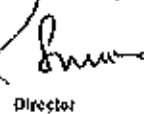
	2022	2021
	Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(13,387,538)	(18,539,315)
Less: dividend income	-	-
	(13,387,538)	(18,539,315)
Adjustments:		
Depreciation on fixed assets	12.2 269,485	522,110
Depreciation on right-of-use assets	51 600,210	608,931
Depreciation on non-banking assets acquired in satisfaction of claims	31 33,972	43,621
Amortization of intangible assets	13.1 54,937	48,523
Amortization of premium on investments - net	43,467	253,089
Finance charges on lease liability against right-of-use assets	26 329,436	374,253
Provisions against loans & advances	33 6,997,830	10,471,550
Gain on sale of fixed assets	30 (134)	(9,442)
Unrealized loss on revaluation of investments - held-for-trading	10.1 1,475	23,548
Unrealized loss on revaluation of investments - REIT Units	29 14,581	-
Share of profit from associate	30 24,474	(3,167)
Loss on sale of non-banking assets acquired in satisfaction of claims	30 1,461	5,120,774
Provision against other assets - net	33 -	(51,004)
Write offs against fixed assets	33 -	21,275
Reversal of provision against off balance sheet obligations	33 -	(6,200)
	8,381,324	17,218,771
	(5,006,214)	(1,420,544)
Decrease / (increase) in operating assets		
Lendings to financial institutions	(4,759,789)	3,371,514
Net investments in held-for-trading securities	23,890,687	(11,831,754)
Advances	4,324,732	8,060,331
Other assets (excluding advance taxation)	(914,448)	1,189,610
	22,641,182	(1,210,299)
Increase / (decrease) in operating liabilities		
Bills payable	(1,221,589)	1,173,390
borrowings from financial institution	25,893,711	32,774,478
Deposits	1,543,821	(18,482,535)
Other liabilities (excluding current taxation)	1,878,227	(15,111)
	28,094,170	17,450,130
	45,729,138	14,819,287
Income tax paid	(406,234)	(318,508)
Net cash flow generated from operating activities	45,322,904	14,500,779
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	(46,692,853)	(10,969,383)
Net investment in held-to-maturity securities	349,501	(5,849,788)
Net investment in fixed assets and intangible assets	(415,932)	(337,865)
Proceeds on disposal of non-banking assets acquired in satisfaction of claims	97,500	1,986,445
Proceeds on disposal of fixed assets	66,898	143,221
Net cash flow used in investing activities	(46,494,986)	(15,127,392)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of subordinated debts	-	(400)
Payment of lease liability against right-of-use assets	(814,718)	(939,761)
Net cash flow used in financing activities	(814,718)	(940,161)
Decrease in cash and cash equivalents	(1,986,800)	(1,566,774)
Cash and cash equivalents at the beginning of the year	12,772,886	14,339,660
Cash and cash equivalents at the end of the year	10,786,086	12,772,886

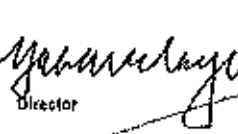
The annexed notes from 1 to 43 and annexure I and II form an integral part of these financial statements.


 Chief Financial Officer


 President & Chief Executive Officer


 Director


 Director


 Director

SILKBANK Limited

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

1 STATUS AND NATURE OF BUSINESS

1.1 Silkbank Limited ("the Bank") was incorporated in Pakistan on April 04, 1994 as a public limited company under the Companies Act, 2017. The Bank commenced commercial operations on May 07, 1995. The Bank's shares are quoted on Pakistan Stock Exchange Limited. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Bank operates through 111 branches (2021: 111 branches) including 27 (2021: 27) Islamic banking branches in Pakistan. The Bank closed 6 more branches including 4 Islamic banking branches in 2023. The Bank's registered office is located at Silkbank Building, 13-L, F-7 Markaz, Islamabad.

Major shareholders of the Bank as on December 31, 2022 are Sinthos Capital (comprising of Mr. Shaukat Tarin, Mr. Sadeq Sayeed and Mr. Azmat Tarin), Arif Habib Corporation Limited, International Finance Corporation (IFC), Nomura European Investment Limited, Bank Muscat S.A.O.G and Mr. Zulkarnain Nawaz Chatta / Mr. Zubair Nawaz Chatta of Gourmet Group.

1.2 In October 2020, the short-term and long-term credit ratings of 'A-2' and 'A-' respectively was assigned to the Bank by VIS Credit Rating Company Limited ("VIS") based on the Bank's condensed interim financial statements for the period ended June 30, 2020. Thereafter, no credit ratings have been issued and the VIS shall review the ratings once these and other subsequent financial statements are issued.

1.3 As at December 31, 2022, the equity of the Bank is negative Rs. 14.62 billion excluding surplus on revaluation of assets. This includes share capital (net of losses and discount on shares) of negative Rs. 15.44 billion against the Minimum Capital Requirement (MCR) of Rs. 10 billion as prescribed by State Bank of Pakistan (SBP). Further, the Capital Adequacy Ratio (CAR) of the Bank is negative 45.89% (2021: negative 24.13%) as against the minimum CAR requirement of SBP of 11.50% (2021: 11.50%). Consequently, the Bank is non-compliant with MCR and CAR at December 31, 2022 which resulted in various reduced prudential limits and may expose the Bank to regulatory actions under the Banking laws. As per the available management accounts of September 30, 2024, the equity and CAR of the Bank has been further deteriorated. These material uncertainties and conditions may cast significant doubts on the Bank's ability to continue as a going concern.

1.4 On October 31, 2024, the United Bank Limited (UBL), after completion of detailed due diligence of the Bank has submitted an offer to the Bank for its amalgamation with UBL pursuant to a scheme of amalgamation to be filed with and sanctioned by the SBP under section 48 of the Banking Companies Ordinance, 1962 (Amalgamation). As consideration of the Amalgamation, UBL has proposed to issue and allot new UBL ordinary shares to the shareholders of the Bank on the basis of a ratio of one (1) new UBL ordinary shares of every three hundred and twenty five (325) of the Bank's ordinary shares. The Board of Directors of the Bank, in their meeting held on November 06, 2024, has accorded its in-principle approval for Amalgamation of the Bank with UBL.

1.4.1 Later, the UBL's and the Bank's Board of Directors in their separate meetings held on December 02, 2024 and December 04, 2024 respectively, have approved:

- The Amalgamation of the Bank with and into UBL through a share swap arrangement in accordance with section 48 of the Banking Companies Ordinance, 1962;
- Execution of the Agreement to Amalgamate, Scheme of Amalgamation and other ancillary documentation in connection with the Amalgamation;
- The swap ratio of one (1) new ordinary share of UBL having face value of PKR. 10/- (Pakistan Rupee Ten Only) in exchange of 325 already issued shares of the Bank, each share having a face value of PKR 10/- (Pakistan Rupee Ten Only), issuance of 27,944,188 ordinary shares of UBL other than right issue; and
- Convening of Extraordinary General Meeting (EOGM) of UBL on December 30, 2024 and of the Bank on December 26, 2024 for consideration and approval of the Amalgamation and above-mentioned matters by the respective shareholders of UBL and the Bank.

The Amalgamation shall remain subject to inter alia:

- a. the execution of definitive agreements for and in connection with the Amalgamation by the parties to such definitive agreements;
- b. the completion of necessary corporate and regulatory formalities, including obtaining necessary shareholders' and regulatory approvals in accordance with applicable laws; and
- c. the sanction of the Scheme by the State Bank of Pakistan.

Subsequent to the meetings, the Agreement to Amalgamate has been executed on December 06, 2024.

On Amalgamation, the Bank's assets and liabilities shall be merged with and into UBL and be realized and settled in ordinary course of business of the amalgamated entity.

1.4.2 The issuance of these financial statements are delayed due to pending finalization of the financial statements for the year ended December 31, 2021, and convening respective year's Annual General Meeting (AGM), for which the Bank was allowed extended time, initially by SECP, and later on by the Honorable Islamabad High Court. The financial statements for the year ended December 31, 2021 have been adopted by the shareholders of the Bank in the AGM for the year 2021 which was held on December 06, 2024.

2 BASIS OF PRESENTATION

- 2.1 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the 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 utilized and the appropriate portion of mark-up thereon.
- 2.2 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) and notified under the provisions of the Companies Act, 2017 except for the adoption of IFAS-3 'Profit & Loss Sharing on Deposits' as disclosed in note 3.4.
- 2.3 The financial results of the Islamic banking branches have been included in these financial statements for reporting purposes, after eliminating material inter-branch transactions / balances. Key financial figures of the Islamic banking branches are disclosed in Annexure II to these financial statements.

3 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accounts 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;
- Directives issued by the 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 the SBP and the SECP differ with the requirements of IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

- 3.2 The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. Further, the SECP has deferred the applicability of IFRS 7 'Financial Instruments: Disclosures' on banks through S.R.O. 411(1) / 2008 dated April 28, 2008. 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.
- 3.3 IFRS 8, 'Operating Segments' is effective for the Bank's accounting periods beginning on or after January 1, 2009. All banking companies in Pakistan are required to prepare their annual financial statements in line with the format prescribed under BSD circular letter No. 02 of 2018 dated January 25, 2018, 'Revised Forms of Annual Financial Statements' (as updated from time to time), effective from the accounting year ended December 31, 2018. The management of the Bank believes that as the SBP has defined the segment categorization in the above mentioned circular, the SBP requirements prevail over the requirements specified in IFRS 8. Accordingly, segment information disclosed in these financial statements is based on the requirements laid down by the SBP.
- 3.4 The State Bank of Pakistan through SPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of IFAS-3 for Profit & Loss Sharing on Deposits issued by the ICAP and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for institutions offering Islamic Financial Services (IFS). The standard will result in certain new disclosures in the financial statements of the Bank.

4 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO ACCOUNTING AND REPORTING STANDARDS

- 4.1 **Standards, amendments and interpretations to the published standards that are relevant to the Bank and adopted in the current year**
There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2022. These are considered either not as relevant or not to have any significant impact on these financial statements.
- 4.2 **Standards, amendments to published standards and interpretations that are effective but not relevant**
The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on January 01, 2022 are considered not to be relevant or to have any significant effect on the Bank's financial reporting and operations and are therefore not presented here.
- 4.3 **Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Bank**
The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
- IFRS 9 'Financial Instruments'	January 01, 2024
- Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2023
- Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	IASB Effective Date (Annual periods beginning on or after)
- IFRS 1 – First time adoption of IFRSs	January 01, 2009

The Bank is in the process of assessing the impact of these standards, amendments and interpretations to the published standards on the financial statements of the Bank.

- IFRS 9 'Financial Instruments'

IFRS 9: 'Financial Instruments' addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on an 'Expected Credit Losses' (ECL) approach rather than the 'incurred credit losses' approach as currently followed. The ECL has impact on all assets of the Bank which are exposed to credit risk.

The IFRS 9 shall be applicable on Banks for the financial period starting from January 01, 2024 as per the pronouncement made by SBP vide its BPRD Circular Letter No. 07 dated, April 13, 2023.

5 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except that certain fixed assets and non-banking assets acquired under satisfaction of claims are stated at revalued amounts less accumulated depreciation and accumulated impairment losses (where applicable) and certain investments and derivative financial instruments have been measured at fair value and net obligations in respect of defined benefit scheme and lease liability against right-of-use assets are carried at their present value.

These financial statements have been prepared in Pakistani Rupee which is the functional and presentation currency of the Bank. The amounts are rounded off to the nearest thousand rupee, unless otherwise stated.

5.1 Use of critical accounting estimates and judgments

The preparation of these financial statements in conformity with accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires management to exercise judgment in the application of its accounting policies. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

The areas where various assumptions and estimates are significant to the Bank's financial statements or where judgment was exercised in application of accounting policies are as follows:

5.1.1 Provision against non-performing loans and advances and debt securities (note 10.3.2 and note 11.3)

The Bank reviews its loan portfolio and debt securities (classified as investments) to assess the amount of non-performing loans and advances and debt securities and determine provision required there-against on regular basis. While assessing this requirement, various factors including the past dues, delinquency in the account, financial position of the borrower, the forced sale value of collateral held and requirements of the Prudential Regulations issued by the SBP are considered, except for loans and advances where relaxation has been allowed by SBP. For portfolio impairment provision on consumer advances and small enterprise finance, the Bank follows the general provision requirements set out in Prudential Regulation.

5.1.2 Fair value of derivatives (note 24)

The fair value of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant interest rates in effect at the reporting date and the rates contracted.

5.1.3 Classification of investments (note 10.1)

In classifying investments, the Bank follows the guidance provided in SBP circulars:

- Investments classified as 'held-for-trading' are securities which are acquired with an intention to trade by taking advantage of short term market / interest rate movements and are to be sold within 90 days of acquisition.
- Investments classified as 'held-to-maturity' are non-derivative financial assets with fixed or determinable payments and fixed maturity. In making this judgment, the Bank evaluates its intention and ability to hold such investments to maturity.
- The investments which are not classified as 'held-for-trading' or 'held-to-maturity' are classified as 'available-for-sale'.

5.1.4 Impairment of 'available-for-sale' equity investments

The Bank determines that 'available-for-sale' equity investments are impaired when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Bank evaluates, among other factors, the normal volatility in share prices. In addition, the impairment may be appropriate when there is an evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational / financial cash flows.

5.1.5 Defined benefit plan (note 36)

The liability of the defined benefit plan (gratuity) is determined using actuarial advice using the Projected Unit Credit Method. The actuarial valuation involves making certain actuarial assumptions as disclosed in note 36. Actuarial assumptions are Bank's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits. Changes in these assumptions in future-years may affect the liability / asset under the plan in those years.

5.1.6 Income taxes (note 34)

In making the estimates for income taxes currently payable by the Bank, the management looks at the current income tax laws and the decisions of Appellate Authorities on certain issues in the past. For recovery of deferred tax asset recognized on unused tax losses, management projects and determines future taxable profits that are probable and will be available against which these unused tax losses can be set off.

5.1.7 Depreciation, amortization and revaluation of fixed assets (note 12 and note 13)

In making estimates of the depreciation / amortization method, management uses the method which reflects the pattern in which economic benefits are expected to be consumed by the Bank. The method applied is reviewed at each financial year-end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method is changed to reflect the change in pattern. Such change is accounted for as change in accounting estimate in accordance with IAS - 8, "Accounting Policies, Changes in Accounting Estimates and Errors". Further, the Bank estimates the revalued amount of land and buildings on a regular basis. The estimates are based on valuations carried out by independent professional valuers listed on the panel of Pakistan Banks' Association (PBA), under the market conditions.

5.1.8 Fair value hierarchy of assets and liabilities (note 41)

The fair value of the assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Bank categorizes fair value measurements within the following fair value hierarchy:

a) Level 1:

These are inputs at quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bank can access at the measurement date.

b) Level 2:

These are inputs other than quoted prices included within Level 1 inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

c) Level 3:

These are unobservable inputs for the asset or liability.

5.1.9 Depreciation, amortization and revaluation of non-banking assets acquired under satisfaction of claims (note 15.1)

In making estimates of the depreciation method for non-banking assets acquired under satisfaction of claims, management uses the method which is consistent with depreciation method of fixed assets. Further, the Bank estimates the revalued amount of land and buildings on a regular basis. The estimates are based on valuations carried out by independent professional valuers listed on the panel of PBA, under the market conditions.

5.1.10 Right-of-use assets and their related lease liability (note 12 and note 20)

The Bank applies judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Bank is reasonably certain to exercise such options impacts the lease term which significantly affects the amount of lease liabilities and right-of-use assets recognized.

5.1.11 Contract Assets (note 6.25 and note 15)

The Bank estimates its contract assets from Real Estate Investment Trust (REIT) on the basis of the expected value of the consideration to be received from REIT.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are consistent with those of the previous financial year.

6.1 Cash and cash equivalents

Cash and cash equivalents comprise cash and balances with treasury banks, balances with other banks in current and deposit accounts.

6.2 Lendings to / borrowings from financial institutions

The Bank enters into transactions of borrowings (re-purchase) from and lendings (reverse re-purchase) to financial institutions at contracted rates for a specified period of time. These are recorded as under:

6.2.1 Sale under repurchase agreements (repo)

Securities sold subject to a re-purchase agreement (repo) are retained in the financial statements as investments and the counter party liability is included in borrowings. The differential in sale and re-purchase value is accrued over the period of the agreement and recorded as markup expense.

6.2.2 Purchase under resale agreements (reverse repo)

Securities purchased under agreement to resale (reverse repo) are included in lendings to financial institutions. The differential between the contracted price and resale price is amortised over the period of the agreement and recorded as income.

Securities held as collateral are not recognised 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.

6.2.3 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks on a deferred payment basis and are shown in lendings to financial institutions except for transactions undertaken directly with the Government of Pakistan which are disclosed as investments. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the life of the transaction.

6.2.4 Other lendings

Other lendings include term lendings and unsecured lendings to financial institutions.

All lendings are stated net of provision, if any. Mark-up / interest income on such lendings is recorded on time proportion basis using effective interest rate method except mark-up on impaired / delinquent lendings, which are recognised on receipt basis.

6.2.5 Other borrowings

Other borrowings including borrowings from SBP which are recorded at proceeds received. Mark-up expense on such borrowings is recognised on accrual basis and is 'charged to the profit and loss account on time proportion basis using effective interest method.

6.3 Trade and settlement date accounting

All "regular way" purchases and sales of financial assets are recognised on the trade date, i.e., the date that the Bank commits to purchase or sell the assets. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulations or conventions in the market place.

6.4 Investments

The Bank classifies its investments as follows:

a) Held-for-trading

These are securities which are either acquired for generating profit from short-term fluctuations in market prices, interest rate movements, dealers' margin or are securities included in a portfolio in which a pattern of short-term profit taking exists.

b) Held-to-maturity

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

c) Available-for-sale

These are investments, other than investment in associate, which do not fall under the "held-for-trading" or "held-to-maturity" categories.

6.4.1 Initial measurement

Investments are initially recognised at acquisition cost, which in case of investments other than "held-for-trading" includes transaction costs associated with the investments.

6.4.2 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 amortised cost using the effective interest rate method, less any impairment loss recognised 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 / deficit arising thereon is kept in a other comprehensive income and taken to the profit and loss account when actually realised 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 equity securities is calculated with reference to the net assets of the investee company 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 investment, is credited to the profit and loss account. Investments in other unquoted securities are valued at cost less impairment losses, if any.

6.4.3 Investment in associates

Investment in associates in which the Bank has significant influence, but not control, over the financial and operating policies are accounted for using the equity method.

Companies where there are common directors but the Bank does not have significant influence are accounted for as ordinary investments.

6.4.4 Gains or losses on disposal of investments are included in the profit and loss account.

6.4.6 Impairment

6.4.5.1 Impairment of available for sale equity investments

Available for sale equity investments are impaired when there has been a significant or prolonged decline in their fair value below their cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Bank evaluates, among other factors, the normal volatility in share price. A subsequent increase in the fair value of a previously impaired listed equity security is recorded in the statement of financial position in the surplus / deficit on revaluation of securities account and only recorded through the profit and loss account when realised on disposal.

6.4.5.2 Impairment of debt investments

Provisions for diminution in the value of debt securities are made as per the ageing criteria prescribed by the Prudential Regulations issued by the SBP. Provision against debt investments by the Bank's overseas branches is made as per the requirements of the respective regulatory regimes in which the overseas branches operate.

6.4.5.3 Impairment of investments in subsidiaries and associates

The Bank considers that a decline in the recoverable value of the investment in a subsidiary or an associate below its cost may be evidence of impairment. Recoverable value is calculated as the higher of fair value less costs to sell and value in use. An impairment loss is recognised when the recoverable value falls below the carrying value and is charged to the profit and loss account. A subsequent reversal of an impairment loss, upto the cost of the investment in the subsidiary or the associate, is credited to the profit and loss account.

6.5 Advances

Advances including Islamic financing are stated net of specific and general provisions. Specific and general provisions against advances are determined on the basis of Prudential Regulations and other directives issued by the SBP and charged to the profit and loss account. Provisions are held against identified as well as unidentified losses. Advances are written off when there are no realistic prospects of recovery.

6.5.1 Murabaha

Murabaha financings are reflected as receivables at the invoiced amount. The profit on that sale revenue not due for payment is deferred by recording a credit to the "Deferred Murabaha Income" account. Profit is taken to the profit and loss account over the period of the Murabaha. Goods purchased but remaining unsold at the reporting date are recorded as inventories.

6.5.2 Diminishing Musharaka

In Diminishing Musharaka financing, the Bank enters into Musharaka based on Shirkat-ul-milk for financing an agreed share of fixed asset (for example, house, land, plant or machinery) with its customers and enters into periodic profit / rental payment agreement for the utilisation of the Bank's Musharaka share by the customer.

6.5.3 Musawamah

Musawamah financings are reflected as receivables at the invoiced amount. The profit on that sale revenue not due for payment is deferred by recording a credit to the "Deferred Musawamah Income" account. Profit is taken to the profit and loss account over the period of the Musawamah.

6.6 Fixed assets

6.6.1 Property and equipment

a) Owned assets

An item of property and equipment is initially recognised at cost which is equal to the fair value of consideration paid at the time of acquisition or construction of the asset.

Measurement subsequent to initial recognition

Property and equipment other than land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of property and equipment.

Land is stated at its revalued amount whereas buildings are stated at revalued amount less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the assets' 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. Maintenance and normal repairs are charged to the profit and loss account as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Surplus arising on revaluation is credited to the "Surplus on Revaluation of Fixed Assets" account. A deficit arising on revaluation of a particular asset is now to be accounted for in accordance with IFRS, which requires that such deficit can not be adjusted against surplus for any other asset, but is to be taken to the profit and loss account as an impairment. The surplus on revaluation of fixed assets to the extent of incremental depreciation charged on the related assets is transferred to equity.

Gains or losses on disposal of assets are taken to income currently, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to unappropriated profit / accumulated loss.

Depreciation

Depreciation is computed over the useful lives of the related assets using straight line method so as to write down the cost of assets to their residual values over their estimated useful lives at the rates given in note 12.2 to these financial statements. Depreciation on additions during the year is charged from the month of acquisition i.e. no depreciation is provided in the month of disposal. Same basis and estimates for depreciation are applied to owned assets and assets subject to finance lease.

Useful lives and residual values of assets are reviewed at each reporting date and adjusted if impact on depreciation is significant.

b) Lease liability and right to use assets

The bank enters into leasing arrangements for its branches, ATMs and warehouses. Rental contracts are typically for a period of 1 year to 10 years and may have extension options as described below. At inception of a contract, the Bank assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not be terminated).

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

Lease payments include fixed payments less any lease incentive receivable, variable lease payment that are based on an index or a rate which are initially measured using the index or rate as at the commencement date, amounts expected to be payable by the Bank under residual value guarantees, the exercise price of a purchase option if the Bank is reasonably certain to exercise that option and payments of penalties for terminating the lease if the lease term reflects the lessee exercising that option. The extension and termination options are incorporated in determination of lease term only when the Bank is reasonably certain to exercise these options.

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 lease modification, or to reflect revised in-substance fixed lease payment.

The lease liability is remeasured when the Bank reassesses the reasonable certainty of exercise of extension or termination option upon occurrence of either a significant event or a significant change in circumstance, or when there is a change in assessment of an option to purchase underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payment. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in profit and loss if the carrying amount of right-to-use asset has been reduced to zero.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

The right-of-use asset is initially measured based at the initial amount of initial measurement of 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.

The right-of-use asset is subsequently measured at cost model. The right of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Bank has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with those leases is recognised as an expense on a straight line basis over the lease term.

6.6.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. These are transferred to relevant category of property and equipment as and when the assets become available for use.

6.7 Intangible assets

These include computer software and are recorded initially at cost and subsequently stated at cost less any accumulated amortisation and accumulated impairment losses, if any.

These are amortised over their finite useful lives and amortisation is charged to the profit and loss account using the straight line method so as to write down the cost of the assets to their residual values over their estimated useful lives at the rates given in note 13.1 to these financial statements. Amortisation is charged from the month of acquisition. The useful lives and amortisation method are reviewed and adjusted, if appropriate, at each reporting date.

Costs associated with maintenance of computer software are recognised as an expense as and when incurred.

6.8 Taxation

Tax expense comprises of 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.

6.8.1 Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws for taxation on income earned. The current tax expense is calculated using prevailing tax rates or tax rates expected to apply to the taxable profits for the year at enacted tax rates. The charge for the current tax also includes adjustments, where considered necessary, relating to prior years arising from assessments made during the year for such years.

6.8.2 Prior

The charge for prior years represents adjustments to the tax charge for prior years, arising from assessments, changes in estimates, and retrospectively applied changes to law, made during the current year.

6.8.3 Deferred

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

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. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Bank also recognises deferred tax asset / liability on deficit / surplus on revaluation of fixed assets and securities which is adjusted against the related deficit / surplus in accordance with the requirements of IAS 12 "Income Taxes".

6.9 Impairment of non-financial assets

At each reporting date, the Bank reviews the carrying amounts of its non-financial assets other than deferred tax assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of the impairment loss, if any. Recoverable amount is the greater of net selling price and value in use. Whenever the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is taken to the profit and loss account except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation.

6.10 Provision from claims under guarantees

A provision for claims under guarantees is recognised when intimated and reasonable certainty exists that the Bank will settle the obligation. The charge to the profit and loss is stated net of expected recoveries and the obligation is recognised in other liabilities.

6.11 Other provisions

Other provisions are recognised when the Bank has a legal or constructive obligation as a result of past events and 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 estimates.

Provision against identified non-funded losses is recognised when identified and reasonable certainty exists for the Bank to settle the obligation. The loss is charged to the profit and loss account net of expected recovery and is classified under "other liabilities".

6.12 Staff retirement benefits

6.12.1 Defined contribution plan

The Bank operates an approved funded provident fund scheme (the Fund) 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 percent of basic salaries of employees.

6.12.2 Defined benefit plan

The Bank operates an approved gratuity scheme for all its regular employees. Beginning from January 01, 2005, the entitlement of the employees commences on the completion of five years of service with the Bank. Projected Unit Credit Actuarial Cost Method is used for actuarial valuation.

Re-measurement component, which is the net of actuarial gains and losses, is immediately recognised in other comprehensive income, whereas, service costs and net interest income / (expense) are charged to the profit and loss account.

6.12.3 Benefits for contractual staff

The entitlement of contractual employees is based on number of years of service. Upon completion of 1 year of service, gratuity expense equivalent to a month's salary (withdrawn) is accrued. After the first year, expense equivalent to a month's salary is further accrued in each year if the employee remains in service for major part of the year (181 days or more). Payments against liability are made when eligible employee leaves service. Unpaid expense is included in "other liabilities".

6.13 Revenue recognition

Revenue is recognised to the extent that the economic benefits associated with a transaction will flow to the Bank and the revenue can be reliably measured. The following recognition criteria must be met before revenue is recognised. Revenue is recognised:

- Mark-up / return / interest on advances, investments, lending to financial institutions and balances with other banks is recognised on accrual basis that takes into account effective yield on the assets except in case of advances classified under the Prudential Regulations issued by the SBP (as amended from time to time) on which mark-up / return / interest is recognised on receipt basis. Mark-up / return / interest on rescheduled / restructured advances and investments is recognised in accordance with the directives of the SBP.
- Profit on Diminishing Musharaka financings is recognised on accrual basis.
- Profit on Sukuk is recognised on accrual basis.
- Fees, brokerage and commission on letters of credit / guarantee and other services are amortised over the tenure of the respective facility, whereas account maintenance and service charges are recognised when realised.
- Dividend income is recognised when the right to receive the dividend is established.
- Rent on property and non-banking assets is recognised on the accrual basis.
- Gain and loss on sale of investments is credited / charged to the profit and loss account currently.

6.14 Non-banking assets acquired in satisfaction of claims / Other Real Estate Owned (OREO)

At the time of acquisition of non-banking asset, it is recognized on the basis of value determined by independent evaluators on the panel of

- For outstanding loans exceeding Rs. 2 million, only self-assessment is carried out.
- At least one valuation reports for transaction amount up to Rs. 20 million.
- At least two valuation reports for transaction amount up to Rs. 50 million.
- At least three valuation reports for transaction amount of more than Rs. 50 million.

Settlement value used for acquisition of non-banking assets is based on market value as per valuation report, however, settlement value is restricted to average of lowest two valuation reports obtained as per above criteria. Land acquired as non-banking assets is recorded in statement of financial position only when it is transferred in the name of the Bank and recorded in revenue records.

Provision against non-performing advances and suspended mark-up / return / interest is reversed on acquisition of non-banking assets, however, suspended mark-up is taken into profit and loss account only when it is realized in cash through sale of non-banking asset or otherwise.

Subsequent to initial recognition, these are stated at fair value less accumulated depreciation and impairment loss, if any.

Depreciation on non-banking assets is calculated in line with the depreciation method used for same class of assets in property and equipment.

Gains and losses on disposal of non-banking assets are recognised in the profit and loss account when either the risks and rewards are transferred or if 40% to 50% total agreed sale consideration is recovered. The gain or loss on disposal / derecognition of an item of non banking assets shall be determined as a difference between the net disposal proceeds, if any and the carrying amount of the respective item.

6.15 Foreign currencies

6.15.1 Foreign currency transactions

Transactions in foreign currencies are translated into Pakistani rupees at the foreign exchange rates prevailing on the transaction date.

Forward contracts other than contracts with the SBP relating to foreign currency deposits are valued at forward rates applicable to the respective maturities of the relevant foreign exchange contract.

Forward purchase contracts with the SBP relating to foreign currency deposits are valued at the spot rate prevailing on the reporting date. The forward cover fee payable on such contracts is amortised over the term of the contracts.

6.15.2 Contingencies and commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates.

6.16 Financial Instruments

6.16.1 Financial assets and liabilities

Financial assets and financial liabilities carried on the statement of financial position include cash and balances with treasury banks, balances with other banks, lendings to financial institutions, investments (excluding investment in associate), advances, certain other assets, borrowings from financial institutions, deposits, bills payable, liabilities against assets subject to finance lease and other liabilities. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

6.16.2 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value using valuation techniques. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is taken to the profit and loss account.

6.17 Off-setting

Financial assets and financial liabilities are set-off and the net amount is reported in the financial statements when there is 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.

6.18 Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of the other segments. Segment information is presented as per the Bank's functional structure and guidance of the SBP. Following are the main business segments of the Bank:

6.18.1 Business segments

Wholesale Banking

Deposits, trade and other lending activities for corporates and financial institutions.

Treasury

This segment undertakes the Bank's treasury, money market and capital market activities. Treasury manages the asset and liability mix of the Bank and provides customers with products that meet their demand for management of liquidity, cash flow, interest rate fluctuations and foreign exchange risks.

Consumer / SME Banking

Wealth management, deposits, mortgages, auto finance, unsecured lending and SME lending (including SME trade).

All assets, liabilities, off balance sheet items and items of income and expenses are distributed in primary segments in accordance with the core functions performed by the business groups.

6.18.2 Geographical segment

The Bank conducts all its operations in Pakistan.

6.19 Deposits

Deposits are initially recorded at the amount of proceeds received. Mark-up accrued on deposits is recognised separately as part of other liabilities and is charged to the profit and loss account on a time proportionate basis.

6.20 Share capital

Ordinary shares are classified as equity and recognized at their face value less discount on issue of shares. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

6.21 Earnings per share

The Bank presents basic and diluted earnings per share (EPS). 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.

6.22 Fiduciary assets

Assets held in fiduciary capacity are not treated as assets of the Bank in the statement of financial position.

6.23 Subordinated debts

Subordinated debts are initially recorded at the amount of proceeds received. Mark-up on subordinated debts is charged to the profit and loss account over the period on an accrual basis and is recognised separately as part of other liabilities.

6.24 Acceptances

Acceptances comprise of undertakings by the Bank to pay bills of exchange drawn on customers. Acceptances are recognised as financial liability in the statement of financial position with a contractual right of reimbursement from the customer as a financial asset. Therefore, commitments in respect of acceptances have been accounted for as financial assets and financial liabilities.

6.25 Variable considerations

In calculating gain on disposal of a non-financial assets, if the consideration under a contract involves any variable amounts to be received over a future time period, the Bank estimates such variable part of consideration to which it will be entitled in exchange for transferring the respective asset to the counter-party. The estimated variable consideration is accounted for under the requirements of IFRS 15 and classified as 'Contract assets'. For estimation of variable element of consideration, the Bank applies 'Expected value' method consistently at each balance sheet date and constrained the same until it is highly probable that a significant reversal in the amount of cumulative Contract asset recognized will not occur when the associated uncertainty is subsequently resolved and any resultant change in the recognized Contract asset shall accordingly be adjusted as gain or loss on disposal in profit and loss account in the respective period. Further, the Bank in estimating the contract assets shall take the effects of time value of money unless the material amount of related variable component varies on the basis of the occurrence of a future event that is not substantially within the control of the Bank or the counter party.

	Note	2022	2021
		Rupees in '000	
7 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		2,265,510	2,337,294
Foreign currencies		615,560	838,760
		2,781,070	3,176,044
With State Bank of Pakistan in			
Local currency current account	7.1	5,714,063	7,201,609
Foreign currency current account		758,204	659,084
Foreign currency deposit account	7.2	910,188	800,511
		7,382,455	8,751,104
With National Bank of Pakistan in			
Local currency current account		25,270	254,501
National Prize Bonds		9,673	42,864
		10,198,476	12,224,613

7.1 Deposits with SBP are maintained to comply with the statutory requirements of SBP issued from time to time (section 22 of Banking Companies Ordinance, 1962).

7.2 This represents account maintained with the SBP to comply with Special Cash Reserve requirement (FE-25 scheme, as prescribed by SBP). It carries interest rates ranging from 0.12% to 3.14% (2021: 0%).

	Note	2022	2021
		Rupees in '000	
8 BALANCES WITH OTHER BANKS			
In Pakistan			
In current account		99,360	102,870
In deposit account		84	76
		99,404	102,946
Outside Pakistan			
In current account		487,328	354,606
		586,790	547,553

	Note	2022	2021
9 LENDINGS TO FINANCIAL INSTITUTIONS			
Repurchase agreement lendings (Reverse repo)	9.2	7,880,102	1,910,922
Foreign placement	9.3	288,094	1,477,485
		8,148,196	3,388,407

9.1 Particulars of lending			
In local currency		7,880,102	1,910,922
In foreign currencies		288,094	1,477,485
		8,148,196	3,388,407

	Note	2022			2021		
		Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
		Rupees in '000					
Market Treasury Bills	9.2.1 & 9.2.2	3,064,263	4,815,839	7,880,102	-	-	-
Pakistan Investment Bonds	9.2.1 & 9.2.2	-	-	-	-	1,910,922	1,910,922
Total		3,064,263	4,815,839	7,880,102	-	1,910,922	1,910,922

9.2.1 These have been purchased under the reverse repurchase agreement at the mark-up rates ranging from 16% to 16.75% (2021: 10%) per annum with maturities upto January-2023.

9.2.2 The market value of securities held as collateral against reverse repurchase agreement lendings is Rs. 7,895 million (2021: Rs. 1,913 million).

9.3 These have been placed with foreign banks as pledge against issuance of Standby Letter of Credit (SBLC) favouring Master card, VISA and guarantee to Government Department at the interest rate 1.5% (2021: 0.01%) per annum with maturities upto January-2023.

10 INVESTMENTS

10.1	Investments by type:	2022				2021			
		Cost / Amortised cost	Provision for impairment	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for impairment	Surplus / (Deficit)	Carrying Value
		Note							
		Rupees in '000							
	Held-for-trading securities								
	Federal Government Securities								
	Market Treasury Bills	6,908,492	-	1,821	6,908,313	20,935,716	-	9,360	20,945,076
	Pakistan Investment Bonds	880,811	-	(114)	880,700	11,370,267	-	(32,000)	11,337,369
	GOP (Sukuk) Sukuk	395,446	-	(3,185)	392,260	-	-	-	-
		8,991,748	-	(1,475)	8,200,273	32,305,983	-	(23,518)	32,282,435
	Available-for-sale securities								
	Federal Government Securities								
	Market Treasury Bills	16,489,672	-	(31,855)	16,457,707	17,700,300	-	11,028	17,810,328
	Pakistan Investment Bonds	117,914,919	-	(1,922,898)	115,982,023	82,804,717	-	(1,247,547)	80,557,170
	GOP (Sukuk) Sukuk	3,239,178	-	(117,581)	3,121,597	5,374,372	-	(107,897)	5,266,475
	Shares								
	Listed	6	-	-	6	25,609	-	38,487	64,076
	Unlisted	5,680	(5,680)	-	-	5,680	(5,680)	-	-
	Real Estate Investment Trust Units	910,032	-	(14,551)	895,471	-	-	-	-
	Non Government Debt Securities								
	Term Finance Certificates - Listed	50,278	-	(103)	50,175	50,500	-	(375)	50,125
	Term Finance Certificates - Unlisted	8,780	(8,780)	-	-	8,780	(8,780)	-	-
		137,618,444	(14,460)	(2,097,008)	135,506,976	91,068,050	(14,460)	(1,305,324)	89,748,174
	Held-to-maturity securities								
	Federal Government Securities								
	Pakistan Investment Bonds	21,755,858	-	-	21,755,858	21,947,701	-	-	21,947,701
	Bal Muejjal	-	-	-	-	257,658	-	-	257,658
	Non Government Debt Securities								
	Shares repurchase (fully provided)	74,910	(74,910)	-	-	74,910	(74,910)	-	-
		21,830,768	(74,910)	-	21,755,858	22,100,269	(74,910)	-	22,025,359
	Associates								
	SPI Insurance Company Limited	123,509	-	-	123,509	147,933	-	-	147,933
	Total investments	167,864,469	(89,370)	(2,098,481)	165,676,618	145,703,143	(89,370)	(1,329,872)	144,283,001
10.2	Investments by Segments:								
	Federal Government Securities								
	Market Treasury Bills	22,295,064	-	(30,044)	22,265,020	38,235,016	-	20,388	38,255,404
	Pakistan Investment Bonds	140,660,598	-	(1,933,007)	138,727,591	101,022,885	-	(1,290,455)	99,742,230
	GOP (Sukuk) Sukuk	3,634,623	-	(120,768)	3,513,857	5,374,372	-	(107,897)	5,266,475
	Bal Muejjal	-	-	-	-	257,658	-	-	257,658
		166,691,275	-	(2,083,817)	164,607,458	145,089,731	-	(1,387,964)	144,021,767
	Shares								
	Listed companies	6	-	-	6	25,609	-	38,487	64,076
	Unlisted companies	5,680	(5,680)	-	-	5,680	(5,680)	-	-
		5,685	(5,680)	-	6	31,289	(5,680)	38,487	64,076
	Non Government Debt Securities								
	Term Finance Certificates - Listed	50,278	-	(103)	50,175	50,500	-	(375)	50,125
	Term Finance Certificates - Unlisted	8,780	(8,780)	-	-	8,780	(8,780)	-	-
		59,058	(8,780)	(103)	50,175	59,280	(8,780)	(375)	50,125
	Shares repurchase (fully provided)	74,910	(74,910)	-	-	74,910	(74,910)	-	-
	Real Estate Investment Trust Units	910,032	-	(14,661)	895,471	-	-	-	-
	Associates								
	SPI Insurance Company Limited	123,509	-	-	123,509	147,933	-	-	147,933
	Total investments	167,864,469	(89,370)	(2,098,481)	165,676,618	145,703,143	(89,370)	(1,329,872)	144,283,001

	2022	2021
	Rupees in '000	
10.2.1 Investments given as collateral		
Market Treasury Bills	22,343,885	36,750,411
Pakistan Investment Bonds	116,403,463	76,769,949
	138,747,448	115,520,360
10.3 Provision for diminution in value of investments		
10.3.1 Opening balance	89,370	89,370
Charge / (reversals)		
Charge for the year	-	-
Reversals for the year	-	-
Amounts written off	-	-
Closing balance	89,370	89,370

10.3.2 Particulars of provision against debt securities

Category of classification	2022		2021	
	Non Performing Investments	Provision	Non Performing Investments	Provision
	Rupees in '000			
Domestic:				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	83,690	83,690	83,690	83,690
Total	83,690	83,690	83,690	83,690

10.4 Quality of Available for Sale Securities

Details regarding quality of Available for Sale (AFS) securities are as follows:

Note	2022		2021	
	Cost	Breakup value	Cost	Breakup value
	Rupees in '000			
Federal Government Securities - Government guaranteed				
Market Treasury Bills	16,489,572	-	17,799,300	-
Pakistan Investment Bonds	117,914,919	-	67,804,717	-
Ijarah Sukuks	3,239,176	-	5,374,372	-
	138,643,669	-	90,978,389	-
Shares				
Listed Companies				
Chemical and pharmaceuticals	6	-	5	-
Services	-	-	25,604	-
	6	-	25,609	-
Unlisted Companies				
	Cost	Breakup value	Cost	Breakup value
	Rupees in '000			
Pakistan Export Finance Guarantee Limited (fully provided)	5,680	-	5,680	-
	5,680	-	5,680	-
Real Estate Investment Trust Units				
	Cost	Breakup value	Cost	Breakup value
	Rupees in '000			
Silk World Islamic REIT	810,032	885,471	-	-
	810,032	885,471	-	-
Non Government Debt Securities				
Listed				
- AA+			50,278	60,600
Unlisted				
- Unrated (fully provided)			8,780	8,780

10.4.1 The SBP vide its letter dated October 13, 2022 has allowed the Bank to stagger its unrealized mark to market losses with respect to a certain portion of its fixed PIB portfolio having face value amounting to Rs. 14,071 million. Accordingly, the Bank is allowed to account for 25% unrealized mark to market loss related to respective portfolio upto September 30, 2022, 50% upto December 31, 2022, 75% upto March 31, 2023 and 100% upto June 30, 2023. Had such benefit (i.e. staggering of unrealized losses) not been taken by the Bank, the unrealized mark to market losses would have been higher by Rs. 811 million.

10.4.2 These include securities having face value of Rs. 973 million (2021: Rs. 662 million) pledged with United Bank Limited for Global Industrial and Defence Solutions, PaMsten and LESCO as Guarantor. Further, securities having face value of Rs. 35 million (2021: Rs. 35 million) pledged with SBP as security to facilitate Telegraphic Transfer discounting facilities sanctioned to branches of the Bank.

10.4.3 These represent zero coupon privately placed TFCs of Azgard Nine Limited acquired against mark-up settlement of Rs. 8.78 million on the credit facilities provided to Azgard Nine Limited.

Cost	
2022	2021

Rupees in '000

10.6 Particulars relating to Held to Maturity securities are as follows:

Federal Government Securities

Pakistan Investment Bonds	21,755,858	21,847,701
Daf Murajjal	-	257,656
Others		
Shares repurchase (fully provided)	74,910	74,910
	<u>21,830,768</u>	<u>22,180,269</u>

10.6.1 The market value of securities classified as held-to-maturity is Rs. 21,768 million (2021: Rs. 22,185 million).

10.6 Investment in associate

Name of company	Proportion of ownership interest	Country of Incorporation
SPI Insurance Company Limited	23.07% (2021: 23.07%)	Pakistan

	2022	2021
	Rupees in '000	
Total assets	<u>787,553</u>	<u>1,035,408</u>
Total liabilities	<u>215,278</u>	<u>320,921</u>
Revenue	<u>35,041</u>	<u>333,622</u>
(Loss) / Profit after taxation	<u>(195,852)</u>	<u>2,780</u>
Total comprehensive loss	<u>(142,213)</u>	<u>11,395</u>

2022 2021
Rupees in '000

10.6.1 Movement in investment in associate

Investment at the beginning of the year	147,933	144,766
Share of (loss) / profit for the year	(24,424)	3,187
Investment at the end of the year	<u>123,509</u>	<u>147,953</u>

10.6.2 Summarized financial information of the associate is based on financial information for year ended December 31, 2022. There is no difference between the proportionate share of net assets of associate and its carrying value accounted on equity method therefore no reconciliation is required.

10.6.3 There is no share of contingencies and commitments from associate as of December 31, 2022 and December 31, 2021.

10.6.4 During the year 2021, a scheme of merger between SPI Insurance Company Limited (SPI) and United Insurance Company of Pakistan Limited (UIC) was approved by the members of SPI and UIC in their respective extra ordinary general meetings held on October 23, 2021 and October 16, 2021 respectively. Under the scheme, a share swap ratio of 0.9 UIC share against 1 SPI share (0.9:1) is agreed. After completion of all the requisite legal formalities, the merger subsequently has come in effect on March 31, 2023 and the Bank has received 11,940,716 UIC shares in exchange of 13,287,462 SPI shares held by it as investment.

After the merger the effective shareholding of bank has been reduced to 3.44%. Resultantly, this revised shareholding of bank in UIC does not qualify to be accounted for as investment in associate subsequently.

11 ADVANCES

	Performing		Non Performing		Total	
	2022	2021	2022	2021	2022	2021
	Rupees in '000					
Loans, cash credits, remaining finances, etc.	48,922,016	52,401,503	45,114,003	43,858,231	94,037,009	96,260,734
Islamic financing and related assets	226,868	2,857,092	-	-	226,868	2,857,092
Bills discounted and purchased	62,148	537,383	1,858	3,113	64,006	540,496
Advances - gross	49,201,032	55,795,978	45,116,861	43,861,344	94,317,883	99,657,322
Provision against advances	11.3					
- Specific	-	-	(29,495,607)	(23,361,430)	(29,495,607)	(23,361,430)
- General	(705,074)	(866,128)	-	-	(705,074)	(866,128)
	(705,074)	(866,128)	(29,495,607)	(23,361,430)	(30,200,681)	(24,227,558)
Advances - net of provision	48,495,958	64,929,850	15,621,244	20,499,914	64,117,202	75,429,764

		2022	2021
		Rupees in '000	
11.1	Particulars of advances (gross)		
	In local currency	94,317,883	99,657,322
	In foreign currencies	-	-
		<u>94,317,883</u>	<u>99,657,322</u>

11.2 Advances include Rs. 45.12 billion (2021: Rs. 43.86 billion) which have been placed under non-performing status as detailed below:

Category of classification - specific	Note	2022		2021	
		Non Performing Loans	Provision	Non Performing Loans	Provision
		Rupees in '000			
Domestic					
Substandard		779,626	71,487	694,425	71,534
Doubtful		3,005,846	101,727	1,111,354	465,280
Loss		41,331,379	29,322,393	42,055,565	22,824,600
Total	11.3	<u>45,116,851</u>	<u>29,496,607</u>	<u>43,861,344</u>	<u>23,361,430</u>

11.3 Particulars of provision against advances

	Note	2022			2021		
		Specific	General	Total	Specific	General	Total
		Rupees in '000					
Opening balance		23,361,430	866,128	24,227,558	13,951,531	742,034	14,693,565
Charge for the year		6,777,383	-	6,777,383	10,833,249	124,084	10,957,343
Reversals		(1,628,499)	(181,064)	(1,789,653)	(485,783)	-	(485,783)
	3.3	7,148,884	(181,064)	6,987,830	10,347,456	124,084	10,471,650
Amounts written off	11.4.1	(1,014,707)	-	(1,014,707)	(937,557)	-	(937,557)
Closing balance		<u>28,495,607</u>	<u>705,074</u>	<u>30,200,681</u>	<u>23,361,430</u>	<u>866,128</u>	<u>24,227,558</u>

11.3.1 Particulars of provision against advances

	2022			2021		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
In local currency	(29,495,607)	(705,074)	(30,200,681)	(23,361,430)	(866,128)	(24,227,558)
In foreign currencies	-	-	-	-	-	-
	<u>(29,495,607)</u>	<u>(705,074)</u>	<u>(30,200,681)</u>	<u>(23,361,430)</u>	<u>(866,128)</u>	<u>(24,227,558)</u>

11.3.2 It includes non-performing advances amounting to Rs. 10,283 million (2021 : Rs. 10,283 million) extended to certain borrowers ('Respective borrowers') who are engaged primarily in trading and real estate businesses which are mainly secured against the mortgage of land. These exposures are classified under 'Loss' category. The Bank intends to sell these exposures through Real Estate Investment Trust (REIT) arrangements which have been approved by the SBP with certain conditions precedent. Under the arrangement, two separate schemes of REITs, i.e. Silk Islamic Development REIT (SIDR) and Silk World Islamic REIT (SWIR) have been established. Out of the total land mortgaged with the Bank as a collateral securing these non-performing exposures, the land measuring 14.34 acres and 32.28 acres have been released and transferred in favour of SIDR and SWIR respectively. However, the Bank still hold other land of the Related Borrowers under mortgage having market value of around Rs. 24 billion.

11.3.2.1 After formation of SIDR, and transfer of land, an initial sale proceed of Rs. 670 million have been realised to the Bank against these respective non-performing exposures.

11.3.2.2 Against the land transferred to SWIR, REIT units in SWIR having par value of Rs. 5 billion have been issued in favour of the Respective borrowers which along with dividend thereon have been assigned in favour of the Bank.

11.3.3 SBP vide various circulars has amended Prudential Regulations in respect of provisioning against non-performing advances under which the benefit of Forced Sale Value (FSV) has been allowed for plant and machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing advances upto five years from the date of classification.

11.3.4 As of December 31, 2022, the Bank has availed FSV benefits against all non-performing advances. Had the benefit not been taken by the Bank, loss after tax would have been higher by 8,186 million (December 31, 2021 : 13,114 million), which shall not be available for payment of cash or stock dividend / bonus to employees.

11.3.5 As per Prudential Regulation for consumer financing issued by the SBP, percentage of reserve is linked to non-performing loans to gross loans ratio. Consequently, the general provisioning on consumer financing is maintained at 4% (2021: 4%) of unsecured portfolio of the Bank.

	Note	2022	2021	
		Rupees in '000		
11.4	Particulars of write offs:			
11.4.1	Against Provisions Directly charged to profit & loss account	11.3	1,014,707	937,557
			-	-
			<u>1,014,707</u>	<u>937,557</u>
11.4.2	Domestic Write Offs of Rs. 500,000 and above Write Offs of Below Rs. 500,000	11.4.3	414,084	372,260
			600,623	565,297
			<u>1,014,707</u>	<u>937,557</u>
11.4.3	Total 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 rupees five hundred thousand or above allowed to a person(s) during the year ended is given in Annexure I.

11.6 Information related to Islamic financing and related assets is given in Annexure II and is an integral part of the financial statements.

	Note	2022	2021	
		Rupees in '000		
12	FIXED ASSETS			
	Capital work-in-progress	12.1	34,217	-
	Property and equipment	12.2	2,862,766	2,988,545
	Right-of-use assets	12.7	2,432,264	2,818,848
			<u>5,429,237</u>	<u>5,805,403</u>
12.1	Capital work-in-progress			
	Civil works		7,625	-
	Advances to suppliers and contractors		26,592	-
			<u>34,217</u>	<u>-</u>

12.2 Property and equipment

	Freehold land	Leasehold land	Owned					Leasehold improvements	Total
			Building on Freehold land	Building on Leasehold land	Furniture and fixture	Electrical, office and computer equipment	Vehicles		
Rupees in '000									
2022									
At January 1, 2022									
Cost / revalued amount	-	1,907,321	16,426	581,534	423,750	2,143,919	481,868	1,231,413	6,785,230
Accumulated depreciation	-	-	(8,181)	(134,735)	(312,112)	(1,834,602)	(297,191)	(897,997)	(3,484,818)
Accumulated impairment	-	-	-	(331,867)	-	-	-	-	(331,867)
Net book value	-	1,907,321	7,244	114,932	111,638	309,317	184,677	333,416	2,968,645
Year ended December 2022									
Opening net book value	-	1,907,321	7,244	114,932	111,638	309,317	184,677	333,416	2,968,645
Additions	-	-	-	-	2,761	29,855	308,429	9,425	350,470
Disposals - WDV	-	-	-	-	-	(36)	(68,729)	-	(68,764)
Write offs - WDV	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(771)	(10,929)	(20,919)	(105,152)	(92,404)	(59,311)	(289,485)
Closing net book value	-	1,907,321	6,473	104,004	93,480	233,985	333,973	263,530	2,962,766
At December 31, 2022									
Cost / revalued amount	-	1,907,321	16,426	581,534	429,511	2,172,556	587,804	1,240,836	6,931,889
Accumulated depreciation	-	-	(8,952)	(145,663)	(333,031)	(1,938,871)	(253,631)	(967,308)	(3,637,856)
Accumulated impairment	-	-	-	(331,867)	-	-	-	-	(331,867)
Net book value	-	1,907,321	6,473	104,004	93,480	233,985	333,973	263,530	2,962,766
Rate of depreciation	-	-	5%	5%	10%	14.29%-33.33%	20%	10%-20%	-
2021									
At January 1, 2021									
Cost / revalued amount	-	1,907,321	15,425	581,534	423,833	2,075,338	710,685	1,271,095	6,885,221
Accumulated depreciation	-	-	(7,410)	(123,807)	(294,285)	(1,716,403)	(342,247)	(912,884)	(3,397,046)
Accumulated impairment	-	-	-	(331,867)	-	-	-	-	(331,867)
Net book value	-	1,907,321	8,015	125,860	129,538	358,935	368,438	358,201	3,256,368
Year ended December 2021									
Opening net book value	-	1,907,321	8,015	125,860	129,538	358,935	368,438	358,201	3,256,368
Additions	-	-	-	-	4,065	80,837	6,422	99,077	190,401
Disposals - WDV	-	-	-	-	(395)	(335)	(88,412)	(45,637)	(134,779)
Write offs - WDV	-	-	-	-	-	-	-	(21,275)	(21,275)
Depreciation charge	-	-	(771)	(10,928)	(21,570)	(130,120)	(101,771)	(55,950)	(322,110)
Impairment less	-	-	-	-	-	-	-	-	-
Closing net book value	-	1,907,321	7,244	114,932	111,638	309,317	184,677	333,416	2,968,645
At December 31, 2021									
Cost / revalued amount	-	1,907,321	15,425	581,534	423,750	2,143,919	481,868	1,231,413	6,785,230
Accumulated depreciation	-	-	(8,181)	(134,735)	(312,112)	(1,834,602)	(297,191)	(897,997)	(3,484,818)
Accumulated impairment	-	-	-	(331,867)	-	-	-	-	(331,867)
Net book value	-	1,907,321	7,244	114,932	111,638	309,317	184,677	333,416	2,968,645
Rate of depreciation	-	-	5%	5%	10%	14.29%-33.33%	20%	10%-20%	-

12.2.1 These include land and buildings revalued in 2008 by Habib Associates, an independent valuer. The revaluation resulted in a surplus of Rs. 118.67 million. Had there been no revaluation, the carrying value of the revalued land and buildings would have been lower by Rs. 44.79 million (2021: Rs. 48.33 million). The Bank's land and buildings were again revalued in financial year 2022 on the basis of December-2020, however, no revaluation surplus or deficit was recorded as the revalued amounts were not materially different from carrying values.

12.2 On September 10, 2016, the Bank entered into an Agreement to Sell (the Agreement) with respect to its previous Head Office Land and Building (the Property) situated at E. I. Chundrigar Road against sale consideration of Rs. 2,370 million. Pursuant to the terms of the Agreement, the Bank received a down payment of Rs. 118.56 million, which is currently reported in 'other liabilities' (note 20). The remaining balance was required to be paid by the buyer within 5 years from the date of the Agreement. Under the agreement, the counter-party is permitted for new construction at the Property site while keeping the building facade intact being the heritage and required to be protected under Heritage regulations.

12.2.1 Due to certain obligations and restrictions against the proposed construction along with severe economic slowdown occurred due to COVID-19, the construction activities at the Property site were badly hampered at various time-intervals due to which the counter-party has requested the Bank to extend the term of the agreement. Accordingly, the agreement was initially extended for one year and thereafter till September 2024.

12.2.2 At the time of issuance of these financial statements, the remaining payment under the agreement has not been realized to the Bank. The buyer of the property has not complied with the terms of the agreement, and despite of non-compliance of the terms, has filed a suit in May 2024, to restrain the Bank from interfering in its possession, dispossessing the buyer from the property and other actions. The Bank has also filed a counter suit in the Sindh High Court in August 2024 that the agreement be considered null and void due to its non-compliance by the buyer.

	2022	2021
Rupees in '000		
12.4 The cost of fully depreciated property and equipment that are still in use is as follows:		
Furniture, electrical, office, computer equipment and others	1,626,730	1,702,989
Leasehold improvements	699,885	657,739
Vehicles	62,265	53,083
	<u>2,588,870</u>	<u>2,413,781</u>

12.5 Details of disposal of fixed assets - By negotiations / Bank policy

Particulars of assets	Date of capitalization	Date of disposal	Cost	Accumulated depreciation	Book value	Safe proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchaser
Items having Book value in aggregate more than Rs. 250,000 or Cost more than Rs.1,000,000									
HONDA CIVIC I-TEC MODEL 2017	20-Jun-17	11-Mar-22	2,255	2,255	116	116	-	Bank Employee	ALI RAJESANI
HONDA CITY MIT MODEL 2017	13-Jun-17	14-Jun-22	1,250	1,250	-	-	-	Bank Employee	AHMED HUSSAIN MALIK
TOYOTA COROLLA GLI AT MODEL 2015	5-Jun-17	24-Jun-22	1,327	1,216	111	111	-	Bank Employee	SYED TAJAMUL MEHDI
SUZUKI CULTUS VXLI MODEL 2017	15-Jun-17	5-Jun-22	1,250	1,250	-	-	-	Bank Employee	FAISAL IKRAM
NISSAN DAYZ HIGHWAY STAR MODEL 2015	15-Jun-17	1-Jun-22	1,235	1,235	-	-	-	Bank Employee	IRFAN SHEIKH
SUZUKI CULTUS VXLI MODEL 2017	9-Jun-17	21-Jun-22	1,250	858	292	292	-	Bank Employee	JAMAL ABDUL NASIR
SUZUKI CULTUS VXLI MODEL 2017	6-Jul-17	26-Jul-22	1,250	1,250	-	-	-	Bank Employee	ABDUL AZIZ MALIK
HONDA BRV I-TEC MODEL 2017	6-Jul-17	20-Jul-22	1,854	1,854	-	-	-	Bank Employee	SYED ASIF SAEED
SUZUKI CULTUS VXLI MODEL 2017	7-Jul-17	28-Jul-22	1,250	1,250	-	-	-	Bank Employee	TAJAMMAL ISLAM
HONDA CIVIC MODEL 2015	21-Jul-17	11-Aug-22	1,327	1,327	-	-	-	Bank Employee	IRFANUDDIN KHAN
TOYOTA VITZ MODEL 2014	24-Jul-17	14-Jul-22	1,327	1,327	-	-	-	Bank Employee	SALMAN ASLAM
SUZUKI CULTUS VXLI MODEL 2017	1-Aug-17	3-Aug-22	1,250	1,250	-	-	-	Bank Employee	SHEIKH SAJID MEHMOOD
HONDA BRV MODEL 2017	3-Aug-17	5-Aug-22	1,864	1,864	-	-	-	Bank Employee	FAKHAR UDDIN SIDDIQUI
SUZUKI CULTUS VXLI MODEL 2017	2-Aug-17	5-Aug-22	1,250	1,250	-	-	-	Bank Employee	ERUM SHAZI
SUZUKI CULTUS VXLI MODEL 2017	10-Aug-17	2-Aug-22	1,250	1,250	-	-	-	Bank Employee	JAHANGIR AHMAD
TOYOTA VITZ CAR MODEL 2014	5-Sep-17	19-Jan-22	1,327	1,150	177	177	-	Bank Employee	SOHAIL ANWAR
TOYOTA ALTIS GRANDE 1.8CC MODEL 2017	18-Sep-17	4-Mar-22	2,381	1,859	472	472	-	Bank Employee	ABBAS ALI CHAUDHRY
HONDA CIVIC I-TEC ORIEL 1.8CC MODEL 2017	3-Oct-17	11-May-22	2,353	2,157	196	196	-	Bank Employee	MUHAMMAD HASSAN TARIQ
SUZUKI SWIFT MODEL 2014	9-Oct-17	19-Oct-22	1,250	1,250	-	-	-	Bank Employee	MUSTAFA AWAN
HONDA CITY PT 1.3CC MODEL 2017	17-Oct-17	5-Oct-22	1,864	1,129	-	-	-	Bank Employee	MUHAMMAD BILAL AMIN SHEKH
TOYOTA COROLLA GLI AT MODEL 2017	19-Oct-17	12-Oct-22	1,864	1,864	-	-	-	Bank Employee	NOMAN ANWAR BUTT
HONDA CITY I-TEC ASPIRE 1.5CC MODEL 2017	17-Oct-17	5-Oct-22	1,881	1,881	-	-	-	Bank Employee	SYED QASIM BANDURI
TOYOTA ALTIS 1.8CC MODEL 2017	16-Oct-17	14-Jan-22	1,250	1,252	188	188	-	Bank Employee	MRS. SAIRA MURTAZA
SUZUKI CULTUS VXRI MODEL 2017	16-Oct-17	17-Feb-22	1,250	1,242	208	208	-	Bank Employee	MRS. FARUKH IQBAL
TOYOTA ALTIS AT 1.6CC MODEL 2017	5-Oct-17	3-Aug-22	1,862	1,819	63	63	-	Bank Employee	MR. SHAHZAD RAFIQUE
SUZUKI CULTUS VXRI MODEL 2017	7-Nov-17	3-Feb-22	1,250	1,062	188	188	-	Bank Employee	KHALID PERVEZ
HONDA CIVIC I-TEC ORIEL 1.8CC MODEL 2017	1-Nov-17	4-Feb-22	2,508	2,129	375	375	-	Bank Employee	MUHAMMAD ATIF KAUSER
HONDA CITY I-TEC MODEL 2015	17-Nov-17	19-Nov-22	1,250	1,250	-	-	-	Bank Employee	ASIF SAEED
TOYOTA COROLLA GLI MIT MODEL 2017	5-Dec-17	28-Nov-22	1,912	1,912	-	-	-	Bank Employee	GULZAR HUSSAIN KHAN
HONDA CIVIC VTI ORIEL MODEL 2013	5-Dec-17	23-Oct-22	1,250	1,167	63	63	-	Bank Employee	MUHAMMAD AYAZ MALIK
HONDA CITY PT MODEL 2017	12-Dec-17	22-Dec-22	1,250	1,250	-	-	-	Bank Employee	FAISAL HASHMI
HONDA CITY ASPIRE MODEL 2017	19-Dec-17	24-Feb-22	1,250	1,042	208	208	-	Bank Employee	MS. KOUKAB JAHANI
TOYOTA COROLLA GLI MODEL 2017	18-Dec-17	5-Apr-22	1,875	871	504	504	-	Bank Employee	OMAR HAYAT
HONDA CIVIC 1.8CC I-TEC ORIEL MODEL 2017	12-Dec-17	4-Oct-22	1,862	1,819	63	63	-	Bank Employee	KAMAYYON FAYYAZ
HONDA CITY MIT MODEL 2015	5-Mar-17	16-Feb-22	1,270	995	275	275	-	Bank Employee	ABDUL SHAKOOR
MERCEDES BENZ C-200 BLUE MODEL 2008	20-Mar-18	8-Jun-22	1,413	1,201	212	212	-	Bank Employee	WAQAR HUSSAIN KHAN
HONDA CIVIC	12-Apr-18	30-Jul-22	1,327	1,105	221	221	-	Bank Employee	WADAR UL HASSAN
TOYOTA ALTIS GRANDE CVT 1.8CC MODEL 2018	19-Apr-18	5-Oct-22	1,250	1,125	125	125	-	Bank Employee	ARISALAN AHMED SHEIKH
SUZUKI CULTUS VXRI MODEL 2018	22-Jun-18	11-Feb-22	1,270	910	360	360	-	Bank Employee	MUHAMMAD AHMED KHALID

Rupees in '000

Particulars of assets	Date of capitalization	Date of disposal	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchaser
DAIHATSU MIRA AT MODEL 2016	1-Jun-18	19-Jan-22	1,270	510	360	350	-	Bank Employee	UZAIR MUJEEZ
HONDA CIVIC HYTEC ORIEL MODEL 2015	12-Jul-16	24-Jan-22	2,503	1,752	751	751	-	Bank Employee	SYED KAMAL MOHYUDDIN
TOYOTA ALTIS 1.6CC MODEL 2018	2-Aug-16	17-Oct-22	1,455	1,196	239	239	-	Bank Employee	MUHAMMAD OMAIR
TOYOTA ALTIS CVT AT GRANDE 1.8CC MODEL 20	3-Sep-18	22-Mar-22	2,620	1,822	781	761	-	Bank Employee	ZEESHAN FEEROZ
TOYOTA COROLLA GLI AT 1.8CC MODEL 2018	6-Sep-18	13-Oct-22	1,475	1,205	270	270	-	Bank Employee	RAO RAFAQAT
TOYOTA COROLLA ALTIS AT 1.6CC MODEL 2018	10-Sep-18	30-Nov-22	1,475	1,229	246	246	-	Bank Employee	SHEIKH MOBIN RAFIQ
TOYOTA COROLLA GLI AT 1.3CC MODEL 2019	13-Sep-18	24-Jan-22	1,455	957	478	478	-	Bank Employee	FAISAL HAMEED
TOYOTA ALTIS AT 1.8CC MODEL 2019	24-Oct-18	15-Mar-22	1,340	916	424	424	-	Bank Employee	FASAN KHALID GHUMAN
TOYOTA ALTIS 1.8CC MODEL 2019	1-Nov-18	18-Nov-22	1,300	1,340	260	260	-	Bank Employee	USAMA KHALID
TOYOTA FORTUNER MODEL 2016	1-Nov-18	11-Apr-22	4,992	3,328	1,664	1,664	-	Bank Employee	JUNAED RAYAZ CHAUDHRY
HONDA CIVIC HYTEC ORIEL MODEL 2019	3-Dec-18	6-Apr-22	2,714	1,809	905	905	-	Bank Employee	MURSED HUSSAIN
HONDA CIVIC HYTEC ORIEL MODEL 2019	14-Dec-18	2-Mar-22	2,814	1,829	985	985	-	Bank Employee	SYED MOHAMMAD QASIM RIZVI
SUZUKI CULTUS VXRI MODEL 2018	6-Dec-18	11-Mar-22	1,980	974	508	508	-	Bank Employee	SYED KHALID ALI
HONDA CIVIC HYTEC ORIEL MODEL 2018	28-Dec-18	11-Jun-22	2,713	1,654	859	859	-	Bank Employee	ASAF AKHTAR
HONDA CIVIC HYTEC ORIEL MODEL 2019	4-Feb-19	13-Oct-22	2,984	2,174	790	780	-	Bank Employee	SYED WAJIH HUSSAIN ZAIDI
SUZUKI CULTUS VXL MODEL 2016	25-Mar-19	9-Jun-22	1,410	845	564	564	-	Bank Employee	UZAIR AHMED WARRAICH
TOYOTA ALTIS AT 1.8CC MODEL 2017	7-Mar-19	12-Oct-22	1,410	967	423	423	-	Bank Employee	MUHAMMAD ZUBAIR PATEL
SUZUKI CULTUS VXL MODEL 2019	5-Apr-19	14-Jul-22	1,410	728	662	662	-	Bank Employee	NADIA MAJUREEN
TOYOTA COROLLA GLI MODEL 2019	28-Apr-19	15-Mar-22	1,555	603	752	752	-	Bank Employee	SHAKIR ABBAS MALIK
SUZUKI SWIFT DLX MT MODEL 2019	29-Apr-19	10-Jan-22	1,440	792	648	648	-	Bank Employee	MARYUM MOHSIN
HONDA CIVIC HYTEC ORIEL MODEL 2019	15-May-19	26-Apr-22	3,214	1,875	1,339	1,339	-	Bank Employee	MUHAMMAD MUNTAZIR
HONDA CITY MODEL 2017	21-May-19	27-Sep-22	1,555	1,011	544	544	-	Bank Employee	MUHAMMAD ABUSAKR SIRAJUDDIN
TOYOTA COROLLA ZXIO X MODEL 2007	19-Jun-19	10-Aug-22	1,410	816	494	494	-	Bank Employee	IRFAN ANWAR
TOYOTA VITZ MODEL 2015	24-Jun-19	22-Jul-22	1,555	568	622	622	-	Bank Employee	SALEEM AHMED SIDDIQUI
TOYOTA ALTIS AT 1.5CC MODEL 2015	5-Jul-18	3-Feb-22	3,812	1,986	1,826	1,826	-	Bank Employee	NAVEED BUTT
HONDA CIVIC HYTEC ORIEL MODEL 2018	9-Jul-18	2-Sep-22	2,755	1,659	1,096	1,096	-	Bank Employee	MOHSIN ZIA
HONDA CITY MT MODEL 2018	15-Jul-19	28-Feb-22	1,905	952	953	953	-	Bank Employee	MUHAMMAD BILAL MAJEED AWAN
TOYOTA ALTIS AT 1.56 CC MODEL 2015	1-Aug-19	20-Jan-22	1,905	889	1,015	1,015	-	Bank Employee	NADIR QUDRAT
SUZUKI CULTUS VXL MODEL 2019	1-Aug-19	26-Sep-22	1,825	751	894	894	-	Bank Employee	MAHMOOD AKHTAR MUGHAL
HONDA CIVIC HYTEC ORIEL MODEL 2019	1-Aug-19	22-Mar-22	3,797	1,946	1,821	1,821	-	Bank Employee	ALI SIKANDES SIDDIQUI
TOYOTA ALTIS 1.6CC MODEL 2019	6-Aug-19	19-Jan-22	2,763	1,845	1,438	1,438	-	Bank Employee	MUHAMMAD IMRAN HASIB
HONDA CITY MT 1.5CC MODEL 2015	9-Aug-19	4-Nov-22	1,905	1,205	699	699	-	Bank Employee	MUHAMMAD SHARIM GHAZI
TOYOTA COROLLA GLI MT 1.3CC MODEL 2017	11-Sep-19	22-Feb-22	1,745	843	902	902	-	Bank Employee	NEHAL AHMED
HONDA CITY 1399CC MODEL 2016	25-Sep-19	20-Jan-22	1,500	889	1,015	1,015	-	Bank Employee	MOHSIN ALI
TOYOTA BELTA 897CC MODEL 2011	19-Sep-19	13-Oct-22	1,500	925	575	575	-	Bank Employee	SHAHARYAR KHALID
SUZUKI CJETJS VXL MODEL 2019	31-Oct-19	13-Jun-22	1,745	931	814	814	-	Bank Employee	ABDUL SALAM
HONDA CIVIC HYTEC ORIEL 1.5CC MODEL 2015	6-Nov-18	11-Nov-22	3,512	1,873	1,639	1,639	-	Bank Employee	RAZA ALI
SUZUKI CULTUS VXL 2019	18-Nov-19	2-Mar-22	1,745	814	931	931	-	Bank Employee	MUBARAK HUSSAIN
TOYOTA ALTIS 1.5CC	2-Dec-19	18-May-22	2,793	1,160	1,823	1,623	-	Bank Employee	MUHAMMAD FAROOQ SARWAR
HONDA BRV MTEC 2019	3-Dec-19	23-May-22	2,765	1,265	1,468	1,468	-	Bank Employee	SAIMA KHAN
HONDA VEZEL 2014 1.5CC	16-Dec-19	23-Nov-22	1,745	727	727	727	-	Bank Employee	ADEEL HAIDER
HONDA CIVIC HYTEC ORIEL 1.8CC MODEL 2020	8-Jan-20	25-Mar-22	3,505	1,460	2,045	2,045	-	Bank Employee	ANJUM SADEED

Particulars of assets	Date of capitalization	Date of disposal	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchaser
Rupees in '000									
SUZUKI CULTUS VXL 2000C	4-Feb-20	26-Oct-22	1,745	931	814	814	-	Bank Employee	HINA AMJAD
HONDA CITY 1.8 MT-2020	30-Jun-20	5-Nov-22	1,996	831	1,064	1,064	-	Bank Employee	RASHID MAHMOOD
Toyota Fortuner E4 Sigma 2.8	29-Jul-20	16-Jan-22	3,987	1,100	2,887	2,567	-	Bank Employee	NAVEED MUSHTAQ
TOYOTA COROLLA ALTIS AT 1500CC 2016	8-Aug-20	5-Dec-22	1,866	93	1,064	1,064	-	Bank Employee	SYED MASROOR AHMED
HONDA CIVIC HYTEC ORNL 1.8	1-Oct-20	1-Feb-22	2,660	691	1,869	1,398	-	Bank Employee	USMAN ATA
TOYOTA COROLLA ALTIS AT 1.8 MODEL 2021	7-Jan-21	14-Feb-22	2,657	376	2,081	2,081	-	Bank Employee	JUNAID SHAHEJIR
KIA PICANTO MT MODEL 2021	9-Feb-22	15-Nov-22	2,160	324	1,836	1,836	-	Bank Employee	FAIZ MUHAMMAD SALMAN
BMW X5 AT MODEL 2015	15-Feb-22	22-Jul-22	2,957	188	2,769	2,769	-	Bank Employee	ERUMI TARIN
HONDA CITY MT MODEL 2019	23-Feb-22	24-Nov-22	2,252	344	1,948	1,948	-	Bank Employee	ABDUL SHAKOOR
HYUNDAI TUCSON 1999C AT MODEL 2021	1-Mar-22	28-Sep-22	5,000	500	4,500	4,500	-	Bank Employee	UZMAN NAVEED CHAUDHARY
TOYOTA COROLLA ALTIS SE MODEL 2022	8-Apr-22	23-Sep-22	3,182	265	2,917	2,917	-	Bank Employee	UZMAN NAVEED CHAUDHARY
TOYOTA COROLLA GLI MT 1.3CC MODEL 2016	15-Dec-16	14-Jan-22	1,327	1,327	-	-	-	Bank Employee	GUL ZAIB KHAN
TOYOTA ALTIS AT MODEL 2016	16-Jan-17	8-Jan-22	1,129	1,129	-	-	-	Bank Employee	ASAD RIZWAN
HONDA CIVIC HYTEC MODEL 2017	19-Jan-17	20-Jan-22	2,353	2,353	-	-	-	Bank Employee	SYED MUHAMMAD SHARIQ ABIDI
HONDA CIVIC HYTEC 1.6CC ORIEL MODEL 2017	6-Feb-17	9-Jun-22	2,353	2,314	39	39	-	Bank Employee	WASEEM IRSHAD
TOYOTA COROLLA ALTIS AT 1.6CC MODEL 2017	8-Feb-17	1-Feb-22	1,805	1,805	-	-	-	Bank Employee	MUHAMMAD OMAR HAYAT
SUZUKI CULTUS VXRI MODEL 2016	9-Feb-17	22-Mar-22	1,124	1,124	-	-	-	Bank Employee	SHAKIL SARDAR
SUZUKI SWIFT DLX MODEL 2017	7-Sep-17	3-Feb-22	1,327	1,327	-	-	-	Bank Employee	FAIZ MUHAMMAD SALMAN
HONDA CITY ASPIRE AT 1.3CC MODEL 2017	3-Apr-17	8-Feb-22	1,129	1,091	38	38	-	Bank Employee	MUHAMMAD MUDASSAR KHAN QUR
TOYOTA COROLLA GLI AT 1.3CC MODEL 2017	7-Mar-17	2-Mar-22	1,807	1,807	-	-	-	Bank Employee	ZAHID BASHIR
TOYOTA COROLLA ALTIS AT MODEL 2017	12-Apr-17	5-Apr-22	1,327	1,327	-	-	-	Bank Employee	NAEEM SHOUKAT
TOYOTA COROLLA GLI AT MODEL 2017	5-May-17	31-May-22	1,805	1,805	-	-	-	Bank Employee	MUHAMMAD NAEEM DAR
HONDA CIVIC BR-V 1.5CC MODEL 2017	16-May-17	9-May-22	1,807	1,807	-	-	-	Bank Employee	MUHAMMAD USMAN
Total			202,652	135,960	66,732	66,732	-		
Items having Book value in aggregate less than Rs. 250,000 or Cost less than Rs.1,000,000									
Others			1,116	1,034	32	166	134		
Grand Total			203,808	137,044	66,764	66,898	134		

12.6 Disposals to Bank's employees are made as per their terms of employment. These include both resigned and active staff of the Bank.

	Note	2022	2021
		Rupees in '000	
12.7 Right-of-use assets			
At January 1			
Cost		4,713,466	4,042,245
Accumulated depreciation		(1,796,518)	(1,343,484)
Net book value		<u>2,916,948</u>	<u>3,408,761</u>
Year ended December			
Opening net book value		2,916,948	3,498,781
Additions		141,205	561,108
Depreciation charge		(600,210)	(608,931)
Disposals - WDV		(25,689)	(288,308)
Other adjustment		-	(235,592)
Closing net book value		<u>2,432,254</u>	<u>2,916,948</u>
At December 31			
Cost		4,828,982	4,713,400
Accumulated depreciation		(2,396,728)	(1,796,518)
Net book value		<u>2,432,254</u>	<u>2,916,948</u>
Rate of depreciation		<u>7.2%-48%</u>	<u>7.2%-48%</u>
13 INTANGIBLE ASSETS			
Capital work-in-progress		77,004	59,280
Software	13.1	289,433	330,849
		<u>366,437</u>	<u>390,129</u>
13.1 Software			
At January 1			
Cost	13.1.1	1,245,316	1,083,189
Accumulated amortisation		(914,467)	(865,944)
Net book value		<u>330,849</u>	<u>217,245</u>
Year ended December			
Opening net book value		330,849	217,245
Additions		13,521	162,127
Amortisation charge		(54,937)	(48,523)
Closing net book value		<u>289,433</u>	<u>330,849</u>
At December 31			
Cost	13.1.1	1,268,837	1,245,316
Accumulated amortisation		(969,404)	(914,467)
Net book value		<u>289,433</u>	<u>330,849</u>
Rate of amortisation		<u>10%-20%</u>	<u>10%-20%</u>
Useful life (in years)		<u>6-10</u>	<u>5-10</u>

13.1.1 The cost of fully amortised intangible assets that are still in the Bank's use amounted to Rs. 819.61 million (2021: Rs. 795.18 million).

2022

14 DEFERRED TAX ASSETS

	At Jan 1	Recognised in P&L A/C	Recognised in OCI	At Dec 31
Note	Rupees in '000			
Deductible Temporary Differences on				
- Tax losses carried forward	5,209,116	3,309,150	-	8,518,266
- Provision for diminution in value of investments	3,073	361	-	3,424
- Provision against non-performing advances	8,260,796	3,610,821	-	11,871,617
- Provision against Workers' Welfare Fund (WWF)	47,094	5,382	-	52,476
- Provision against other assets	305,253	34,886	-	340,139
- Depreciation on non-banking assets	86,255	19,733	-	105,988
- Deficit on revaluation of investments	457,213	-	354,940	812,153
- Unabsorbed tax depreciation	753,519	186,532	-	940,051
- Impairment in value of fixed assets	116,153	13,275	-	129,428
	15,238,472	7,180,130	354,940	22,773,542
Taxable Temporary Differences on				
- Surplus on revaluation of non-banking assets	22.2	(14,391)	-	172
- Surplus on revaluation of fixed assets	22.1	(8,768)	-	393
- Post retirement employee benefits		(21,238)	-	(1,964)
- Accelerated tax depreciation		(56,488)	(9,418)	-
		(100,885)	(9,418)	(1,399)
		15,137,587	7,170,712	353,541
				22,661,840

2021

	At Jan 1	Recognised in P&L A/C	Recognised in OCI	At Dec 31
Note	Rupees in '000			
Deductible Temporary Differences on				
- Tax losses carried forward	1,768,466	3,440,650	-	5,209,116
- Provision for diminution in value of investments	3,073	-	-	3,073
- Provision against non-performing advances	5,160,513	3,100,283	-	8,260,796
- Provision against Workers' Welfare Fund (WWF)	47,094	-	-	47,094
- Provision against other assets	449,800	(144,547)	-	305,253
- Depreciation on non-banking assets	102,295	(16,040)	-	86,255
- Deficit on revaluation of investments	582,149	-	(124,936)	457,213
- Unabsorbed tax depreciation	664,770	88,749	-	753,519
- Impairment in value of fixed assets	116,153	-	-	116,153
	8,894,313	6,469,095	(124,936)	15,238,472
Taxable Temporary Differences on				
- Surplus on revaluation of non-banking assets	22.2	(15,123)	-	732
- Surplus on revaluation of fixed assets	22.1	(10,021)	-	1,253
- Post retirement employee benefits		(12,083)	-	(9,155)
- Accelerated tax depreciation		(81,830)	5,342	-
		(99,057)	5,342	(7,170)
		8,795,256	6,474,437	(132,106)
				15,137,587

14.1 The Bank has an aggregate amount of deferred tax assets of Rs. 22,077 million (2021: Rs. 15,138 million) out of which an amount of Rs. 11,287 million (2021: 0,261 million) has been recorded in accordance with the provision of the Seventh Schedule to the Income Tax Ordinance, 2001, which require that Provisions for advances and off balance sheet items shall be allowed upto a maximum of 1% of total advances and provisions for advances and off-balance sheet items shall be allowed at 5% of total advances for consumers and small and medium enterprises. Pursuant to the Amalgamation arrangement as detailed in Note 1.4, the amalgamated entity is expected to realise these deferred tax assets mainly against its future years tax liabilities and available tax benefits with respect to non performing loans.

14.2 Status of tax and other details are disclosed in note 34 to these financial statements.

	Note	2022 Rupees in '000	2021
15 OTHER ASSETS			
Income / mark-up accrued in local currency - net of provision		8,838,811	7,838,586
Income / mark-up accrued in foreign currency - net of provision		293	8
Accrued rent		10,210	136,414
Advances, deposits, advance rent and other prepayments		1,400,382	214,318
Profit paid in advance on fixed deposits		61,805	31,537
Advance taxation (payments less provisions)		2,242,969	2,006,264
Net defined benefit assets	38.4	59,483	60,887
Non-banking assets	15.1 & 15.2	3,013,552	3,143,549
Branch adjustment account		413,872	286,932
Mark to market gain on forward contracts		174,849	42,297
Acceptances		274,399	365,758
Contract assets	15.3	-	-
Receivable from sale of non-banking assets acquired in satisfaction of claims	15.4.2	37,550	972,844
Fee receivable from Credit Card members		194,114	167,905
Others		558,208	799,331
		<u>17,066,396</u>	<u>16,066,420</u>
Less: Provision held against other assets	15.5	(857,232)	(857,232)
Other assets - net of provisions		16,229,163	15,209,188
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		53,449	56,385
Other assets - total		<u>16,282,612</u>	<u>15,265,573</u>
15.1 Market value of Non-banking assets acquired in satisfaction of claims	15.2.1	<u>2,217,769</u>	<u>2,350,702</u>
15.1.1 The valuation of non-banking assets acquired in satisfaction of the claims were carried out by Oceanic Surveyors (Private) Limited and Oriental Engineering Services from among the approved list of valuer of Pakistan Banker's Association.			
	Note	2022 Rupees in '000	2021
16.2 Non-banking assets			
- acquired in satisfaction of claims		2,928,813	3,051,578
- under agreement to sale third parties		84,739	91,871
	15.2.3	<u>3,013,552</u>	<u>3,143,549</u>
15.2.1 Non-banking assets acquired in satisfaction of claims			
Opening balance		2,350,702	10,360,497
Disposals	15.2.2	(98,061)	(8,017,269)
Reversal / (provision)		-	51,095
Depreciation		(33,972)	(43,821)
Closing balance		<u>2,217,769</u>	<u>2,350,702</u>
15.2.2 Loss of Non-banking assets acquired in satisfaction of claims			
Disposal proceeds		97,600	2,696,495
less			
- Cost		106,701	6,579,194
- Impairment / Depreciation		(8,650)	(89,384)
- Surplus on revaluation		910	1,889,356
- Write off provision		-	(381,897)
		<u>98,961</u>	<u>8,017,269</u>
Loss of Non-banking assets acquired in satisfaction of claims		<u>(1,461)</u>	<u>(5,120,774)</u>

- 15.2.3 The non-banking assets acquired in satisfaction of claims (NBAs) aggregating to Rs. 1,802 million (2021: Rs. 1,844 million) are currently undeveloped and have been evaluated based on the valuation reports from the valuers on Pakistan Bank Association list of approved valuers. The Bank exposure exceeds the prescribed limit of 2.5% of aggregate advances and investments (excluding investment in Government securities) as prescribed by SBP under regulation Debt Property Swap.
- 15.3 The Contract assets represent the variable consideration, receivable to the Bank from SIDR, against the land transferred to it under the REIT arrangement as discussed in Note 15.4 below.
- 15.4 In 2021, the Bank disposed certain undeveloped land measuring 35.95 acres and 4.93 acres which were owned and held by the Bank under non-banking assets (NBA). At disposal, these lands were transferred to the two REIT schemes i.e. SIDR (35.95 acres) and SWIR (4.93 acres) under the REIT arrangement involving the Bank, M/s Arif Habib Dolmen REIT Management Company ("RMC") and the Respective borrowers owing certain Bank's non-performing exposures (Note 11.3.2). The arrangement has been approved by the SBP vide its letter dated November 19, 2020 ("the SBP approval") with certain conditions precedent. These REIT schemes shall develop the transferred land for commercial and residential projects, which according to the RMC's assessment, are expected to be completed within a tenure of eight years, once the respective projects are launched, after which these REIT schemes shall be liquidated. The projects to be built upon would be offered for sale in the market. At the time of issuance of these financial statements, both REITs' projects have not been launched.
- 15.4.1 The agreed consideration of the land transferred to SIDR constitutes an upfront payment of Rs. 1.56 billion (which has already been realized) and certain deferred payments which shall be realized over SIDR's tenure. These deferred payments are subject to the condition that REIT's scheme hold sufficient cash at annual payment dates and yields an Internal rate of return of 40% over the investment tenor to the REIT unit holders. Therefore, the deferred payments correspond to variable consideration requiring to account for Contract assets as per the requirements given in Note 6.25.
- 15.4.1.1 In estimating variable payments to be recorded as Contract assets which are to be realized over the future periods, the Bank has evaluated financial and economic variables affecting the Project. At the time of issuance of these financial statements, significant time has been lapsed in launch of SIDR's project which have multiple implications on the project's required profitability level and payouts to SIDR unit holders as given in Note 15.4.1. Due to these factors, the management considers the expected value of Contract assets as equivalent to Nil as at the Balance sheet date. If subsequently, the management makes an assessment that it is highly probable for the Project to pay off the required yield (40% IRR) to the SIDR unit holders, the Bank shall record the Contract Assets through profit and loss account to the extent to which the project's cashflows exceed the required yield and to which significant reversal is not expected as required in Note 6.25.
- 15.4.2 In consideration to the land transferred to SWIR, REIT units of SWIR having par value equivalent to Rs.910 million have been issued to the Bank during the year which are now classified as Investments (Note 10.4) from the 'Receivable from sale of non-banking assets acquired in satisfaction of claims', hereunder. The Bank is expected to realize dividends over the REIT units held during the tenure and liquidation proceeds at the culmination of the respective REIT.

	Note	2022	2021
		Rupees in '000	
15.5 Provision held against other assets			
Non-banking assets acquired in satisfaction of claims		849,232	849,232
Others		8,000	8,000
		<u>857,232</u>	<u>857,232</u>
15.5.1 Movement in provision held against other assets			
Opening balance		857,232	1,270,223
Charge for the year		-	-
Reversals for the year		-	(51,004)
Net reversals for the year	33	-	(51,094)
Write off		-	(361,897)
Closing balance		<u>857,232</u>	<u>857,232</u>

16	BILLS PAYABLE			
	In Pakistan		3,040,401	4,262,080
	Outside Pakistan		-	-
			<u>3,040,491</u>	<u>4,262,080</u>
17	BORROWINGS			
17.1	Details of borrowings			
	Secured			
	Borrowings from State Bank of Pakistan			
	- under export refinance scheme	17.1.1	2,691,727	1,751,356
	- under Credit Guarantee Scheme for Small and Rural Enterprises	17.1.1	667	1,000
	Repurchase agreement borrowings	17.1.2	140,017,483	115,860,227
	Total secured		<u>142,709,877</u>	<u>117,612,583</u>
	Unsecured			
	Call borrowings		100,000	2,100,000
	Trading liability	17.1.2	4,815,839	1,910,922
	Overdrawn nostro accounts		390,424	498,924
	Overdrawn local bank accounts		-	-
	Total unsecured		<u>5,306,263</u>	<u>4,509,846</u>
			<u>148,016,140</u>	<u>122,122,429</u>
17.1.1	The Bank has entered into agreements for financing with the SBP for extending export finance to customers. As per the agreements, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of the finance by directly debiting the current account maintained by the Bank with SBP. These borrowings are repayable within six months. These carry mark-up rates ranging from 8% to 12% (2021: 1% to 2%) per annum.			
17.1.2	These represent funds borrowed from the local interbank money market against government securities carrying interest rate ranging from 15.23% to 16.75% (2021: 9.91% to 10.75%) per annum with maturity upto March 2023.			
17.1.3	The market value of securities given as collateral against the repurchase agreement borrowings is Rs. 142,760 million (2021: Rs. 117,432 million).			
			2022	2021
			Rupees In '000	
17.2	Particulars of borrowings with respect to Currencies			
	In local currency		147,626,716	121,023,505
	In foreign currencies		390,424	498,924
			<u>148,016,140</u>	<u>122,122,429</u>

18 DEPOSITS AND OTHER ACCOUNTS

	2022			2021		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
Rupees in '000						
Customers						
Current deposits	34,174,446	4,638,911	38,813,357	34,088,788	4,104,886	38,193,674
Savings deposits	68,741,273	3,939,459	82,680,732	57,607,882	4,064,176	61,672,058
Term deposits	34,539,699	2,087,804	36,627,603	36,102,970	2,268,330	38,371,300
Margin deposits	1,284,723	-	1,284,723	958,541	-	958,541
Call deposits	1,233,609	-	1,233,609	1,427,904	-	1,427,904
	129,973,650	10,666,274	140,639,924	130,086,085	10,437,392	140,523,477
Financial institutions						
Current deposits	305,847	5,436	311,283	211,657	14,668	226,345
Savings deposits	2,859,783	29,810	2,889,603	2,127,850	23,699	2,151,549
Term deposits	875,930	682,154	1,458,084	752,030	101,672	853,702
	4,041,670	617,400	4,658,970	3,091,537	140,059	3,231,596
	134,015,220	11,283,674	145,298,894	133,177,622	10,577,451	143,755,073

	2022	2021
	Rupees in '000	
18.1 Composition of deposits		
- Individuals	76,259,682	70,790,425
- Government (Federal and Provincial)	21,552,059	29,456,171
- Public Sector Entities	1,284,781	1,937,283
- Banking Companies	1,380	861,772
- Non-Banking Financial Institutions	4,657,590	2,269,824
- Private Sector	41,533,402	38,330,588
	145,298,894	143,755,073

18.2 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 98.7 billion (2021 : Rs. 92.12 billion).

	Note	2022	2021
		Rupees in '000	
18 SUBORDINATED DEBT			
Subordinated Term Finance Certificates	18.1	1,998,400	1,998,400
Subordinated loan from Sponsors	18.2	440,266	440,266
		2,438,666	2,438,666

18.1 The Bank has issued privately placed, unsecured and subordinated Term Finance Certificates (TFCs) as instruments of redeemable capital under section 66 of the Companies Act, 2017 and the Basel III guidelines issued by the SBP. The key features of the issue are as follows:

Issue amount	Rs. 2,000 million
Issue date	August 10, 2017
Maturity date	Up to 8 years from date of issue.
Rating	BBB+ (Triple B Plus) by VIS Credit Rating Company Limited (VIS) was announced on October 12, 2020, based on condensed interim financial statements of Silk Bank Limited as of June 30, 2020. Later on, the same rating was harmonized by VIS according to their revised methodology and assigned rating at 'B' (Single B) with a 'Rating Watch-Negative' status on June 16, 2023. The VIS shall review the ratings once these and other subsequent financial statements are issued.
Security	The instrument is unsecured and subordinated as to payment of principal and profit to all other indebtedness of the Bank, including deposits.
Profit payment frequency	Profit will be payable semi-annually in arrears on the outstanding principal amount and will be calculated on a 365-day year basis.
Redemption	0.14% of the issue amount during the first 7 years and remaining 99.86% in last two equal semi-annual installments of 49.93% each.
Mark-up	6 months KIBOR plus 1.85% per annum.

Call option	The Bank may call TFCs in part or in full, after 5 years from date of issue on any profit payment date, subject to SBP approval and with not less than 30 days prior notice to the Trustees and Investors. The call option once announced will be irrevocable.
Lock-in clause	As per the lock-in requirement for Tier II Issues, neither profit nor principal will be payable (even at maturity) in respect of the TFC, if such payment will result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or results in an increase in any existing shortfall in MCR or CAR.
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, the 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 TFCs' divided by fair value per share of the Bank's common equity on the date of trigger of the non-viability event as declared by the SBP, subject to a cap of 1,238,390,000 shares.

19.2 Due to the lock-in clause as mentioned in note 19.1 and as per SBP instructions, the Bank has received an unsecured and interest free subordinated loan from the sponsor in order to make the payment of the installments including profit thereon in respect of the above mentioned TFC's. Upon compliance with Capital Adequacy Ratio (CAR), this subordinated loan will be repaid to the Sponsor.

	Note	2022 Rupees in '000	2021 Rupees in '000
20 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		2,658,665	815,456
Mark-up / return / interest payable in foreign currencies		8,496	5,843
Unearned commission and income on bills discounted		84,740	76,149
Accrued expenses		1,011,886	1,050,541
Acceptances		274,399	385,768
Mark to market loss on forward contracts		38,691	53,133
Payable to defined benefit plan - contractual staff		81,171	79,697
Provision against off-balance sheet obligations	20.1	109,812	109,812
Workers' Welfare Fund (WWF)		102,394	102,394
Advance received against future sale of non banking assets		60,951	76,114
Advance received against future sale of operating fixed assets	12.3	118,600	118,600
Deferred income against non-banking assets		128,846	128,848
Islamic pool management reserve		9,220	8,255
Lease liability against right-of-use assets	20.2	2,989,816	3,339,381
Non stocking account		51,879	70,286
PRL remitting account		28,074	41,172
Funds received against application of Housing Scheme		48,256	59,385
Others		867,283	841,595
		<u>8,643,979</u>	<u>7,135,318</u>
20.1 Provision against off-balance sheet obligations			
Opening balance		109,812	116,012
Charge for the year		-	-
Reversals		-	(6,200)
		-	(6,200)
Amount written off		-	-
Closing balance	20.1.1	<u>109,812</u>	<u>109,812</u>
20.1.1 This includes provisions made against letters of guarantee issued by the Bank.			
20.2 Maturity analysis of lease liability			
Not later than one year		673,144	18,464
Later than one year and not later than five years		2,013,556	1,268,271
Later than five years		283,116	2,052,646
		<u>2,969,816</u>	<u>3,339,381</u>

21 SHARE CAPITAL- NET

21.1 Authorised capital

2022	2021		2022	2021
Number of shares in '000			Rupees in '000	
10,500,000	10,500,000	Ordinary shares of Rs. 10 each	105,000,000	105,000,000

21.2 Issued, subscribed and paid up capital

2022	2021		2022	2021
Number of shares in '000			Rupees in '000	
9,081,861	9,081,861	Ordinary shares of Rs. 10 each	90,818,612	90,818,612
-	-	Fully paid in cash	(67,387,238)	(87,387,238)
-	-	Less: Discount on issue of shares		
9,081,861	9,081,861		23,431,374	23,431,374

21.3 Avif Habib Corporation Limited i.e. associated company held 2,563,901,924 (2021: 2,563,901,924) shares which represents 28.23% (2021: 28.23%) of the equity stake of the Bank.

Note 2022 2021
Rupees in '000

22 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

(Deficit) / Surplus on revaluation of

- Available for sale securities		(2,082,445)	(1,306,324)
- Fixed assets	22.1	44,748	48,327
- Non-banking assets acquired in satisfaction of claims	22.2	1,898,376	1,901,312
		(139,321)	643,315
Deferred tax on (surplus) / deficit on revaluation of			
- Available for sale securities	14	512,153	457,213
- Fixed assets	22.1	(8,376)	(8,768)
- Non-banking assets acquired in satisfaction of claims	22.2	(14,219)	(14,391)
		789,559	434,054
		650,238	1,077,369

22.1 Surplus on revaluation of fixed assets

Surplus on revaluation of fixed assets as at January 01		48,327	61,008
Recognised during the year		-	-
Realised on disposal during the year - net of deferred tax		-	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(3,186)	(2,320)
Related deferred tax liability on incremental depreciation charged during the year		(393)	(1,263)
Related deferred tax liability on surplus realised on disposal		-	-
Surplus on revaluation of fixed assets as at December 31		44,748	48,327

Less: related deferred tax liability on:

- revaluation as at January 01		(8,768)	(10,021)
- revaluation recognised during the year		-	-
- surplus realised on disposal during the year		393	1,263
- incremental depreciation charged during the year	14	(8,376)	(8,768)
		36,373	39,559

22.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims

Surplus on revaluation as at January 01		1,901,312	1,947,831
Recognised during the year		-	-
Realised on disposal / impairment during the year - net of deferred tax		(910)	(44,427)
Realised on transferred to fixed assets during the year - net of deferred tax		-	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(1,854)	(1,380)
Related deferred tax liability on incremental depreciation charged during the year		(172)	(732)
Related deferred tax liability on surplus realised on disposal / impairment		-	-
Related deferred tax liability on surplus realised on transferred to fixed assets		-	-
Surplus on revaluation of non-banking assets acquired in satisfaction of claims as at December 31		1,898,376	1,901,312

	2022	2021
	Rupees in '000	
Less: related deferred tax liability on:		
- revaluation as at January 01	(14,391)	(15,120)
- revaluation recognised during the year	-	-
- surplus realised on disposal during the year	-	-
- surplus realised on transferred to fixed assets during the year	-	-
- incremental depreciation charged during the year	172	732
14	(14,219)	(14,388)
	<u>1,884,157</u>	<u>1,886,921</u>

23 CONTINGENCIES AND COMMITMENTS

Guarantees	23.1	12,883,647	13,454,482
Commitments	23.2	19,054,007	15,838,275
Contingent liabilities	23.3	872,945	838,001
		<u>32,820,499</u>	<u>30,330,758</u>

23.1 Guarantees:

Financial guarantees	854,940	474,040
Performance guarantees	8,214,534	8,407,658
Other guarantees	3,824,073	4,571,864
	<u>12,883,647</u>	<u>13,454,462</u>

23.2 Commitments:

Documentary credits and short-term trade-related transactions		1,727,963	2,688,695
- letters of credit			
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	17,323,466	13,149,963
- forward government securities transactions	23.2.2	-	-
Commitments for acquisition of:			
- operating fixed assets		2,678	220
- intangible assets		-	121,391
		<u>19,054,007</u>	<u>15,838,275</u>

23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	12,672,932	9,076,068
Sale	4,750,534	3,174,897
	<u>17,323,466</u>	<u>13,149,963</u>

23.2.2 Commitments in respect of forward government securities transactions

Purchase	-	-
Sale	-	-
	<u>-</u>	<u>-</u>

23.2.3 The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

	2022	2021
	Rupees in '000	
23.3 Contingent liabilities:		
Claims against the Bank not acknowledged as debt	837,906	902,361
Claims against the Bank by Competition Commission of Pakistan & others	35,640	35,640
	<u>872,946</u>	<u>938,001</u>

23.3.1 Suits for damages of Rs. 24.46 billion (2021: Rs. 24.31 billion) have been filed against the Bank by various borrowers / employees in respect of certain disputes relating to loans and advances. The management of the Bank and its legal counsel consider that the suits are a counterblast in response to the recovery suits filed by the Bank. The Bank and its legal counsel are confident that the cases will be dismissed as actual damages have to be proven in such suits.

23.4 Subsequently, at the time of issuance of these financial statements these contingencies are reduced as follows:

	2022	2021
	Rupees in '000	
Claims against the Bank not acknowledged as debt	802,067	701,180
Claims against the Bank by Competition Commission of Pakistan & others	35,600	35,000
	<u>837,667</u>	<u>736,180</u>

23.4.1 Further the suits for damages now reduced from Rs. 24.46 billion to Rs. 24.22 billion.

23.6 For contingencies relating to taxation refer note 24.2-24.5.

24 DERIVATIVE INSTRUMENTS

24.1 Product Analysis
Counterparties

Hedging

- Banks
- Other entities

Total

		2022	
		Forward Contracts	
		Notional Principal	Mark to Market gain / (loss)
		Rupees in '000	
	Note		
		17,218,522	129,824
		104,944	6,333
	24.2	<u>17,323,466</u>	<u>136,157</u>

Counterparties

Hedging

- Banks
- Other entities

Total

		2021	
		Forward Contracts	
		Notional Principal	Mark to Market gain / (loss)
		Rupees in '000	
		11,034,242	(38,672)
		2,115,721	27,836
	24.2	<u>13,149,963</u>	<u>(10,836)</u>

24.2 Maturity Analysis

2022					
Remaining Maturity	No. of Contracts	Notional Principal	Mark to Market		
			Negative	Positive	Net
Rupees in '000					
Upto 1 month	28	12,797,150	(27,213)	86,905	59,692
1 to 3 months	6	3,072,100	-	29,031	29,031
3 to 6 months	11	1,454,216	(11,478)	58,912	47,434
6 month to 1 year	-	-	-	-	-
	45	17,323,466	(38,691)	174,848	136,157

2021					
Remaining Maturity	No. of Contracts	Notional Principal	Mark to Market		
			Negative	Positive	Net
Rupees in '000					
Upto 1 month	75	12,582,681	(53,024)	21,581	(31,443)
1 to 3 months	28	310,137	(100)	11,190	11,091
3 to 6 months	8	197,532	-	8,497	8,497
6 month to 1 year	1	49,613	-	1,029	1,029
	112	13,149,963	(53,133)	42,297	(10,836)

24.3 Risk management related to derivatives is discussed in note 46.6.

		2022	2021
	Note	Rupees in '000	
25	MARK-UP / RETURN / PROFIT / INTEREST EARNED		
	On:		
	Loans and advances	8,358,367	8,133,800
	Investments	18,629,468	8,167,934
	Findings to financial institutions	345,788	303,450
	Balances with banks	6,669	62
		<u>27,340,292</u>	<u>16,606,275</u>
26	MARK-UP / RETURN / PROFIT / INTEREST EXPENSED		
	Deposits	11,682,132	7,177,311
	Borrowings	17,106,650	6,682,768
	Subordinated debt	283,768	180,888
	Cost of foreign currency swaps against foreign currency deposits / borrowings	364,102	327,106
	Lease liability against right-of-use assets	329,638	374,253
	Others	26,203	20,713
		<u>29,691,379</u>	<u>13,772,039</u>
27	FEE & COMMISSION INCOME		
	Branch banking customer fees	169,803	172,303
	Card related fees (debit and credit cards)	2,079,657	1,549,141
	Credit related fees	300,776	323,160
	Commission on trade	138,115	157,025
	Commission on guarantees	82,952	76,428
	Commission on remittances including home remittances	18,969	14,533
	Commission on bancassurance	31,878	31,610
	Others	4,809	34,719
		<u>2,826,768</u>	<u>2,358,728</u>
28	DIVIDEND INCOME		
29	LOSS ON SECURITIES		
	Realised		
	Unrealised - held for trading	29.1 (181,842)	(1,557,162)
	Unrealised - REIT Units	10.1 (1,476)	(23,548)
		(14,661)	-
		<u>(187,878)</u>	<u>(1,580,710)</u>
29.1	Realised (loss) / gain on:		
	Federal Government Securities	(190,304)	(1,496,873)
	Shares	8,462	(60,469)
		<u>(181,842)</u>	<u>(1,557,162)</u>
30	OTHER INCOME / (LOSS)		
	Rent on property and non-banking assets	212	40,262
	Gain on sale of fixed assets - net	134	6,442
	Loss on sale of non-banking assets - net	15.2.2 (1,481)	(5,120,774)
	Rent on lockers	24,067	22,608
	Postage, telex and other service charges recovered	62,305	14,261
	Share of profit from associate	(24,424)	3,187
	Early loan termination charges	39,664	52,785
	(Loss) / gain on termination of leases	(18,260)	81,981
		<u>74,137</u>	<u>(4,897,308)</u>

OPERATING EXPENSES

	2022	2021
Note	Rupees in '000	
31.1 Total compensation expense	3,530,343	3,603,649
Property expense		
Rent & taxes	16,811	11,085
Insurance on non banking assets acquired in satisfaction of claims	4,854	4,025
Utilities cost	253,133	207,400
Security (including guards)	153,074	136,661
Repair & maintenance (including janitorial charges)	103,303	86,788
Depreciation on buildings	71,008	68,189
Depreciation on right-of-use assets	600,210	606,931
Depreciation on non-banking assets acquired in satisfaction of claims	33,972	43,621
Professional charges	2,179	340,647
	1,238,644	1,509,659
Information technology expenses		
Software maintenance	293,123	211,248
Hardware maintenance	164,020	115,865
Depreciation	66,091	79,017
Amortisation	54,937	48,523
Website development charges	578	575
	568,749	455,168
Other operating expenses		
Directors' fees and allowances	42,455	36,185
Fees and allowances to Shariah Board	16,443	16,423
Legal & professional charges	106,959	240,015
Outsourced services costs	49,108	51,668
Travelling & conveyance	73,738	65,392
NIFT clearing charges	12,066	11,346
Depreciation	152,366	174,664
Training & development	3,137	4,877
Postage & courier charges	3,307	7,677
Communication	696,421	467,688
Stationery & printing	96,316	67,403
Marketing, advertisement & publicity	302,640	177,820
Auditors Remuneration	28,593	23,580
Insurance (including deposit protection)	208,566	168,273
Repairs & maintenance	94,883	70,348
Brokerage and commission	5,273	7,366
Subscriptions and news papers	19,095	21,772
Entertainment	38,297	40,213
Vehicle running & maintenance	50,610	25,774
Card related expenses (debit and credit cards)	285,706	163,444
Security	38,167	36,200
Others	7,627	3,651
	2,341,619	1,884,537
	7,679,665	7,453,013
31.1 Total compensation expense	92,942	15,918
Fees and allowances etc.		
Managerial remuneration	1,497,500	1,478,698
i) Fixed	483,687	575,186
ii) Cash bonus / awards etc.	103,466	115,701
Charge for defined benefit plan	83,421	84,783
Contribution to defined contribution plan	713,143	606,486
Rent and house maintenance	6,128	4,309
Utilities	147,279	143,777
Medical	337,630	311,731
Conveyance	62,428	116,717
Insurance	3,790	60,446
Others		
Total	3,530,343	3,603,649

31.2 Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 48.11 million (2021 : Rs. 51.87 million) pertains to the payment to companies incorporated in Pakistan. The material outsourcing arrangements along with their nature of services are as follows:

Name of company	Nature of service	Note	2022 Rupees in '000	2021
M & P	Printing and Dispatch of Statement of Accounts		2,693	3,314
OS First Solutions (Private) Limited	Book Keeping/Record Management service		300	4,200
Printlink	Cheque Books Printing services		306	330
TCS (Private) Limited	Printing and Dispatch of Statement of Accounts		18,264	18,315
ASC First Solutions	Providing Book Keeping/Record Management service for all Bank Contract staff		9,328	8,669
M/s. Vitechi Solutions	Outsource Development Resources		-	1,020
Leopard Courier	Dispatch of documents		4,208	3,267
Value Technologies			7,039	7,285
M/s. Credit & Commerce Consultants	scanning of account opening forms		4,966	4,694
TPL Logistics Services	Credit card delivery service		371	360
			<u>48,464</u>	<u>51,343</u>

31.3 Auditors' remuneration

Audit fee	8,900	7,391
Review fee	3,400	2,832
Fee for other statutory certifications	9,525	7,449
Special certifications and sundry advisory services	1,765	1,480
Out-of-pocket and Other expenses	5,013	4,418
	<u>28,603</u>	<u>23,580</u>

32 OTHER CHARGES

Penalties imposed by State Bank of Pakistan	2,155	140,034
Operational loss	16,569	11,649
	<u>18,724</u>	<u>152,683</u>

33 PROVISIONS & WRITE OFFS - NET

Provisions against loans & advances	11.3	6,987,830	10,471,560
Provision against other assets	16.5.1	-	(51,094)
Write off against fixed assets	12.2	-	21,275
Reversal against off - balance sheet obligations		-	(6,200)
Recovery of written off loans		(396,069)	(489,002)
		<u>6,591,761</u>	<u>9,946,419</u>

34 TAXATION

Current	-	-
Prior years	169,519	118,343
Deferred	(7,170,712)	(6,474,437)
	<u>(7,001,193)</u>	<u>(6,358,094)</u>

34.1 Relationship between tax expense and accounting profit

Loss before tax	<u>(13,387,638)</u>	<u>(18,639,315)</u>
Tax rate	<u>39%</u>	<u>35%</u>
Tax at applicable rate	(5,221,140)	(6,523,780)
Permanent difference	1,186	40,323
Deferred tax asset / minimum tax credit written off / adjusted	189,618	116,343
Impact of change in tax rate	(1,882,831)	-
Others	(287,936)	-
	<u>(7,001,193)</u>	<u>(6,358,094)</u>

- 34.2 The prior year tax amounting to Rs. 160 million pertains to minimum tax for the financial year 2017 as the Bank charges such tax in the year when the five year carry forward period expires under section 113 of the Income Tax Ordinance, 2001. The income tax returns of the Bank have been e-filed upto tax year 2022. The Commissioner Inland Revenue has amended the assessment of the Bank, and the Bank has filed appeals against the amendments. The appeals are pending before Appellate Tribunal Inland Revenue (ATIR) against certain disallowances amounting to Rs.3,026 million (2021: Rs. 3,026 million) relating to Assessment / Tax Year(s) 2000-2001, 2001-2002, 2002-2003, 2004 and 2015 to 2019. The appeals which are pending before Commissioner (Appeals) against the disallowances amounting to Rs.682 million (2021: Rs.682 million) relating to tax years 2003 and 2006. The management of the Bank, in consultation with its tax advisor, is confident that the decisions in respect of these appeals would be in the Bank's favor.
- 34.3 For the tax year 2020, amendment in assessment proceedings under section 122(1) of the Income Tax Ordinance, 2001 have been concluded. However, no order has been passed by the Commissioner to date. For the tax year 2021 & 2022 returns of income e-filed is deemed to be an assessment order under section 120 of the Income Tax Ordinance, 2001.
- 34.4 The proceedings regarding monitoring of withholding taxes pertaining to the Tax Years 2011 to 2019 were initiated and completed. Orders were issued by the Assessing Officer creating total tax demand of Rs.241,960 million which includes penalty and default surcharge out of which the Bank has paid an amount of Rs.189,312 million. The matters for the tax years 2011 and 2012 have been concluded, the Bank has not filed further appeals and the Bank has paid the demand so created. The Bank's appeals for Tax Years 2013 and 2014 before the CIR (A) were rejected after which appeals before the ATIR, Karachi have been filed. The ATIR has remanded-back the case to the Assessing Officer, however, no proceedings were initiated. With respect to Tax Years 2015 and 2016, the Bank has filed appeals against orders before CIR (A). The CIR(A) remanded back the matter to the Assessing Officer, however, no proceedings were initiated. With respect to Tax Years 2017 to 2019, the Bank has filed appeals against orders before CIR (A). The CIR(A) remanded back the matter to the Assessing Officer. The Assessing Officer passed the orders by creating tax demands of Rs.499,831 for tax year 2017, Rs.303,191 for tax year 2018 and no tax demand for tax year 2019. The orders passed for the tax years 2017 to 2019 are subject to rectification, therefore an application under section 221 of the Income Tax Ordinance, 2001 was filed.
- The proceedings regarding monitoring of withholding taxes for the tax year 2020 has been initiated, however, no order is passed by the Assessing Officer.
- 34.5 The income tax returns of the Bank's Azad Kashmir operations have been filed up to the tax year 2021. The Commissioner Inland Revenue has amended the assessment from the tax years 2016 to 2020 and passed orders under section 122(5A) of the Ordinance (for tax years 2016 and 2017) and under section 122(1) of the Income Tax Ordinance, 2001, (for the tax years 2018, 2019 and 2020). Appeals against orders were filed and these matters are pending for adjudication before the Commissioner (Appeals) and ATIR. The management of the Bank, in consultation with its tax advisor, is confident that the decisions in respect of these appeals would be in the Bank's favor.

		2022	2021
	Note		
35	BASIC AND DILUTED LOSS PER SHARE		
	Loss after taxation for the period (Rupees in '000)	<u>(6,386,345)</u>	<u>(12,281,221)</u>
	Weighted average number of ordinary shares (Number of shares)	<u>9,081,801</u>	<u>9,081,801</u>
	Basic and diluted loss per share (Rupee)	<u>(0.70)</u>	<u>(1.35)</u>
36	CASH AND CASH EQUIVALENTS		
	Cash and balance with treasury banks	7 <u>10,198,476</u>	<u>12,224,513</u>
	Balance with other banks	8 <u>686,780</u>	<u>547,553</u>
		<u>10,785,266</u>	<u>12,772,066</u>
37	STAFF STRENGTH		
		Number of persons	
	Permanent	<u>1,160</u>	<u>1,181</u>
	On Bank contract	<u>1,483</u>	<u>2,088</u>
	Bank's own staff strength at the end of the year	<u>2,643</u>	<u>3,269</u>
	Outsourced	-	-
	Total staff strength	<u>2,643</u>	<u>3,269</u>

38 DEFINED BENEFIT PLAN

38.1 General description

As disclosed in note 6.12.2, the Bank operates an approved funded gratuity scheme for all its regular employees. The entitlement of the employees commences on completion of five years with the Bank beginning from January 01, 2005. Projected Unit Credit Actuarial Cost Method has been used for actuarial valuation dated December 31, 2022. The financial statements of the fund are separately prepared and audited and are not included as part of these financial statements. Contributed funds are placed in separate bank accounts maintained with the Bank in fixed deposit and super saver scheme at the rates ranging from 3.77% to 14.5% (2021: 4.25% to 9%).

38.2 Number of employees under the scheme

The number of employees covered under the following defined benefit schemes are:

	2022	2021
	Number of employees	
Gratuity fund	<u>1,160</u>	<u>1,181</u>

38.3 Principal actuarial assumptions

The actuarial valuations have been carried out as at December 31, 2022 using the following significant assumptions:

	Note	2022	2021
Financial assumptions			
Discount rate	38.3.1	14.50%	11.75%
Expected rate of return on plan assets		10.86%	12.12%
Expected rate of salary increase		13.50%	10.75%
Demographic assumptions			
Mortality rates (for death in service)		SLIC (2001-05)-1 Ultra Heavy Rates	SLIC (2001-05)-1 Ultra Heavy Rates
Rates of employee turnover		60 years	60 years
Normal retirement age (years)			

* Salary increments were assumed to be given on 1st January each year.

38.3.1 The discount rate of 14.5% per annum compound (2021 : 11.75% per annum compound) is representative of yields on Pakistan Investment Bonds and high quality Term Deposit Receipts.

	Note	2022	2021
		Rupees in '000	
38.4 Reconciliation of payable to / (receivable from) defined benefit plans			
Present value of obligations	38.5	759,277	688,910
Fair value of plan assets	38.6	<u>(818,770)</u>	<u>(749,597)</u>
Receivable		<u>(59,493)</u>	<u>(60,687)</u>
38.5 Movement in defined benefit obligations			
Obligations at the beginning of the year		688,910	720,915
Current service cost		77,431	87,444
Interest cost		60,067	69,412
Benefits paid by the Bank		<u>(86,538)</u>	<u>(144,488)</u>
Re-measurement gain	38.8.2	<u>(593)</u>	<u>(44,373)</u>
Obligations at the end of the year		<u>759,277</u>	<u>688,910</u>
38.6 Movement in fair value of plan assets			
Fair value at the beginning of the year		749,597	765,441
Interest income on plan assets		66,613	72,626
Contribution by the Bank - net		70,686	84,230
Benefits paid by the Bank		<u>(86,538)</u>	<u>(144,488)</u>
Re-measurements: Net return on plan assets over interest loss	38.6.2	<u>(1,787)</u>	<u>(18,211)</u>
Fair value at the end of the year	38.9	<u>818,770</u>	<u>749,597</u>

	Note	2022	2021			
		Rupees in '000				
38.7 Movement in (receivable) / payable under defined benefit schemes						
Opening balance		(50,597)	(34,526)			
Charge for the year	38.8.1	70,686	84,231			
Contribution by the Bank - net		(70,686)	(84,230)			
Re-measurement gain recognised in OCI during the year	38.8.2	1,194	(26,162)			
Closing balance	38.4	<u>(59,483)</u>	<u>(60,687)</u>			
38.8 Charge for defined benefit plans						
38.8.1 Cost recognised in profit and loss						
Current service cost		77,431	87,444			
Net interest on defined benefit asset / liability		<u>(6,745)</u>	<u>(3,213)</u>			
		<u>70,686</u>	<u>84,231</u>			
38.8.2 Re-measurements recognised in OCI during the year						
Loss / (gain) on obligation						
- Financial assumptions		10,271	6,985			
- Experience adjustment		<u>(10,864)</u>	<u>(61,338)</u>			
Return on plan assets over interest loss		1,767	18,211			
Total re-measurements recognised in OCI		<u>1,194</u>	<u>(26,162)</u>			
38.9 Components of plan assets						
Cash and cash equivalents - net		125,520	54,948			
Government Securities		611,736	626,598			
Term Deposit Receipt		-	-			
Sukuk		15,228	16,069			
Mutual Funds		66,286	51,982			
	38.6	<u>818,770</u>	<u>749,597</u>			
		2022	2021	2020	2019	2018
Present value of defined benefit obligation		759,277	688,910	720,915	708,615	607,536
Fair value of plan assets		<u>(818,770)</u>	<u>(749,597)</u>	<u>(755,441)</u>	<u>(700,863)</u>	<u>(588,037)</u>
		<u>(59,483)</u>	<u>(60,687)</u>	<u>(34,526)</u>	7,752	21,499

38.9.1 The significant risk associated with the plan assets are disclosed in-note 38.15.

38.10 Sensitivity analysis

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the Projected Unit Credit Actuarial Cost Method at the end of the reporting period) has been applied as when calculating net defined benefit asset recognised within the statement of financial position. The increase / (decrease) in the present value of defined benefit obligations as a result of change in each assumption is summarised as illustrated below:

	2022	
	Rupees in '000	
1% increase in discount rate	(39,616)	
1% decrease in discount rate	43,668	
1 % increase in expected rate of salary increase	47,197	
1 % decrease in expected rate of salary increase	(43,358)	
	<u>75,524</u>	
38.11 Expected contributions to be paid to the fund in the next financial year	<u>75,524</u>	
38.12 Expected charge for the next financial year	<u>75,524</u>	
	2022	2021
38.13 Maturity profile		
The weighted average duration of the obligation (in years)	<u>5.46</u>	<u>5.71</u>

38.14 Funding policy

An implicit, though not formally expressed objective is that the liabilities under the scheme in respect of members in service on the valuation date on a going concern basis and having regard to projected future salary increases, should be covered by the fund on the valuation date, the total book reserve as of the valuation date, future contributions to the fund, future additions to the book reserve and future projected investment income of the fund.

As far as possible, there is an implicit objective that the contribution to the fund should remain reasonably stable as a percentage of salaries, under the Actuarial Cost Method employed.

38.15 The significant risk associated with the staff retirement benefit schemes may be:

Asset volatility	The Defined Benefit Gratuity Fund is invested heavily in cash or cash like investments which carry minute volatility risk. Around thirty percent is invested in PIB's which will be maturing next year which is giving rise to reinvestment risk. Only five percent is invested in mutual funds giving rise. The asset class is volatile with reference to the yield on this class. This risk should be viewed together with change in the bond yield risk to market volatility risk for this asset class. There is no corporate bond exposure. Thus, no settlement risk.
Changes in bond yields	There are two dimensions to the changes in bond yields: first, as described above; second, the valuation of the gratuity liability is discounted with reference to these bond yields. So any increase in bond yields will lower the gratuity liability and vice versa, but, it will also lower the asset values.
Inflation risk	The salary inflation is the major risk that the gratuity fund liability carries. In a general economic sense and in a longer view, there is a case that if bond yields increase, the change in salary inflation generally offsets the gains from the decrease in discounted gratuity liability. But viewed with the fact that asset values will also decrease, the salary inflation does, as an overall effect, increase the net liability of the Bank.
Life expectancy / withdrawal rate	The gratuity is paid off at the maximum of age 60. The Life expectancy is in almost minimal range and is quite predictable in the ages when the employee is in the accredited employment of the Bank for the purpose of the gratuity. Thus, the risk of life expectancy is almost negligible. However, had a post-retirement benefit been given by the Bank like monthly pension, post-retirement medical etc., this would have been a significant risk which would have been quite difficult to value even by using advance mortality improvement models. The withdrawal risk is dependent upon the benefit structure; age and retention profile of the staff; the valuation methodology; and long-term valuation assumptions. In this case, it is not a significant risk.
Retention risk	The risk that employee will not be motivated to continue the service or start working with the Bank if no market comparable retirement benefit is provided.
Final salary risk	The risk, for defined benefit gratuity, that any disproportionate salary merit increases in later service years will give rise to multiplicative increase in the gratuity liability as such increase is applicable to all the past years of service.
Model risk	The defined benefit gratuity liability is usually actuarially valued each year. Further, the assets in the Gratuity Fund are also marked to market. This two-tier valuation gives rise to the model risk.
Operational Risk related to a separate entity	Retirement benefits are funded through a separate Trust fund which is a different legal entity than the Bank. Generally, the protocols, processes and conventions used throughout the Bank are not applicable or are not actively applied to the retirement benefit funds. This gives rise to some specific operational risks.
Compliance risk	The risk that retirement benefits offered by the Bank does not comply with minimum statutory requirements.
Legal / political risk	The risk that the legal/political environment changes and the Bank is required to offer additional or different retirement benefits than what the Bank projected.
Concentration risk of investment itself	Though the gratuity fund is a separate entity, 17% of the Fund is invested or placed with the Bank itself giving rise to a concentration risk that gratuity fund may not be able to payoff its liability if Bank defaults.

39 DEFINED CONTRIBUTION PLAN

The Bank operates an approved funded contributory provident fund for all its permanent employees to which equal monthly contributions are made both by the Bank and the employees at the rate of 8.33% of basic salary. The financial statements of the fund are separately prepared and audited and are not included as part of these financial statements. Contribution funds are placed with separate bank accounts maintained with the Bank in fixed deposit and super saver scheme at the rates ranging from 3.77% to 14.5% (2021: 4.05% to 14%).

40 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

40.1 Total Compensation Expense

Items	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Others MRT / MRC
	Chairman	Executives (other than CEO)	Non- Executives				
2022							
Rupees in '000							
Fees and allowances	6,365	-	36,100	12,180	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	1,964	26,926	121,443	121,172
ii) Cash bonus / awards etc.	-	-	-	210	-	-	-
Contribution to defined contribution plan	-	-	-	164	2,243	9,070	10,094
Rent & house maintenance	-	-	-	982	13,462	60,625	60,669
Utilities	-	-	-	-	2,487	-	-
Medical	-	-	-	198	2,692	12,241	12,136
Conveyance	-	-	-	497	5,385	24,289	24,234
Car	-	-	-	250	2,097	7,039	7,732
Bonus and Others	-	-	-	-	-	454	20,246
Total	6,365	-	36,100	16,443	55,281	235,161	256,182
Number of Persons	1	-	5	3	1	22	63

Items	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Others MRT / MRC
	Chairman	Executives (other than CEO)	Non- Executives				
2021							
Rupees in '000							
Fees and allowances	6,270	-	29,925	12,180	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	1,631	15,883	130,305	131,182
ii) Cash bonus / awards etc.	-	-	-	171	-	-	-
Contribution to defined contribution plan	-	-	-	136	192	8,559	10,736
Rent & house maintenance	-	-	-	816	7,942	65,153	65,691
Utilities	-	-	-	-	120	-	-
Medical	-	-	-	163	1,588	13,031	13,116
Conveyance	-	-	-	326	3,177	26,061	26,236
Car	-	-	-	-	3,646	5,985	4,777
Bonus and Others	-	-	-	-	-	-	4,579
Total	6,270	-	29,925	15,423	32,518	249,094	258,219
Number of Persons	1	-	6	3	2	26	66

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

		2022					
		Meeting fees and allowances paid					
Sr. No.	Name of Director	Board meetings	Board Committees			Total Amount Paid	
			Human Resource Committee	Risk Committee	Audit Committee		
Rupees in '000							
1	Mr. Khalid Aziz Mirza - Chairman	3,090	2,375	-	-	6,385	
2	Mrs. Samia Murad - Director	3,326	2,375	-	2,850	8,550	
3	Mr. Rashid Akhtar Chughtai - Director	3,326	2,375	-	-	5,700	
4	Mr. Masroor Ahmed Qureshi - Director	3,325	-	1,426	2,850	8,550	
5	Mr. Tariq Iqbal Khan - Director	3,325	-	1,425	2,850	7,600	
6	Mr. Goharyuln Afzal - Director	3,326	-	1,425	-	5,700	
Total		20,616	7,125	4,275	8,550	1,900	42,466

		2021					
		Meeting fees and allowances paid					
Sr. No.	Name of Director	Board meetings	Board Committees			Total Amount Paid	
			Human Resource Committee	Risk Committee	Audit Committee		
Rupees in '000							
1	Mr. Khalid Aziz Mirza - Chairman	3,420	2,850	-	-	6,270	
2	Mrs. Samia Murad - Director	2,850	2,375	-	2,375	8,075	
3	Mr. Tariq Iqbal Khan - Director	2,850	-	1,800	2,375	7,600	
4	Mr. Rashid Akhtar Chughtai - Director	2,850	2,850	-	-	5,700	
5	Mr. Masroor Ahmed Qureshi - Director	2,850	-	1,900	2,375	8,075	
6	Mr. Goharyuln Afzal - Director	475	-	-	-	475	
Total		15,295	8,075	3,800	7,125	1,900	36,195

40.3 Remuneration paid to Shariah Board Members

Items	2022			2021		
	Chairman	Resident Members	Non-Resident Member(s)	Chairman	Resident Members	Non-Resident Member(s)
Rupees in '000						
Fees and Allowances	9,600	2,580	-	9,600	2,580	-
Managerial Remuneration	-	1,964	-	-	1,631	-
i) Fixed	-	210	-	-	171	-
ii) Cash Bonus / Awards	-	164	-	-	136	-
Contribution to defined contribution plan	-	982	-	-	816	-
Rent & house maintenance	-	196	-	-	163	-
Medical	-	497	-	-	326	-
Conveyance	-	260	-	-	-	-
Car	-	-	-	-	-	-
Total Amount	9,600	6,843	-	9,600	5,823	-
Total Number of Persons	1	2	-	1	2	-

41 FAIR VALUE MEASUREMENTS

The fair value of traded investments is based on quoted market prices. Fair value of unquoted equity investments other than investments in associates is determined on the basis of break up value of these investments as per the latest available audited financial statements.

Fair value of fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

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 period.

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 assets and liabilities are either short-term in nature or in the case of customer loans and deposits are frequently re-priced.

41.1 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 liabilities, 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:

	2022				Total
	Carrying Value	Level 1	Level 2	Level 3	
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments:					
Federal Government Securities					
Market Treasury Bills	22,366,020	-	22,366,020	-	22,366,020
Pakistan Investment Bonds	138,727,681	-	138,727,681	-	138,727,681
GOP Ijarah Sukuks	3,513,857	-	3,513,857	-	3,513,857
Bai Muajjal	-	-	-	-	-
Shares					
Listed companies	5	5	-	-	5
Non-Government Debt Securities					
Term Finance Certificates - listed	50,176	-	50,176	-	50,176
	164,667,638	5	164,667,633	-	164,667,638
Financial assets - disclosed but not measured at fair value					
Cash and balances with treasury banks	10,198,476	-	-	-	-
Balances with other banks	588,790	-	-	-	-
Lendings to financial institutions	8,148,198	-	-	-	-
Advances	64,117,202	-	-	-	-
Other assets	9,061,627	-	-	-	-
	92,112,291	-	-	-	-
	256,769,929	5	164,667,633	-	164,667,638
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	12,672,932	-	12,672,932	-	12,672,932
Forward sale of foreign exchange	4,750,534	-	4,750,534	-	4,750,534
Forward purchase of government securities transactions	-	-	-	-	-
Forward sale of government securities transactions	-	-	-	-	-

	2021				Total
	Carrying Value	Level 1	Level 2	Level 3	
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments:					
Federal Government Securities					
Market Treasury Bills	38,755,404	-	38,755,404	-	38,755,404
Pakistan Investment Bonds	99,742,230	-	99,742,230	-	99,742,230
GOP Ijarah Sukuks	5,266,475	-	5,266,475	-	5,266,475
Daji Muzajjal	257,658	-	257,658	-	257,658
Shares					
Listed companies	64,076	64,076	-	-	64,076
Non-Government Debt Securities					
Term Finance Certificates - listed	50,125	-	50,125	-	50,125
	144,135,988	64,076	144,071,892	-	144,135,988
Financial assets - disclosed but not measured at fair value					
Cash and balances with treasury banks	12,224,513	-	-	-	-
Balances with other banks	547,553	-	-	-	-
Lendings to financial institutions	3,388,407	-	-	-	-
Advances	75,429,764	-	-	-	-
Other assets	9,158,051	-	-	-	-
	100,748,291	-	-	-	-
	244,884,259	64,076	144,071,892	-	144,135,988
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	9,975,056	-	9,975,056	-	9,975,056
Forward sale of foreign exchange	3,174,907	-	3,174,907	-	3,174,907
Forward purchase of government securities transactions	-	-	-	-	-
Forward sale of government securities transactions	-	-	-	-	-

Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3 are:

Item	Valuation approach and input used
Market Treasury Bills and Pakistan Investment Bonds	Fair values are derived using Bto PKRV rates.
GOP 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 eight different pre-defined / approved dealers / brokers.
Shares - listed	Fair values of investments in listed shares are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.
Sukuks - Listed and Term Finance Certificates - Listed	Investments in debt securities i.e. term finance certificates and sukuk certificates 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.
Foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by the State Bank of Pakistan.

41.2 Fair value of non-financial assets

Information about the fair value hierarchy of Bank's non-financial assets as at the end of the reporting period are as follows:

	Carrying Value	Level 1	Level 2	Level 3	Total
Rupees in '000					
2022					
Operating fixed assets - land and buildings	2,017,788	-	-	2,017,788	2,017,788
Non-banking assets acquired in satisfaction of claims	2,217,769	-	-	2,217,769	2,217,769
	4,235,567	-	-	4,235,567	4,235,567
2021					
Operating fixed assets - land and buildings	2,029,497	-	-	2,029,497	2,029,497
Non-banking assets acquired in satisfaction of claims	2,350,702	-	-	2,350,702	2,350,702
	4,380,199	-	-	4,380,199	4,380,199

41.2.1 Certain categories of operating fixed assets (land and buildings), non-banking assets acquired in satisfactions of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in note 12.2.1 and note 15.1.1

42 SEGMENT INFORMATION

Segment Details with respect to Business Activities

	Consumer / SME	Whole Sale Banking	Treasury	Total
Rupees '000				
2022				
Profit and Loss Account				
Net mark-up / return / profit / (expense)	7,765,546	(9,245,533)	(871,100)	(2,351,087)
Inter segment revenue - net	-	-	-	-
Non-markup / interest Income	2,825,494	158,636	269,459	3,253,589
Total Income	10,591,040	(9,086,897)	(601,641)	902,502
Segment direct expenses	(4,421,726)	(3,180,393)	(96,160)	(7,698,279)
Inter segment expense allocation	(1,531,753)	1,577,286	(45,533)	-
Total expenses	(5,953,479)	(1,603,107)	(141,693)	(7,698,279)
Provisions	(192,391)	(6,399,370)	-	(6,591,761)
Profit / (loss) before tax	4,445,170	(17,089,374)	(743,334)	(13,387,538)
Statement of Financial Position				
Cash & Bank balances	-	4,376,750	6,406,516	10,785,266
Investments	-	-	165,676,618	165,676,618
Net inter segment lending	111,958,604	(232,139,218)	120,180,614	-
Lendings to financial institutions	-	268,094	7,880,102	8,148,196
Advances - performing	17,916,737	30,577,221	-	48,495,958
Advances - non-performing	12,231,131	3,390,113	-	15,621,244
Others	2,047,092	41,068,192	1,624,842	44,740,126
Total Assets	144,155,564	(152,456,848)	301,768,692	293,467,408
Borrowings	545,452	2,146,941	145,323,747	148,016,140
Subordinated debt	-	2,438,666	-	2,438,666
Deposits & other accounts	115,395,672	29,903,222	-	145,298,894
Net inter segment borrowing	16,634,861	(171,608,673)	154,973,812	-
Others	11,579,579	(2,744,590)	2,049,481	11,684,470
Total liabilities	144,155,564	(139,864,434)	303,147,040	307,438,170
Equity	-	(12,592,414)	(1,378,348)	(13,970,762)
Total Equity & liabilities	144,155,564	(152,456,848)	301,768,692	293,467,408
Contingencies & Commitments	837,306	14,659,728	17,323,466	32,820,499

42 SEGMENT INFORMATION

Segment Details with respect to Business Activities

	Consumer / SME	Whole Sale Banking	Treasury	Total
Rupees '000				
2021				
Profit and Loss Account				
Net mark-up / return / profit / (expense)	6,614,529	(4,573,833)	792,540	2,833,236
Inter segment revenue - net	-	-	-	-
Non-markup / Interest Income (loss)	2,249,912	(4,735,017)	(1,435,401)	(3,920,506)
Total Income	8,864,441	(9,308,850)	(642,861)	(1,087,270)
Segment direct expenses	(3,875,179)	(3,647,210)	(83,207)	(7,605,596)
Inter segment expense allocation	(1,482,291)	1,557,247	(74,956)	-
Total expenses	(5,357,470)	(2,089,963)	(158,163)	(7,605,596)
Provisions	(313,705)	(9,632,744)	-	(9,946,449)
Profit / (loss) before tax	3,193,266	(21,031,557)	(801,024)	(18,639,315)
Statement of Financial Position				
Cash & Bank balances	-	3,760,678	9,002,388	12,772,066
Investments	-	9,654	144,274,247	144,283,901
Net inter segment lending	99,964,566	(201,535,850)	101,571,284	-
Lendings to financial institutions	1,255,862	221,623	1,910,922	3,388,407
Advances - performing - net	23,703,379	31,226,471	-	54,929,850
Advances - non-performing - net	1,534,984	18,964,930	-	20,499,914
Others	2,456,380	34,199,308	23,096	36,678,782
Total Assets	128,915,171	(113,144,188)	256,781,937	272,552,920
Borrowings	680,415	1,071,941	120,370,073	122,122,429
Subordinated debt	-	2,438,666	-	2,438,666
Deposits & other accounts	104,361,733	39,393,340	-	143,755,073
Net inter segment borrowing	19,166,179	(160,411,942)	141,245,763	-
Others	4,706,963	6,083,326	607,109	11,397,398
Total liabilities	128,915,290	(111,424,689)	262,222,945	279,713,566
Equity	(119)	(1,719,519)	(5,441,008)	(7,160,646)
Total Equity & liabilities	128,915,171	(113,144,188)	256,781,937	272,552,920
Contingencies & Commitments	902,361	16,276,414	13,149,063	30,330,738

Segment determination are made on the basis of management accountability, monitoring and decision making of these reporting segments at regular intervals. Transactions between reportable segments are based on an appropriate transfer pricing mechanism using agreed rates. Furthermore, segment assets and liabilities include intersegment balances. Costs which are not allocated to segments are included in the Head office. Income taxes are managed at bank level and are not allocated to operating segments.

43 TRUST ACTIVITIES

The Bank is not engaged in any significant trust activities. However, the Bank acts as security agent of investment portfolio services as custodian on behalf of its customers.

45 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	2022	2021
	Rupees in '000	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	(15,441,890)	(9,058,805)
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	(39,006,704)	(24,791,601)
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	(39,006,704)	(24,791,601)
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	(39,006,704)	(24,791,601)
Risk Weighted Assets (RWAs):		
Credit Risk	77,140,611	91,043,527
Market Risk	839,761	2,618,208
Operational Risk	7,018,572	9,061,934
Total	84,998,934	102,723,667
Common Equity Tier 1 Capital Adequacy ratio	-45.89%	-24.13%
Tier 1 Capital Adequacy Ratio	-45.80%	-24.13%
Total Capital Adequacy Ratio	-45.89%	-24.13%

The State Bank of Pakistan (SBP) vide BSD Circular No. 07 dated April 15, 2009 set the Minimum Capital Requirement (MCR) for Banks of Rs. 10 billion (net of losses) for all locally incorporated banks to be achieved upto December 31, 2013. The capital of the Bank (net of losses and discount on shares) as of December 31, 2022 is negative Rs. 15.44 billion excluding general reserve of Rs. 621 million.

The Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10.0% plus capital conservation buffer of 1.5% of the risk weighted exposures of the Bank. Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6% and 7.5%, respectively, as at December 31, 2022.

The Basel-III Framework is applicable to the Bank on a stand alone basis and the Bank has adopted the Standardised approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk while using the simple approach for Credit Risk Mitigation as per SBP guidelines. SPI Insurance Company Limited is an associate of the Bank which has not been considered for consolidation both under account and regulatory scope of consolidation. The Bank owns 23.07% investment in shares of SPI Insurance Company Limited due to which the Bank has acquired significant influence, but not control, over financial and operating policies of SPI Insurance Company Limited.

	2022	2021
	Rupees in '000	
Leverage Ratio (LR):		
Tier-1 Capital	(39,006,704)	(24,791,601)
Total Exposures	309,088,643	208,790,714
Leverage Ratio	-12.65%	-8.56%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	39,391,752	39,582,585
Total Net Cash Outflow	25,912,315	30,082,245
Liquidity Coverage Ratio	151.67%	131.58%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	170,731,662	166,523,610
Total Required Stable Funding	105,027,366	109,663,704
Net Stable Funding Ratio	162.56%	151.85%

45.1 The full disclosures on the CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS as per SBP instructions issued from time to time are placed on the website. The link to the full disclosure is available at <https://www.silkbank.com.pk/financial-report>.

46 RISK MANAGEMENT

The principal risks associated with the banking business are credit risk, market risk, liquidity risk and operational risk. The business of banking is dependent upon acceptance and management of financial risk. It involves identification, measurement, monitoring and controlling of risks with a view to ensure that:

- Adequate capital is available as a buffer;
- Exposures remain within the limits as prescribed by the Board of Directors; and
- Risk taking decisions are in line with business strategy and objectives set by the Board.

46.1 Credit Risk

The risk of losses because counterparties fail to meet all or part of their obligations towards the Bank.

The Bank has established an appropriate credit risk structure and culture whereby policies are reviewed and revamped to maintain sound credit granting procedures, maintaining appropriate credit administration, measurement, monitoring processes and adequate controls.

Risk Management structure includes credit approval, credit administration, centralized processing, credit monitoring and Basel III functions for onward reporting to the Risk Management Group Head. Senior and experienced officials are heading each risk category.

The Bank manages credit risk through:

- establishment of acceptable risk levels;
- sound procedures and controls for the management of risk assets and credit documentation;
- target market planning and overall market intelligence; and
- accurate and detailed information about the borrower, its financial position and operations of the Bank.

Credit risk management objectives and policies are:

- Credit risk is the risk that a counterparty will not settle its obligation in accordance with the terms of approval or agreed terms.
- Credit exposures include both individual borrowers and groups of connected counterparties and portfolios in the banking and trading books.
- Risk Management Group (RMG) is structured to effectively analyse, monitor and manage credit risk through documented policies and procedures that are closely aligned with the Bank's business plan, SBP's Prudential Regulations and Basel III requirements.
- Sanctioning authority and approval levels for all facilities is conferred by the Board of Directors upon various functionaries of the Bank and is circulated for the attention of all concerned through circulars issued by RMG. Credit Sanctioning Powers / Authority Levels in terms of BOD approval, as enhanced / amended from time to time, relate to the total exposure of a customer or a customer group and not to specific loans.

Credit / Obligor risk rating is an important tool in monitoring and controlling credit risk. In order to facilitate early identification of changes in risk profiles, credits with deteriorating ratings will be subject to additional oversight and monitoring, for example, through more frequent visits from the Relationship side and inclusion on a watch list which is regularly reviewed by the senior management. The internal risk ratings can be used by line management in different departments to track the current characteristics of the credit portfolio.

In light of the requirements specified by SBP and in view of Basel III Accord, the Bank has to assess soundness and appropriateness of internal credit risk measurement and management systems. The Bank needs to build the foundation for the IRB (Internal Rating Based) Approach and construct data warehouse conforming to the data criteria of Basel III.

In the absence of standard and reliable financial statements to realistically evaluate the strength of a company for assigning Obligor Risk Rating (ORR), the Bank has to resort to other pragmatically emphasised quantitative / qualitative factors, which have traditionally been considered for extending credit. The Quantitative Evaluation is based on financial indicators, while Qualitative Evaluation is based on subjective factors.

The objectives of Internal Credit Risk Rating/ Obligor Risk Rating (ORR) are:

- Internal capital allocation
- Internal risk reporting
- Portfolio management
- The setting of credit risk concentration limits
- Developing risk-based pricing benchmarks

The Bank's initial objective of ORR is to generate accurate and consistent ratings for the credit portfolio of the Bank. Credit / Obligor risk ratings are summary indicators of the degree of risk inherent in the Bank's individual credit exposures. A credit rating assessment of the probability of default attached to a given counterparty to meet debt servicing and other repayment obligations on a timely basis. At the Bank, a model has been developed and successfully implemented to assign Credit / Obligor Risk Ratings to each borrower.

46.1.1 Lendings to financial institutions

Credit risk by public / private sector

	Gross lendings		Non-performing lendings		Provision held	
	2022	2021	2022	2021	2022	2021
	Rupees in '000					
Public / Government	-	-	-	-	-	-
Private	8,148,196	3,388,407	-	-	-	-
	8,148,196	3,388,407	-	-	-	-

46.1.2 Investment in debt securities

Credit risk by industry sector

	Gross investments		Non-performing investments		Provision held	
	2022	2021	2022	2021	2022	2021
	Rupees in '000					
Textile	8,780	8,780	8,780	8,780	8,780	8,780
Financial	126,188	126,410	74,910	74,910	74,910	74,910
Service	-	-	-	-	-	-
Government	166,691,275	145,389,731	-	-	-	-
	166,825,243	145,523,921	83,690	83,690	83,690	83,690
Credit risk by public / private sector						
Public / Government	166,691,275	145,389,731	-	-	-	-
Private	133,988	134,180	83,690	83,690	83,690	83,690
	166,825,243	145,523,921	83,690	83,690	83,690	83,690

46.1.3 Advances

Credit risk by industry sector

	Gross advances		Non-performing advances		Provision held	
	2022	2021	2022	2021	2022	2021
	Rupees in '000					
Agriculture, Forestry, Hunting and Fishing	620,700	606,289	278,663	545,417	274,213	203,761
Mining and Quarrying	3	1,850	-	-	-	-
Textile	4,756,439	4,255,289	1,028,389	2,210,031	1,687,141	1,691,916
Chemical and Pharmaceuticals	938,630	1,049,802	738,811	781,721	718,118	453,078
Cement	114,960	118,505	69,786	87,362	69,786	73,646
Sugar	6,218,095	6,220,408	4,882,543	3,802,852	3,379,827	3,607,026
Footwear and Leather garments	243,978	181,680	76,762	77,762	76,762	77,762
Automobile and transportation equipment	621,648	561,350	511,848	511,848	511,848	511,848
Electronics and electrical appliances	2,655,953	2,880,712	2,347,499	2,414,028	2,307,603	2,189,805
Real Estate and Construction	15,879,426	20,536,392	11,030,910	7,021,860	7,441,872	3,471,123
Power (electricity), Gas, Water, Sanitary	626,024	614,487	76,456	74,934	40,547	38,025
Wholesale and Retail Trade	17,035,738	17,104,280	13,869,079	15,898,881	8,455,146	8,765,250
Transport, communication and travelling	845,318	1,008,431	585,693	478,082	415,085	276,161
Financial	2,328,924	2,328,832	128,185	1,783,825	91,649	448,413
Services	9,344,155	8,205,948	1,336,282	1,881,040	435,889	746,103
Individuals	20,555,342	21,588,867	1,413,966	1,860,791	1,026,211	1,377,435
Hotel & Resorts	875,161	846,988	272,680	-	-	-
Telecommunications	1,389,478	1,704,498	-	-	-	-
Printing and Publishing	20,321	38,521	-	-	-	-
Hospital and medical	53,866	73,620	-	-	-	-
Food and beverages	1,559,121	1,842,040	786,396	782,440	732,064	601,092
Rubber and plastics	124,810	49,795	-	-	-	-
Iron, steel & engineering	4,996,242	5,189,034	3,729,387	2,328,205	1,168,118	684,647
Education	783,774	750,938	13,494	-	1,966	-
Others	1,958,778	1,818,867	1,061,293	1,740,676	682,681	643,452
	94,317,883	99,657,322	46,116,851	43,861,344	29,495,607	23,361,430
Credit risk by public / private sector						
Public / Government	-	-	-	-	-	-
Private	94,317,883	99,657,322	46,116,851	43,861,344	29,495,607	23,361,430
	94,317,883	99,657,322	46,116,851	43,861,344	29,495,607	23,361,430

46.1.4 Contingencies and Commitments

	2022	2021
	Rupees in '000	
Credit risk by industry sector		
Agriculture, Forestry, Hunting and Fishing	-	-
Textile	390,904	580,927
Chemical and Pharmaceuticals	118,032	283,319
Cement	21,137	6,516
Automobile and transportation equipment	1,883,878	1,833,094
Electronics and electrical appliances	192,885	426,820
Real Estate and Construction	306,906	221,587
Power (electricity), Gas, Water, Sanitary	227,737	-
Wholesale and Retail Trade	734,414	311,804
Financial	17,323,466	13,149,883
Insurance	4,654	-
Services	3,669,363	5,282,576
Individuals	316,042	-
Telecommunications	-	83,609
Transport, communication and travelling	102,636	76,776
Hospital and medical	4,339,892	4,440,230
Food and beverages	187,745	322,740
Others	3,116,641	3,308,689
	<u>32,820,409</u>	<u>30,330,738</u>
Credit risk by public / private sector		
Public / Government	9,835,989	9,063,671
Private	22,984,530	21,268,867
	<u>32,820,499</u>	<u>30,330,738</u>

46.1.5 Concentration of Advances

The bank top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 23,019 million (2021: Rs. 23,389 million) are as following:

	2022	2021
	Rupees in '000	
Funded	23,019,172	23,389,628
Non Funded	-	-
Total Exposure	<u>23,019,172</u>	<u>23,389,628</u>

The sanctioned limits against these top 10 exposures aggregated to Rs. 23,019 million (2021: Rs. 23,389 million).

	2022		2021	
	Non Performing Loans	Provision held	Non Performing Loans	Provision held
	Rupees in '000			
Total funded classified therein	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	18,640,228	11,519,790	18,115,228	7,209,252
Total	<u>18,640,228</u>	<u>11,519,790</u>	<u>18,115,228</u>	<u>7,209,252</u>

46.1.6 Advances - Province / Region-wise Disbursement & Utilization

Province / Region	Disbursement	Utilization				
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad
	Rupees '000					
2022						
Punjab	29,437,195	29,437,195	-	-	-	-
Sindh	27,838,529	-	27,838,529	-	-	-
KPK including FATA	2,665	-	-	2,665	-	-
Balochistan	-	-	-	-	-	-
Islamabad	2,913,182	-	-	-	2,913,182	-
AJK including Gilgit-Balistan	251	-	-	-	-	251
Total	<u>60,191,822</u>	<u>29,437,195</u>	<u>27,838,529</u>	<u>2,665</u>	<u>2,913,182</u>	<u>251</u>
2021						
Punjab	36,932,643	36,932,643	-	-	-	-
Sindh	38,607,198	-	38,607,198	-	-	-
KPK including FATA	3,114	-	-	3,114	-	-
Balochistan	-	-	-	-	-	-
Islamabad	6,855,114	-	-	-	6,855,114	-
AJK including Gilgit-Balistan	4,432	-	-	-	-	4,432
Total	<u>82,202,490</u>	<u>36,932,643</u>	<u>38,607,198</u>	<u>3,114</u>	<u>6,855,114</u>	<u>4,432</u>

46.2 Market Risk

Market Risk is the risk of loss in earnings and capital due to adverse changes in interest rates, foreign exchange rates, equity prices and market conditions. Thus market risk can be further described into Interest Rate Risk, Foreign Exchange Risk and Equity Position Risk.

The Bank is exposed to market risk in its trading investment portfolio because the values of its trading positions are sensitive to changes in market prices and rates.

The Bank has a well established framework for market risk management with the Treasury Investment Policy, Liquidity Policy and Market Risk Management Policy. The Bank has major objective of protecting and increasing net interest income in the short run and market value of the equity in the long run for enhancing the shareholder value. Further, it defines the contours of the way the Bank's market risk is managed within the defined parameters and with prescriptive guidelines on the tools, techniques and processes.

The Asset Liability Committee (ALCO), Market Risk Policy Committee (MRPC) and Investment Committee is entrusted with key decision making in establishing market risk related strategies and monitoring there-against. The Committee decides on product pricing, mix of assets, liabilities, stipulates liquidity and interest rate risk limits, monitors them, articulates the Bank's interest rate view and determines business strategy of the Bank accordingly.

Management of interest rate risk of the Banking Book is primarily focused on interest and fair value through Re-pricing Gap Analysis, Analysis of the Net Interest Income Sensitivity, Duration, Value-at-Risk (VaR) and Fair Value Sensitivity. The management of interest rate risk of the trading book is achieved through mark-to-market practice and exposure analysis. On a periodic basis, risk monitoring reports are prepared for senior management to gain an accurate understanding of Bank's risk position. Mathematical model like Stress-Testing is carried out at least quarterly.

The Middle Office in Risk Management Group has an independent reporting structure on risk aspects and helps the management in determining compliance in terms of exposure analysis, tracking of limits, funding and various other risk sensitive market parameters.

46.2.1 Balance sheet split by trading and banking books

	2022			2021		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	Rupees in '000					
Cash and balances with treasury banks	10,198,476	-	10,198,476	12,224,513	-	12,224,513
Balances with other banks	586,790	-	586,790	547,553	-	547,553
Lendings to financial institutions	8,148,196	-	8,148,196	3,388,407	-	3,388,407
Investments	157,388,345	8,290,273	165,678,618	112,801,488	32,282,435	144,283,923
Advances	84,117,202	-	84,117,202	75,429,784	-	75,429,784
Fixed assets	5,429,237	-	5,429,237	5,885,493	-	5,885,493
Intangible assets	368,437	-	368,437	390,129	-	390,129
Deferred tax assets	22,651,840	-	22,651,840	15,137,687	-	15,137,687
Other assets	16,282,612	-	16,282,612	15,269,573	-	15,269,573
	285,177,135	8,290,273	293,467,408	240,270,480	32,282,435	272,552,915

46.2.2 Foreign Exchange Risk

Currency risk is the risk of loss arising from the fluctuation of exchange rates. Bank's currency risk is first controlled through a substantially matched funding policy. The Bank utilizes appropriate hedging instruments, such as forward foreign exchange (FX) contracts, currency swaps to effectively hedge and manage currency risks.

The majority of foreign currency exposure is in the US dollar. Bank is carefully monitoring the net foreign currency exposure and the effect of exchange rate fluctuation by conducting mark to market sensitivity and stress testing on a regular basis as well as utilizing the FX contracts to control the risk. Besides, the Bank has Foreign Exchange Stop Loss Limit based on Daily Value-at-Risk (VaR) to manage the loss absorption capacity of the Bank.

	2022				2021			
	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							
Pakistan Rupee	200,456,986	285,645,696	(7,802,806)	(12,990,306)	268,296,526	288,567,482	(6,776,446)	(7,647,404)
United States Dollar	2,353,998	10,179,480	8,580,632	(1,264,949)	3,450,203	6,803,144	5,682,288	(481,653)
Great Britain Pound Sterling	415,024	1,050,442	704,535	69,117	403,602	887,355	470,279	5,516
Euro	95,373	552,891	637,739	81,221	281,920	887,846	305,299	(719)
Japanese Yen	5,823	18	-	5,605	2,153	-	-	2,153
Other currencies	139,293	9,743	-	129,550	109,508	7,829	258,502	380,461
	3,099,312	11,792,674	7,802,806	(980,456)	4,256,994	11,148,084	6,715,448	(113,242)
	293,467,408	307,438,170	-	(13,970,762)	272,552,915	279,713,668	-	(7,160,753)

	2022		2021	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 1% change in foreign exchange rates on Profit and loss account				
+1% change		9,811	1,200	-
-1% change		(9,811)	(1,200)	-

46.2.3 Equity position Risk

The risk arising from taking long or short positions, in the trading book in the equities and all instruments that exhibit market behavior similar to equities. The Bank is exposed to equity price changes on its investments in Trading Book. These equity exposures are primarily related to market price movements in local equity market index. Changes in the overall value of equity trading book are recorded through profit and loss account. Bank's Investment Committee approves the investment stocks and their limits. It also reviews the portfolio with mark to market position on regular basis. Stop loss limits have been approved and are monitored on a regular basis.

	2022		2021	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 5% change in equity prices on Other comprehensive income				
+5% change	-	-	3,204	-
-5% change	-	-	(3,204)	-

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

The effects of interest rate changes on both earnings and economic value at risk are consistent with the scope of its activities. The Bank's current, highlight explains its current and anticipated levels of interest rate risk exposure. The Bank has a well defined interest rate risk management philosophy and methodology. Tools at its disposal include scenario and stress testing. The Bank follows a regulated approach towards interest rate risk management and reports accordingly. The key assumptions for interest rate risk management are:

- Determine the range of potential interest rate movements over which the bank will measure its exposure i.e. from simple parallel movement assumption to more complex rate scenarios
- Ensure that risk is measured over a reasonable range of potential rate changes including meaningful stress scenarios.
- Consider a variety of factors such as the basis and level of the current term structure of interest rate, historical and implied volatilities of interest rates.
- Estimate time to reduce or unwind unfavorable risk positions.
- Select scenarios that provide wide range of risk estimates.

Impact of 1% change in interest rates on

Profit and loss account

+1% change

-1% change

Comprehensive income

+1% change

-1% change

	2022		2021	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
+1% change	-	18,843	-	182,115
-1% change	-	(18,843)	-	(1,68,115)
Comprehensive income	4,173,556	-	2,257,220	-
+1% change	(4,173,556)	-	(2,257,220)	-
-1% change	-	-	-	-

46.2.5 Mismatch of interest rate sensitive assets and liabilities

Effective Yield / Interest rate	Total	Exposed to Yield / Interest risk										Not exposed to Yield / Interest Risk	
		Rupees in '000											
		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			
	10,136,476	-	-	-	-	910,198	-	-	-	-	-	-	9,289,286
	586,750	8,168,156	-	-	-	-	-	-	-	-	-	-	586,750
8.20%	8,168,156	8,715	15,881,704	5,654,352	1,781,238	21,857,747	50,614,763	28,087,310	42,991,794	108,347	-	-	-
12.18%	166,676,618	8,715	4,011,513	3,837,403	3,170,716	11,057,822	6,008,482	11,782,658	6,382,898	4,890,389	-	-	705,074
8.85%	84,117,202	1,230,228	4,011,513	3,837,403	3,170,716	11,057,822	6,008,482	11,782,658	6,382,898	4,890,389	-	-	16,283,612
	255,009,696	9,447,139	19,893,217	9,491,773	4,952,002	33,956,757	58,623,245	48,479,978	48,354,683	4,890,346	-	-	28,862,754

On-balance sheet financial instruments

Assets

Cash and balances with treasury banks

Balances with other banks

Loans to financial institutions

Investments

Advances

Other assets

Liabilities

Bills payable

Deposits

Deposit and other accounts

Liabilities against assets subject to financing lease

Subordinated debt

Other liabilities

10,136,476	586,750	8,168,156	8,715	15,881,704	5,654,352	1,781,238	21,857,747	50,614,763	28,087,310	42,991,794	108,347	-	-	9,289,286
8,168,156	8,715	4,011,513	3,837,403	3,170,716	11,057,822	6,008,482	11,782,658	6,382,898	4,890,389	-	-	-	-	705,074
255,009,696	9,447,139	19,893,217	9,491,773	4,952,002	33,956,757	58,623,245	48,479,978	48,354,683	4,890,346	-	-	-	-	16,283,612
3,040,491	146,018,140	10,868,867	600	200	-	-	-	-	-	-	-	-	-	3,040,491
146,018,140	10,868,867	600	200	-	-	-	-	-	-	-	-	-	-	41,542,210
2,430,888	8,843,979	-	-	-	800	-	1,897,200	408	-	-	-	-	-	-
307,458,179	49,853,955	113,693,106	13,294,119	17,100,873	17,100,873	8,779,471	11,197,286	19,766,341	10,509,278	10,509,278	10,509,278	10,509,278	10,509,278	53,236,863
(42,426,276)	(39,858,816)	(92,859,869)	(3,702,348)	(12,198,572)	(9,847,754)	(2,766,371)	(2,766,371)	(2,766,371)	(2,766,371)	(2,766,371)	(2,766,371)	(2,766,371)	(2,766,371)	(26,463,819)

On-balance sheet EPP

Off-balance sheet financial instruments

Commitments in respect of forward exchange contracts - Purchase	8,595,050	3,072,100	915,782	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,503,825)	(26,463,519)
Commitments in respect of forward exchange contracts - Sale	(4,750,634)	-	(538,454)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,141,338)	(34,605,858)
Commitments in respect of forward government securities transactions - Purchase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commitments in respect of forward government securities transactions - Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap	3,844,416	3,072,100	377,328	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,503,825)	(26,463,519)

Total Yield / Interest Risk Sensitivity Gap (35,412,866) (50,787,781) (2,334,958) (12,166,572) 49,847,754 22,759,371 26,711,637 27,845,438

Cumulative Yield / Interest Risk Sensitivity Gap (95,512,866) (1,26,901,656) (1,29,826,603) (1,41,785,225) (91,947,471) (63,185,100) (40,427,463) (2,622,027)

202:

Exposure to Yield / Interest Risk

Effective Yield / Interest rate	Exposure to Yield / Interest Risk								Above 10 years	Net exposure to Yield / Interest Risk
	Total	Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years		
	12,324,513	-	-	-	-	-	850,511	-	-	11,324,002
	547,553	-	-	-	-	-	-	-	-	547,553
5.15%	3,336,407	1,351,520	514,251	822,636	-	-	-	-	-	-
2.94%	144,255,591	1,265,365	\$,747,346	12,734,569	12,734,569	27,402,016	28,965,025	42,454,423	147,303	-
7.37%	75,429,764	1,723,295	4,000,177	3,519,479	3,519,479	12,317,450	31,063,265	7,496,932	5,256,958	285,129
	15,255,572	-	-	-	-	-	-	-	-	15,255,572
Other assets	251,139,711	4,530,205	32,853,246	10,251,794	17,575,767	8,029,765	32,973,984	\$9,957,415	3,424,551	28,013,256

Liabilities

Bills payable	4,262,081	-	-	-	-	-	-	-	-	4,262,081
Borrowings	125,122,425	92,217,429	26,766,934	368,156	-	-	-	-	-	-
Deposits and other accounts	143,715,373	9,445,827	7,867,191	19,283,729	3,800,084	6,752,434	19,534,528	5,824,532	8,547,758	47,597,004
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-
Subsidiaries loans	2,438,896	200	200	200	400	400	2,437,286	-	-	-
Other liabilities	7,135,378	-	-	-	-	-	-	-	-	7,135,378
Other liabilities	279,713,569	101,837,256	37,656,231	19,283,729	6,900,484	9,752,984	20,961,732	3,824,032	9,847,758	57,394,432
On-balance sheet gap	(26,573,858)	(95,307,051)	(5,822,985)	(17,837)	(1,857,758)	(760,718)	22,687,260	41,125,782	(4,443,766)	(23,381,146)

On-balance sheet gap

Off-balance sheet financial instruments

Commitments in respect of forward exchange contracts - P/forward	8,417,774	3,110,137	187,532	48,613	-	-	-
Commitments in respect of forward exchange contracts - Sale	(3,174,927)	-	-	-	-	-	-
Commitments in respect of forward government securities transactions - Purchase	-	-	-	-	-	-	-
Commitments in respect of forward government securities transactions - Sale	-	-	-	-	-	-	-
Off-balance sheet gap	5,242,847	3,110,137	187,532	48,613	-	-	-

Total Yield / Interest Risk Sensitivity Gap	(50,594,384)	(3,512,846)	21,913,9	11,637,545	(780,718)	22,657,362	33,957,02	41,125,753	14,443,146	(55,961,748)
Cumulative Yield / Interest Risk Sensitivity Gap	(50,594,384)	(34,127,222)	(60,892,023)	(85,929,838)	(96,230,367)	(73,433,277)	(34,478,175)	6,850,908	2,207,240	(21,173,708)

2022	2021
Rspees in 000	Rspees in 000
293,457,408	272,552,820
5,425,237	5,685,493
366,437	260,125
22,561,840	15,127,587
28,457,514	21,073,209
285,009,894	291,125,711

2022	2021
Rspees in 000	Rspees in 000
307,428,170	279,715,556
307,428,170	279,715,556

Yield Risk is the risk of decline in earnings due to adverse movement of the yield curve. Interest rate risk is the risk that the value of the financial instruments will fluctuate due to changes in the market interest rates. The objective of interest rate risk management is to formalise risk decomposing and risk management processes, which includes identification, measurement, monitoring and control of interest rate risk across the bank and establishing governance related around interest rate risk management.

46.3 Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, errors or mistakes or failures committed by people, inadequate system or from external events. The Bank has in place robust, duly approved various policies, procedures and a Business Continuity Plan. Those are continuously reviewed to strengthen operational controls. Risk policy sets minimum standards and requires all business units to identify and assess risks. The business units are responsible for day-to-day monitoring of operational risks and for limiting losses as a result thereof. They also report operational risk events to the management reporting system.

Operational risk tolerance levels however, have not been established but a broad strategic operational risk direction is in place. This process will move further with the implementation of Internal Control System, COISO compliance in process, and Operational Risk Management. Presently, this risk is effectively managed through robust operational policies and procedures.

At Bank level, the management has taken a number of measures for Business Continuity Planning (BCP) which includes a fully functional Disaster Recovery (DR) site. Further, BCP has also been approached for the relocation in certain clauses of the Code of Conduct for Treasuries of Bank, OFls and PDs to allow the Bank to perform secure Capital and Money Market transactions from OFls centres other than Primary and JRE also as well as usage of Wireless Communication devices. Moreover, various management committees have also been set up online and discussing appropriate through teleconferencing at relevant forums. A focal person has been dealing with the regulator on continuous basis.

46.3.1 Operational Risk- Disclosures Basel II Specific

There are various methods for calculating Operational Risk capital charge, however as envisaged in the roadmap issued by regulator, the Bank is using Basic Indicator Approach. Under BIA the capital charge for operational risk is fixed percentage of average positive annual gross income of the bank over the past three years.

Assets	Total	Over 1 day	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 month	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
Govt. and agencies with treasury bills	12,254,513	-	-	-	-	-	-	-	-	-	-	-	-
Business with other banks	547,558	-	-	-	-	-	-	-	-	-	-	-	-
Landings to financial institutions	(910,000)	-	-	-	-	-	-	-	-	-	-	-	-
Investments	144,265,000	-	40,388	40,388	6,035,642	2,307,150	5,747,290	1,707,400	622,526	-	-	-	-
Advances	75,429,764	105,449	73,574	73,574	2,307,730	3,983,288	4,000,177	1,504,939	5,089,766	21,400,000	56,895,000	43,602,235	13,615,775
Fixed assets	5,885,493	3,225	22,474	46,040	58,082	84,262	254,275	254,275	1,177,999	1,177,999	2,340,291	-	-
Intangible assets	304,123	214	1,456	3,251	6,502	13,500	19,508	19,508	78,038	78,038	156,211	-	-
Deferred tax assets	15,157,587	-	-	-	-	-	-	-	-	-	1,616,510	1,616,510	1,534,427
Other assets	5,265,573	454	5,927	1,575,940	3,151,078	3,145,086	454,220	186,950	193,800	432,625	2,012,558	2,254,482	-
	272,592,920	54,792,430	1,961,004	2,401,129	14,929,070	25,711,185	11,023,756	15,361,738	4,753,010	9,527,175	58,030,260	53,768,074	70,591,146
Liabilities													
312 payback	4,282,389	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	122,122,420	7,172,410	495,425	495,425	23,267,904	5,037,016	11,297,623	11,273,208	14,808,530	16,266,744	31,993,806	39,755,921	-
Deposits and other accounts	545,756,075	88,247	3,895,936	4,899,170	3,796,006	-	-	-	-	-	-	-	-
Liabilities against assets subject to freeze lease	2,438,888	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debts	7,135,218	200	200	200	200	200	200	200	200	200	200	200	200
Other liabilities	278,713,288	15,554,575	87,139,897	2,833,878	32,382,671	5,127,438	11,618,266	13,945,973	11,623,245	13,672,878	16,649,225	35,297,425	24,544,100
	(7,510,648)	3,267,656	(89,915,284)	(10,274,372)	(25,298,739)	(17,688,526)	(488,474)	(2,876,925)	(8,939,355)	(9,244,907)	(19,893,533)	(20,171,593)	(26,251,048)
Net assets	25,082,272	54,792,430	1,961,004	2,401,129	14,929,070	25,711,185	11,023,756	15,361,738	4,753,010	9,527,175	58,030,260	53,768,074	70,591,146
Share capital - net	520,680	-	-	-	-	-	-	-	-	-	-	-	-
Statutory reserves	1,077,985	-	-	-	-	-	-	-	-	-	-	-	-
Surplus on evaluation of assets - net of tax	108,493,273	-	-	-	-	-	-	-	-	-	-	-	-
Reserve for losses	(7,150,646)	-	-	-	-	-	-	-	-	-	-	-	-

Share capital - net
 Statutory reserves
 Surplus on evaluation of assets - net of tax
 Reserve for losses

46.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Bank

2022

Assets	Rupees in '000								
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 5 years	Over 5 to 10 years	Above 10 years
Cash and balances with treasury banks	10,196,476	557,448	405,869	419,221	459,770	1,248,610	1,419,584	2,820,387	1,283,205
Balances with other banks	586,790	6,647	16,850	24,598	45,893	97,121	91,017	178,181	62,342
Lending to financial institutions	3,144,196	8,142,186	-	-	-	50,814,783	21,987,747	26,697,310	42,981,794
Investments	165,678,618	6,745	15,621,784	5,694,352	1,761,286	8,008,462	11,067,822	21,782,668	5,362,898
Advances	64,417,282	1,290,228	4,011,513	3,837,421	3,470,716	1,085,847	1,085,847	2,175,289	-
Fixed assets	5,428,237	96,393	190,973	271,462	542,894	75,287	146,817	2,719,421	-
Intangible assets	366,437	5,845	12,215	16,322	36,844	-	-	-	-
Deferred tax assets	22,661,840	1,746,624	6,334,303	447,157	369,060	529,604	1,266,973	2,598,463	375,867
Other assets	16,282,612	11,832,614	27,337,229	10,702,532	6,386,223	61,857,691	39,691,698	59,059,048	67,289,125
Total	293,467,408	11,832,614	27,337,229	10,702,532	6,386,223	61,857,691	39,691,698	59,059,048	67,289,125
Liabilities	3,040,491	41,333	164,923	2,994,335	-	-	-	-	-
BDs payable	148,916,140	36,466,388	107,898,174	1,651,576	19,947,310	14,933,898	14,874,365	33,124,222	15,668,905
Borrowings	145,298,894	11,377,957	6,841,898	13,013,361	-	-	-	-	-
Deposits and other accounts	2,438,656	800	200	-	200	400	1,867,200	440,066	-
Liabilities against assets subject to finance lease	2,643,879	78,033	372,173	297,724	659,193	1,226,891	1,191,519	2,685,188	-
Subordinated debts	307,438,170	49,964,911	115,237,258	17,853,988	20,606,648	16,181,289	17,863,085	36,189,476	16,923,821
Other liabilities	(13,970,152)	(38,913,687)	(87,859,039)	(7,131,453)	(14,220,422)	(5,676,402)	(21,823,613)	(22,893,376)	(50,376,305)
Total	22,431,374	2,431,374	2,431,374	2,431,374	2,431,374	2,431,374	2,431,374	2,431,374	2,431,374

Share capital - net

820,890
650,238
(38,873,264)
113,870,762

2021

Assets	Rupees in '000								
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 5 years	Over 5 to 10 years	Above 10 years
Cash and balances with treasury banks	12,224,513	796,688	486,484	502,393	545,261	1,732,313	1,589,830	3,375,387	1,541,652
Balances with other banks	647,663	8,088	15,637	22,983	42,815	90,826	84,931	166,276	58,173
Lending to financial institutions	3,589,407	1,951,920	30,137,196	5,747,958	13,134,869	-	2,452,002	28,885,025	42,454,423
Investments	144,293,901	1,324,385	3,856,050	4,000,177	3,519,576	8,039,785	10,547,460	31,533,898	7,498,992
Advances	75,429,764	1,168,299	186,183	384,275	583,549	1,177,059	1,177,059	2,358,090	-
Fixed assets	5,869,493	94,195	186,183	294,275	583,549	78,026	78,026	1,816,510	-
Intangible assets	380,128	6,244	13,204	18,538	58,315	-	-	-	-
Deferred tax assets	15,137,557	1,586,268	6,287,172	18,538	379,466	532,825	1,875,510	11,504,587	383,845
Other assets	15,285,573	1,586,268	6,287,172	464,220	379,466	532,825	1,288,975	2,518,589	1,894,501
Total	272,562,820	1,321,539	40,844,226	11,655,111	15,164,905	11,860,654	37,813,637	70,511,232	64,453,538
Liabilities	4,292,080	833,093	36,146	5,242,841	-	-	-	-	-
Bills payable	122,122,429	92,017,429	29,768,824	388,168	-	-	-	-	-
Borrowings	143,755,073	9,644,459	8,896,972	11,297,626	22,026,972	14,308,530	15,269,744	31,992,306	14,890,756
Deposits and other accounts	2,438,656	200	200	-	200	400	400	2,437,268	-
Liabilities against assets subject to finance lease	7,129,318	70,506	131,948	218,843	546,344	1,069,696	1,000,081	2,166,231	1,307,142
Subordinated debts	279,713,566	102,765,887	38,963,040	13,585,276	22,026,972	15,060,222	15,060,222	36,297,405	15,187,899
Other liabilities	(17,160,648)	(26,124,179)	(1,361,486)	(3,540,165)	(3,404,311)	(4,221,950)	(21,726,602)	(53,713,627)	(6,776,282)
Total	22,431,374	2,431,374	2,431,374	2,431,374	2,431,374	2,431,374	2,431,374	2,431,374	2,431,374

Share capital - net

820,890
1,077,389
(92,490,279)
(7,160,846)

46.5 Derivative Risk

A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price in one or more underlying financial instruments, reference rates or indices. The principal derivatives used by the Bank are forward foreign exchange contracts, foreign exchange swaps and equity futures. The Bank at present does not engage in structured derivative products such as Interest Rate Swaps, Forward Rate Agreements and Foreign Exchange Options.

A forward foreign exchange contract is an agreement to buy or sell a specified amount of foreign currency on a specified future date at an agreed rate. Equity futures are exchange traded contractual agreements to either buy or sell a specified security at a specific price and date in the future. A foreign exchange swap is used by the Bank if it has a need to exchange one currency for another currency on one day and then re-exchange those currencies at a later date.

The Bank enters into these contracts for the purpose of squaring currency / equity positions.

All derivatives are recognized at their fair value. Fair values are obtained from quoted market prices in active markets. Derivatives are carried in the balance sheet as assets when their fair value is positive and as liabilities when their fair value is negative.

Credit risk in respect of derivative financial instruments arises from the potential for a counterparty to default on its contractual obligations. The principal amount of the derivative contract does not represent real exposure to credit risk, which is limited to the positive fair value of instrument.

The details of commitments under forward foreign exchange contracts outstanding at year-end has been given in notes 23.2.1 and 23.2.2.

The accounting policies used to recognise and disclose derivative instruments are given in note 6.16.2. The risk management framework of derivative instruments is given in note 46.

47 ISLAMIC BANKING BUSINESS (IBB)

47.1 In order to meet the guidelines for Sharia compliance in Islamic Banking Institutions (IBIs), statement of financial position and profit and loss account of IBB are given in Annexure - II. Further detailed disclosures are also given in the said annexure to comply with instructions issued by SBP to improve transparency and standardisation in IBIs' profit and loss distribution, policies and practices. Instructions in this regard were issued by the SBP vide IBO Circular No. 3 dated November 19, 2012 and BSD Circular No.3 dated January 22, 2013.

48 DATE OF AUTHORIZATION FOR ISSUE

48.1 The financial statements were authorized for issue on December 13, 2024, by the Board of Directors of the Bank.

49 GENERAL

49.1 These financial statements have been prepared in accordance with the revised format for financial statements of banks issued by the SBP through BPRD circular letter No.02 of 2018 dated January 25, 2018.

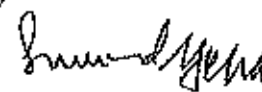
49.2 Captions in respect of which no amounts exist may not be reproduced in these financial statements except in case of statement of financial position and profit and loss account.


49.3 Comparative information has been reclassified, rearranged or additionally incorporated in these financial statements for the purposes of better presentation.


Chief Financial
Officer


President & Chief
Executive Officer


Director


Director


Director

MEMORANDUM

STATEMENT OF WRITTEN OFFICERS OF THE POLICE DEPARTMENT OF THE DISTRICT OF COLUMBIA, EMPLOYEES ASSOCIATION, LOCAL 2000, FOR THE YEAR ENDING 1994

AS OF 1994

No.	Name	Position	Rate of Pay (1993)	Rate of Pay (1994)	1993			1994			Total	Total
					1	2	3	4	5	6		
1
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SHAWAN UNITED
STATEMENTS OF WRITERS OF JOURNALISM FINANCIAL REPORT FOR FISCAL YEAR ENDING 31/12/2011

ANNEXURE 1

Sl. No.	Name of Journalist	Revenue Details	Name of the Institution / Party/Individual	Particulars of the Institution	Amount in Rupees				Total	Amount in Rupees	Amount in Rupees	Other Particulars	Total
					1	2	3	4					
1	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	400	300	500	1200	200	200		500	
2	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	800	700	900	2400	400	400		800	
3	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	1000	900	1100	3000	500	500		1000	
4	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	1200	1100	1300	3600	600	600		1200	
5	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	1400	1300	1500	4200	700	700		1400	
6	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	1600	1500	1700	4800	800	800		1600	
7	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	1800	1700	1900	5400	900	900		1800	
8	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	2000	1900	2100	6000	1000	1000		2000	
9	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	2200	2100	2300	6600	1100	1100		2200	
10	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	2400	2300	2500	7200	1200	1200		2400	
11	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	2600	2500	2700	7800	1300	1300		2600	
12	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	2800	2700	2900	8400	1400	1400		2800	
13	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	3000	2900	3100	9000	1500	1500		3000	
14	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	3200	3100	3300	9600	1600	1600		3200	
15	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	3400	3300	3500	10200	1700	1700		3400	
16	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	3600	3500	3700	10800	1800	1800		3600	
17	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	3800	3700	3900	11400	1900	1900		3800	
18	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	4000	3900	4100	12000	2000	2000		4000	
19	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	4200	4100	4300	12600	2100	2100		4200	
20	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	4400	4300	4500	13200	2200	2200		4400	
21	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	4600	4500	4700	13800	2300	2300		4600	
22	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	4800	4700	4900	14400	2400	2400		4800	
23	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	5000	4900	5100	15000	2500	2500		5000	
24	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	5200	5100	5300	15600	2600	2600		5200	
25	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	5400	5300	5500	16200	2700	2700		5400	
26	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	5600	5500	5700	16800	2800	2800		5600	
27	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	5800	5700	5900	17400	2900	2900		5800	
28	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	6000	5900	6100	18000	3000	3000		6000	
29	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	6200	6100	6300	18600	3100	3100		6200	
30	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	6400	6300	6500	19200	3200	3200		6400	
31	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	6600	6500	6700	19800	3300	3300		6600	
32	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	6800	6700	6900	20400	3400	3400		6800	
33	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	7000	6900	7100	21000	3500	3500		7000	
34	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	7200	7100	7300	21600	3600	3600		7200	
35	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	7400	7300	7500	22200	3700	3700		7400	
36	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	7600	7500	7700	22800	3800	3800		7600	
37	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	7800	7700	7900	23400	3900	3900		7800	
38	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	8000	7900	8100	24000	4000	4000		8000	
39	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	8200	8100	8300	24600	4100	4100		8200	
40	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	8400	8300	8500	25200	4200	4200		8400	
41	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	8600	8500	8700	25800	4300	4300		8600	
42	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	8800	8700	8900	26400	4400	4400		8800	
43	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	9000	8900	9100	27000	4500	4500		9000	
44	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	9200	9100	9300	27600	4600	4600		9200	
45	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	9400	9300	9500	28200	4700	4700		9400	
46	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	9600	9500	9700	28800	4800	4800		9600	
47	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	9800	9700	9900	29400	4900	4900		9800	
48	CHANDRANATHAN	FOR SERVICES RENDERED TO THE GOVT. OF INDIA	GOVT. OF INDIA	GOVT. OF INDIA	10000	9900	10100	30000	5000	5000		10000	

STATE OF TEXAS

STATE OF TEXAS DEPARTMENT OF TRANSPORTATION

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Line	Item Name	Account Name	Unit of Measure (UOM)	Quantity	Contract		Fiscal Year		Total
					Contract No.	Contract Value	2011	2010	
1	CONCRETE	CONCRETE	CU YD	100	100	100	100	100	100
2	ASPHALT	ASPHALT	CU YD	200	200	200	200	200	200
3	GRAVEL	GRAVEL	CU YD	300	300	300	300	300	300
4	STEEL	STEEL	TON	50	50	50	50	50	50
5	WOOD	WOOD	CU YD	10	10	10	10	10	10
6	PAINT	PAINT	TON	5	5	5	5	5	5
7	CEMENT	CEMENT	TON	100	100	100	100	100	100
8	AGGREGATE	AGGREGATE	CU YD	400	400	400	400	400	400
9	IRON	IRON	TON	20	20	20	20	20	20
10	BRICK	BRICK	THOUSAND	10	10	10	10	10	10
11	GLASS	GLASS	THOUSAND	5	5	5	5	5	5
12	ROOFING	ROOFING	THOUSAND	2	2	2	2	2	2
13	INSULATION	INSULATION	THOUSAND	1	1	1	1	1	1
14	PLASTER	PLASTER	THOUSAND	1	1	1	1	1	1
15	PAINT	PAINT	TON	10	10	10	10	10	10
16	CEMENT	CEMENT	TON	100	100	100	100	100	100
17	AGGREGATE	AGGREGATE	CU YD	500	500	500	500	500	500
18	IRON	IRON	TON	30	30	30	30	30	30
19	BRICK	BRICK	THOUSAND	15	15	15	15	15	15
20	GLASS	GLASS	THOUSAND	10	10	10	10	10	10
21	ROOFING	ROOFING	THOUSAND	3	3	3	3	3	3
22	INSULATION	INSULATION	THOUSAND	2	2	2	2	2	2
23	PLASTER	PLASTER	THOUSAND	2	2	2	2	2	2
24	PAINT	PAINT	TON	15	15	15	15	15	15
25	CEMENT	CEMENT	TON	150	150	150	150	150	150
26	AGGREGATE	AGGREGATE	CU YD	600	600	600	600	600	600
27	IRON	IRON	TON	40	40	40	40	40	40
28	BRICK	BRICK	THOUSAND	20	20	20	20	20	20
29	GLASS	GLASS	THOUSAND	15	15	15	15	15	15
30	ROOFING	ROOFING	THOUSAND	4	4	4	4	4	4
31	INSULATION	INSULATION	THOUSAND	3	3	3	3	3	3
32	PLASTER	PLASTER	THOUSAND	3	3	3	3	3	3
33	PAINT	PAINT	TON	20	20	20	20	20	20
34	CEMENT	CEMENT	TON	200	200	200	200	200	200
35	AGGREGATE	AGGREGATE	CU YD	700	700	700	700	700	700
36	IRON	IRON	TON	50	50	50	50	50	50
37	BRICK	BRICK	THOUSAND	25	25	25	25	25	25
38	GLASS	GLASS	THOUSAND	20	20	20	20	20	20
39	ROOFING	ROOFING	THOUSAND	5	5	5	5	5	5
40	INSULATION	INSULATION	THOUSAND	4	4	4	4	4	4
41	PLASTER	PLASTER	THOUSAND	4	4	4	4	4	4
42	PAINT	PAINT	TON	25	25	25	25	25	25
43	CEMENT	CEMENT	TON	250	250	250	250	250	250
44	AGGREGATE	AGGREGATE	CU YD	800	800	800	800	800	800
45	IRON	IRON	TON	60	60	60	60	60	60
46	BRICK	BRICK	THOUSAND	30	30	30	30	30	30
47	GLASS	GLASS	THOUSAND	25	25	25	25	25	25
48	ROOFING	ROOFING	THOUSAND	6	6	6	6	6	6
49	INSULATION	INSULATION	THOUSAND	5	5	5	5	5	5
50	PLASTER	PLASTER	THOUSAND	5	5	5	5	5	5
51	PAINT	PAINT	TON	30	30	30	30	30	30
52	CEMENT	CEMENT	TON	300	300	300	300	300	300
53	AGGREGATE	AGGREGATE	CU YD	900	900	900	900	900	900
54	IRON	IRON	TON	70	70	70	70	70	70
55	BRICK	BRICK	THOUSAND	35	35	35	35	35	35
56	GLASS	GLASS	THOUSAND	30	30	30	30	30	30
57	ROOFING	ROOFING	THOUSAND	7	7	7	7	7	7
58	INSULATION	INSULATION	THOUSAND	6	6	6	6	6	6
59	PLASTER	PLASTER	THOUSAND	6	6	6	6	6	6
60	PAINT	PAINT	TON	35	35	35	35	35	35
61	CEMENT	CEMENT	TON	350	350	350	350	350	350
62	AGGREGATE	AGGREGATE	CU YD	1000	1000	1000	1000	1000	1000
63	IRON	IRON	TON	80	80	80	80	80	80
64	BRICK	BRICK	THOUSAND	40	40	40	40	40	40
65	GLASS	GLASS	THOUSAND	35	35	35	35	35	35
66	ROOFING	ROOFING	THOUSAND	8	8	8	8	8	8
67	INSULATION	INSULATION	THOUSAND	7	7	7	7	7	7
68	PLASTER	PLASTER	THOUSAND	7	7	7	7	7	7
69	PAINT	PAINT	TON	40	40	40	40	40	40
70	CEMENT	CEMENT	TON	400	400	400	400	400	400
71	AGGREGATE	AGGREGATE	CU YD	1100	1100	1100	1100	1100	1100
72	IRON	IRON	TON	90	90	90	90	90	90
73	BRICK	BRICK	THOUSAND	45	45	45	45	45	45
74	GLASS	GLASS	THOUSAND	40	40	40	40	40	40
75	ROOFING	ROOFING	THOUSAND	9	9	9	9	9	9
76	INSULATION	INSULATION	THOUSAND	8	8	8	8	8	8
77	PLASTER	PLASTER	THOUSAND	8	8	8	8	8	8
78	PAINT	PAINT	TON	45	45	45	45	45	45
79	CEMENT	CEMENT	TON	450	450	450	450	450	450
80	AGGREGATE	AGGREGATE	CU YD	1200	1200	1200	1200	1200	1200
81	IRON	IRON	TON	100	100	100	100	100	100
82	BRICK	BRICK	THOUSAND	50	50	50	50	50	50
83	GLASS	GLASS	THOUSAND	45	45	45	45	45	45
84	ROOFING	ROOFING	THOUSAND	10	10	10	10	10	10
85	INSULATION	INSULATION	THOUSAND	9	9	9	9	9	9
86	PLASTER	PLASTER	THOUSAND	9	9	9	9	9	9
87	PAINT	PAINT	TON	50	50	50	50	50	50
88	CEMENT	CEMENT	TON	500	500	500	500	500	500
89	AGGREGATE	AGGREGATE	CU YD	1300	1300	1300	1300	1300	1300
90	IRON	IRON	TON	110	110	110	110	110	110
91	BRICK	BRICK	THOUSAND	55	55	55	55	55	55
92	GLASS	GLASS	THOUSAND	50	50	50	50	50	50
93	ROOFING	ROOFING	THOUSAND	11	11	11	11	11	11
94	INSULATION	INSULATION	THOUSAND	10	10	10	10	10	10
95	PLASTER	PLASTER	THOUSAND	10	10	10	10	10	10
96	PAINT	PAINT	TON	55	55	55	55	55	55
97	CEMENT	CEMENT	TON	550	550	550	550	550	550
98	AGGREGATE	AGGREGATE	CU YD	1400	1400	1400	1400	1400	1400
99	IRON	IRON	TON	120	120	120	120	120	120
100	BRICK	BRICK	THOUSAND	60	60	60	60	60	60

Item	Description	Account	Type of the liability	Reference	As of 12/31/2010				Total
					Current	Long-term	Total	Net	
1	Accounts Payable	101	Liability	101	558	27	585	585	
2	Accounts Receivable	102	Asset	102	561	372	933	933	
3	Prepaid Expenses	103	Asset	103	581	318	899	899	
4	Inventory	104	Asset	104	591	305	896	896	
5	Fixed Assets	105	Asset	105	597	318	915	915	
6	Accumulated Depreciation	106	Contra Asset	106	601	300	901	(901)	
7	Net Fixed Assets	107	Asset	107	602	318	920	920	
8	Capital Fund	108	Equity	108	610	318	928	928	
9	Reserve Fund	109	Equity	109	615	318	933	933	
10	Unassigned Fund	110	Equity	110	620	318	938	938	
11	Unexpended Balance	111	Equity	111	625	318	943	943	
12	Unexpended Balance	112	Equity	112	630	318	948	948	
13	Unexpended Balance	113	Equity	113	635	318	953	953	
14	Unexpended Balance	114	Equity	114	640	318	958	958	
15	Unexpended Balance	115	Equity	115	645	318	963	963	
16	Unexpended Balance	116	Equity	116	650	318	968	968	
17	Unexpended Balance	117	Equity	117	655	318	973	973	
18	Unexpended Balance	118	Equity	118	660	318	978	978	
19	Unexpended Balance	119	Equity	119	665	318	983	983	
20	Unexpended Balance	120	Equity	120	670	318	988	988	
21	Unexpended Balance	121	Equity	121	675	318	993	993	
22	Unexpended Balance	122	Equity	122	680	318	998	998	
23	Unexpended Balance	123	Equity	123	685	318	1003	1003	
24	Unexpended Balance	124	Equity	124	690	318	1008	1008	
25	Unexpended Balance	125	Equity	125	695	318	1013	1013	
26	Unexpended Balance	126	Equity	126	700	318	1018	1018	
27	Unexpended Balance	127	Equity	127	705	318	1023	1023	
28	Unexpended Balance	128	Equity	128	710	318	1028	1028	
29	Unexpended Balance	129	Equity	129	715	318	1033	1033	
30	Unexpended Balance	130	Equity	130	720	318	1038	1038	

STATEMENT OF INVESTMENT OF FUNDS OF ANY OTHER FINANCIAL INSTITUTIONS OF THE YEAR 2010-11 IN HUNDRED THOUSAND RUPEE PROVIDED TO THE YEAR 2010-11

Page No.

Sl. No.	Name of the Institution	Address	Name of the Financial Institution	Investment in Rupees	Investment in Rupees				Total Investment	Date of Investment	Date of Maturity	Date of Redemption	Total Investment
					Fixed Deposit	Term Deposit	Current Deposit	Other Deposits					
1	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	100	100	0	0	100	10/10/10	10/10/11	10/10/11	100	
2	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	200	200	0	0	200	10/10/10	10/10/11	10/10/11	200	
3	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	300	300	0	0	300	10/10/10	10/10/11	10/10/11	300	
4	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	400	400	0	0	400	10/10/10	10/10/11	10/10/11	400	
5	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	500	500	0	0	500	10/10/10	10/10/11	10/10/11	500	
6	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	600	600	0	0	600	10/10/10	10/10/11	10/10/11	600	
7	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	700	700	0	0	700	10/10/10	10/10/11	10/10/11	700	
8	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	800	800	0	0	800	10/10/10	10/10/11	10/10/11	800	
9	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	900	900	0	0	900	10/10/10	10/10/11	10/10/11	900	
10	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	1000	1000	0	0	1000	10/10/10	10/10/11	10/10/11	1000	
11	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	1100	1100	0	0	1100	10/10/10	10/10/11	10/10/11	1100	
12	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	1200	1200	0	0	1200	10/10/10	10/10/11	10/10/11	1200	
13	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	1300	1300	0	0	1300	10/10/10	10/10/11	10/10/11	1300	
14	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	1400	1400	0	0	1400	10/10/10	10/10/11	10/10/11	1400	
15	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	1500	1500	0	0	1500	10/10/10	10/10/11	10/10/11	1500	
16	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	1600	1600	0	0	1600	10/10/10	10/10/11	10/10/11	1600	
17	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	1700	1700	0	0	1700	10/10/10	10/10/11	10/10/11	1700	
18	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	1800	1800	0	0	1800	10/10/10	10/10/11	10/10/11	1800	
19	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	1900	1900	0	0	1900	10/10/10	10/10/11	10/10/11	1900	
20	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	2000	2000	0	0	2000	10/10/10	10/10/11	10/10/11	2000	
21	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	2100	2100	0	0	2100	10/10/10	10/10/11	10/10/11	2100	
22	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	2200	2200	0	0	2200	10/10/10	10/10/11	10/10/11	2200	
23	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	2300	2300	0	0	2300	10/10/10	10/10/11	10/10/11	2300	
24	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	2400	2400	0	0	2400	10/10/10	10/10/11	10/10/11	2400	
25	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	2500	2500	0	0	2500	10/10/10	10/10/11	10/10/11	2500	
26	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	2600	2600	0	0	2600	10/10/10	10/10/11	10/10/11	2600	
27	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	2700	2700	0	0	2700	10/10/10	10/10/11	10/10/11	2700	
28	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	2800	2800	0	0	2800	10/10/10	10/10/11	10/10/11	2800	
29	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	2900	2900	0	0	2900	10/10/10	10/10/11	10/10/11	2900	
30	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	3000	3000	0	0	3000	10/10/10	10/10/11	10/10/11	3000	
31	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	3100	3100	0	0	3100	10/10/10	10/10/11	10/10/11	3100	
32	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	3200	3200	0	0	3200	10/10/10	10/10/11	10/10/11	3200	
33	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	3300	3300	0	0	3300	10/10/10	10/10/11	10/10/11	3300	
34	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	3400	3400	0	0	3400	10/10/10	10/10/11	10/10/11	3400	
35	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	3500	3500	0	0	3500	10/10/10	10/10/11	10/10/11	3500	
36	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	3600	3600	0	0	3600	10/10/10	10/10/11	10/10/11	3600	
37	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	3700	3700	0	0	3700	10/10/10	10/10/11	10/10/11	3700	
38	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	3800	3800	0	0	3800	10/10/10	10/10/11	10/10/11	3800	
39	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	3900	3900	0	0	3900	10/10/10	10/10/11	10/10/11	3900	
40	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	4000	4000	0	0	4000	10/10/10	10/10/11	10/10/11	4000	
41	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	4100	4100	0	0	4100	10/10/10	10/10/11	10/10/11	4100	
42	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	4200	4200	0	0	4200	10/10/10	10/10/11	10/10/11	4200	
43	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	4300	4300	0	0	4300	10/10/10	10/10/11	10/10/11	4300	
44	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	4400	4400	0	0	4400	10/10/10	10/10/11	10/10/11	4400	
45	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	4500	4500	0	0	4500	10/10/10	10/10/11	10/10/11	4500	
46	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	4600	4600	0	0	4600	10/10/10	10/10/11	10/10/11	4600	
47	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	4700	4700	0	0	4700	10/10/10	10/10/11	10/10/11	4700	
48	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	4800	4800	0	0	4800	10/10/10	10/10/11	10/10/11	4800	
49	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	4900	4900	0	0	4900	10/10/10	10/10/11	10/10/11	4900	
50	State Bank of India	1/1, Market Street, Chennai	Fixed Deposit	5000	5000	0	0	5000	10/10/10	10/10/11	10/10/11	5000	

STATEMENT OF WORKS OF LOAN PLAN WITH FINANCIAL RISK OF FUTURE FINANCED THROUGH ASSET LIQUIDATION DURING THE YEAR ENDING 31/12/2011

in RMB

No.	Description	Business Name	Area of Responsibility / Party Name	Business Model / Party Name	Financial Data (RMB)				Other Data	Total (RMB)
					Project A	Project B	Project C	Project D		
01	PROJECT A	Business A	Party A	Party B	100	200	300	400	1000	1000
02	PROJECT B	Business B	Party C	Party D	150	250	350	450	1500	1500
03	PROJECT C	Business C	Party E	Party F	200	300	400	500	2000	2000
04	PROJECT D	Business D	Party G	Party H	250	350	450	550	2500	2500
05	PROJECT E	Business E	Party I	Party J	300	400	500	600	3000	3000
06	PROJECT F	Business F	Party K	Party L	350	450	550	650	3500	3500
07	PROJECT G	Business G	Party M	Party N	400	500	600	700	4000	4000
08	PROJECT H	Business H	Party O	Party P	450	550	650	750	4500	4500
09	PROJECT I	Business I	Party Q	Party R	500	600	700	800	5000	5000
10	PROJECT J	Business J	Party S	Party T	550	650	750	850	5500	5500
11	PROJECT K	Business K	Party U	Party V	600	700	800	900	6000	6000
12	PROJECT L	Business L	Party W	Party X	650	750	850	950	6500	6500
13	PROJECT M	Business M	Party Y	Party Z	700	800	900	1000	7000	7000
14	PROJECT N	Business N	Party AA	Party AB	750	850	950	1050	7500	7500
15	PROJECT O	Business O	Party AC	Party AD	800	900	1000	1100	8000	8000
16	PROJECT P	Business P	Party AE	Party AF	850	950	1050	1150	8500	8500
17	PROJECT Q	Business Q	Party AG	Party AH	900	1000	1100	1200	9000	9000
18	PROJECT R	Business R	Party AI	Party AJ	950	1050	1150	1250	9500	9500
19	PROJECT S	Business S	Party AK	Party AL	1000	1100	1200	1300	10000	10000
20	PROJECT T	Business T	Party AM	Party AN	1050	1150	1250	1350	10500	10500
21	PROJECT U	Business U	Party AO	Party AP	1100	1200	1300	1400	11000	11000
22	PROJECT V	Business V	Party AQ	Party AR	1150	1250	1350	1450	11500	11500
23	PROJECT W	Business W	Party AS	Party AT	1200	1300	1400	1500	12000	12000
24	PROJECT X	Business X	Party AU	Party AV	1250	1350	1450	1550	12500	12500
25	PROJECT Y	Business Y	Party AW	Party AX	1300	1400	1500	1600	13000	13000
26	PROJECT Z	Business Z	Party AY	Party AZ	1350	1450	1550	1650	13500	13500
27	PROJECT AA	Business AA	Party BA	Party BB	1400	1500	1600	1700	14000	14000
28	PROJECT AB	Business AB	Party BC	Party BD	1450	1550	1650	1750	14500	14500
29	PROJECT AC	Business AC	Party BE	Party BF	1500	1600	1700	1800	15000	15000
30	PROJECT AD	Business AD	Party BG	Party BH	1550	1650	1750	1850	15500	15500
31	PROJECT AE	Business AE	Party BI	Party BJ	1600	1700	1800	1900	16000	16000
32	PROJECT AF	Business AF	Party BK	Party BL	1650	1750	1850	1950	16500	16500
33	PROJECT AG	Business AG	Party BM	Party BN	1700	1800	1900	2000	17000	17000
34	PROJECT AH	Business AH	Party BO	Party BP	1750	1850	1950	2050	17500	17500
35	PROJECT AI	Business AI	Party BQ	Party BR	1800	1900	2000	2100	18000	18000
36	PROJECT AJ	Business AJ	Party BS	Party BT	1850	1950	2050	2150	18500	18500
37	PROJECT AK	Business AK	Party BU	Party BV	1900	2000	2100	2200	19000	19000
38	PROJECT AL	Business AL	Party BW	Party BX	1950	2050	2150	2250	19500	19500
39	PROJECT AM	Business AM	Party BY	Party BZ	2000	2100	2200	2300	20000	20000
40	PROJECT AN	Business AN	Party CA	Party CB	2050	2150	2250	2350	20500	20500
41	PROJECT AO	Business AO	Party CC	Party CD	2100	2200	2300	2400	21000	21000
42	PROJECT AP	Business AP	Party CE	Party CF	2150	2250	2350	2450	21500	21500
43	PROJECT AQ	Business AQ	Party CG	Party CH	2200	2300	2400	2500	22000	22000
44	PROJECT AR	Business AR	Party CI	Party CJ	2250	2350	2450	2550	22500	22500
45	PROJECT AS	Business AS	Party CK	Party CL	2300	2400	2500	2600	23000	23000
46	PROJECT AT	Business AT	Party CM	Party CN	2350	2450	2550	2650	23500	23500
47	PROJECT AU	Business AU	Party CO	Party CP	2400	2500	2600	2700	24000	24000
48	PROJECT AV	Business AV	Party CQ	Party CR	2450	2550	2650	2750	24500	24500
49	PROJECT AW	Business AW	Party CS	Party CT	2500	2600	2700	2800	25000	25000
50	PROJECT AX	Business AX	Party CU	Party CV	2550	2650	2750	2850	25500	25500
51	PROJECT AY	Business AY	Party CW	Party CX	2600	2700	2800	2900	26000	26000
52	PROJECT AZ	Business AZ	Party CY	Party CZ	2650	2750	2850	2950	26500	26500
53	PROJECT BA	Business BA	Party CA	Party CB	2700	2800	2900	3000	27000	27000
54	PROJECT BB	Business BB	Party CC	Party CD	2750	2850	2950	3050	27500	27500
55	PROJECT BC	Business BC	Party CE	Party CF	2800	2900	3000	3100	28000	28000
56	PROJECT BD	Business BD	Party CG	Party CH	2850	2950	3050	3150	28500	28500
57	PROJECT BE	Business BE	Party CI	Party CJ	2900	3000	3100	3200	29000	29000
58	PROJECT BF	Business BF	Party CK	Party CL	2950	3050	3150	3250	29500	29500
59	PROJECT BG	Business BG	Party CM	Party CN	3000	3100	3200	3300	30000	30000
60	PROJECT BH	Business BH	Party CO	Party CP	3050	3150	3250	3350	30500	30500
61	PROJECT BI	Business BI	Party CQ	Party CR	3100	3200	3300	3400	31000	31000
62	PROJECT BJ	Business BJ	Party CS	Party CT	3150	3250	3350	3450	31500	31500
63	PROJECT BK	Business BK	Party CU	Party CV	3200	3300	3400	3500	32000	32000
64	PROJECT BL	Business BL	Party CW	Party CX	3250	3350	3450	3550	32500	32500
65	PROJECT BM	Business BM	Party CY	Party CZ	3300	3400	3500	3600	33000	33000
66	PROJECT BN	Business BN	Party CA	Party CB	3350	3450	3550	3650	33500	33500
67	PROJECT BO	Business BO	Party CC	Party CD	3400	3500	3600	3700	34000	34000
68	PROJECT BP	Business BP	Party CE	Party CF	3450	3550	3650	3750	34500	34500
69	PROJECT BQ	Business BQ	Party CG	Party CH	3500	3600	3700	3800	35000	35000
70	PROJECT BR	Business BR	Party CI	Party CJ	3550	3650	3750	3850	35500	35500
71	PROJECT BS	Business BS	Party CK	Party CL	3600	3700	3800	3900	36000	36000
72	PROJECT BT	Business BT	Party CM	Party CN	3650	3750	3850	3950	36500	36500
73	PROJECT BU	Business BU	Party CO	Party CP	3700	3800	3900	4000	37000	37000
74	PROJECT BV	Business BV	Party CQ	Party CR	3750	3850	3950	4050	37500	37500
75	PROJECT BW	Business BW	Party CS	Party CT	3800	3900	4000	4100	38000	38000
76	PROJECT BX	Business BX	Party CU	Party CV	3850	3950	4050	4150	38500	38500
77	PROJECT BY	Business BY	Party CW	Party CX	3900	4000	4100	4200	39000	39000
78	PROJECT BZ	Business BZ	Party CY	Party CZ	3950	4050	4150	4250	39500	39500
79	PROJECT CA	Business CA	Party CA	Party CB	4000	4100	4200	4300	40000	40000
80	PROJECT CB	Business CB	Party CC	Party CD	4050	4150	4250	4350	40500	40500
81	PROJECT CC	Business CC	Party CE	Party CF	4100	4200	4300	4400	41000	41000
82	PROJECT CD	Business CD	Party CG	Party CH	4150	4250	4350	4450	41500	41500
83	PROJECT CE	Business CE	Party CI	Party CJ	4200	4300	4400	4500	42000	42000
84	PROJECT CF	Business CF	Party CK	Party CL	4250	4350	4450	4550	42500	42500
85	PROJECT CG	Business CG	Party CM	Party CN	4300	4400	4500	4600	43000	43000
86	PROJECT CH	Business CH	Party CO	Party CP	4350	4450	4550	4650	43500	43500
87	PROJECT CI	Business CI	Party CQ	Party CR	4400	4500	4600	4700	44000	44000
88	PROJECT CJ	Business CJ	Party CS	Party CT	4450	4550	4650	4750	44500	44500
89	PROJECT CK	Business CK	Party CU	Party CV	4500	4600	4700	4800	45000	45000
90	PROJECT CL	Business CL	Party CW	Party CX	4550	4650	4750	4850	45500	45500
91	PROJECT CM	Business CM	Party CY	Party CZ	4600	4700	4800	4900	46000	46000
92	PROJECT CN	Business CN	Party CA	Party CB	4650	4750	4850	4950	46500	46500
93	PROJECT CO	Business CO	Party CC	Party CD	4700	4800	4900	5000	47000	47000
94	PROJECT CP	Business CP	Party CE	Party CF	4750	4850	4950	5050	47500	47500
95	PROJECT CQ	Business CQ	Party CG	Party CH	4800	4900	5000	5100	48000	48000
96	PROJECT CR	Business CR	Party CI	Party CJ	4850	4950	5050	5150	48500	48500
97	PROJECT CS	Business CS	Party CK	Party CL	4900	5000	5100	5200	49000	49000
98	PROJECT CT	Business CT	Party CM	Party CN	4950	5050	5150	5250	49500	49500
99	PROJECT CU	Business CU	Party CO	Party CP	5000	5100	5200	5300	50000	50000
100	PROJECT CV	Business CV	Party CQ	Party CR	5050	5150	5250	5350	50500	50500

UNCLASSIFIED
 STATEMENT OF MONTH-END LOANS OF THE UNITED STATES FEDERAL RESERVE SYSTEM THROUGH 2022

2022-1

Line	Instrument	Description	Date of Maturity	Interest Rate	2022			2021			Total	Total
					Principal	Interest	Total	Principal	Interest	Total		
20	AMERICAN	2022 12 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
21	AMERICAN	2023 01 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
22	AMERICAN	2023 02 28	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
23	AMERICAN	2023 03 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
24	AMERICAN	2023 04 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
25	AMERICAN	2023 05 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
26	AMERICAN	2023 06 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
27	AMERICAN	2023 07 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
28	AMERICAN	2023 08 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
29	AMERICAN	2023 09 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
30	AMERICAN	2023 10 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
31	AMERICAN	2023 11 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
32	AMERICAN	2023 12 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
33	AMERICAN	2024 01 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
34	AMERICAN	2024 02 28	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
35	AMERICAN	2024 03 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
36	AMERICAN	2024 04 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
37	AMERICAN	2024 05 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
38	AMERICAN	2024 06 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
39	AMERICAN	2024 07 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
40	AMERICAN	2024 08 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
41	AMERICAN	2024 09 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
42	AMERICAN	2024 10 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
43	AMERICAN	2024 11 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
44	AMERICAN	2024 12 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
45	AMERICAN	2025 01 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
46	AMERICAN	2025 02 28	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
47	AMERICAN	2025 03 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
48	AMERICAN	2025 04 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
49	AMERICAN	2025 05 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
50	AMERICAN	2025 06 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
51	AMERICAN	2025 07 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
52	AMERICAN	2025 08 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
53	AMERICAN	2025 09 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
54	AMERICAN	2025 10 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
55	AMERICAN	2025 11 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
56	AMERICAN	2025 12 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
57	AMERICAN	2026 01 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
58	AMERICAN	2026 02 28	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
59	AMERICAN	2026 03 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
60	AMERICAN	2026 04 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
61	AMERICAN	2026 05 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
62	AMERICAN	2026 06 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
63	AMERICAN	2026 07 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
64	AMERICAN	2026 08 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
65	AMERICAN	2026 09 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
66	AMERICAN	2026 10 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
67	AMERICAN	2026 11 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
68	AMERICAN	2026 12 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
69	AMERICAN	2027 01 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
70	AMERICAN	2027 02 28	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
71	AMERICAN	2027 03 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
72	AMERICAN	2027 04 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
73	AMERICAN	2027 05 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
74	AMERICAN	2027 06 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
75	AMERICAN	2027 07 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
76	AMERICAN	2027 08 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
77	AMERICAN	2027 09 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
78	AMERICAN	2027 10 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
79	AMERICAN	2027 11 30	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	
80	AMERICAN	2027 12 31	3.00%	1,000	0	1,000	1,000	0	1,000	2,000	2,000	

STATEMENT OF FINANCIAL POSITION AS AT 31/12/2010

Page 1

Line No.	Account Name	Description	Particulars	Account Name	Statement of Financial Position as at 31/12/2010				Total
					Assets	Liabilities	Equity	Reserves	
1	Fixed Assets	Land and Buildings	100	Land and Buildings	100			100	
2	Fixed Assets	Plant and Equipment	200	Plant and Equipment	200			200	
3	Fixed Assets	Intangible Assets	50	Intangible Assets	50			50	
4	Current Assets	Stocks	100	Stocks	100			100	
5	Current Assets	Debtors	200	Debtors	200			200	
6	Current Assets	Prepayments	50	Prepayments	50			50	
7	Current Assets	Cash	100	Cash	100			100	
8	Current Liabilities	Creditors	100	Creditors	100			100	
9	Current Liabilities	Provisions	50	Provisions	50			50	
10	Equity	Share Capital	1000	Share Capital	1000			1000	
11	Equity	Reserves	1000	Reserves	1000			1000	
12	Equity	Retained Earnings	1000	Retained Earnings	1000			1000	
13	Equity	Other Reserves	1000	Other Reserves	1000			1000	
14	Equity	Share Premium	1000	Share Premium	1000			1000	
15	Equity	General Reserve	1000	General Reserve	1000			1000	
16	Equity	Special Reserve	1000	Special Reserve	1000			1000	
17	Equity	Capital Reserve	1000	Capital Reserve	1000			1000	
18	Equity	Surplus	1000	Surplus	1000			1000	
19	Equity	Reserves	1000	Reserves	1000			1000	
20	Equity	Retained Earnings	1000	Retained Earnings	1000			1000	
21	Equity	Other Reserves	1000	Other Reserves	1000			1000	
22	Equity	Share Capital	1000	Share Capital	1000			1000	
23	Equity	Share Premium	1000	Share Premium	1000			1000	
24	Equity	General Reserve	1000	General Reserve	1000			1000	
25	Equity	Special Reserve	1000	Special Reserve	1000			1000	
26	Equity	Capital Reserve	1000	Capital Reserve	1000			1000	
27	Equity	Surplus	1000	Surplus	1000			1000	
28	Equity	Reserves	1000	Reserves	1000			1000	
29	Equity	Retained Earnings	1000	Retained Earnings	1000			1000	
30	Equity	Other Reserves	1000	Other Reserves	1000			1000	
31	Equity	Share Capital	1000	Share Capital	1000			1000	
32	Equity	Share Premium	1000	Share Premium	1000			1000	
33	Equity	General Reserve	1000	General Reserve	1000			1000	
34	Equity	Special Reserve	1000	Special Reserve	1000			1000	
35	Equity	Capital Reserve	1000	Capital Reserve	1000			1000	
36	Equity	Surplus	1000	Surplus	1000			1000	
37	Equity	Reserves	1000	Reserves	1000			1000	
38	Equity	Retained Earnings	1000	Retained Earnings	1000			1000	
39	Equity	Other Reserves	1000	Other Reserves	1000			1000	
40	Equity	Share Capital	1000	Share Capital	1000			1000	
41	Equity	Share Premium	1000	Share Premium	1000			1000	
42	Equity	General Reserve	1000	General Reserve	1000			1000	
43	Equity	Special Reserve	1000	Special Reserve	1000			1000	
44	Equity	Capital Reserve	1000	Capital Reserve	1000			1000	
45	Equity	Surplus	1000	Surplus	1000			1000	
46	Equity	Reserves	1000	Reserves	1000			1000	
47	Equity	Retained Earnings	1000	Retained Earnings	1000			1000	
48	Equity	Other Reserves	1000	Other Reserves	1000			1000	
49	Equity	Share Capital	1000	Share Capital	1000			1000	
50	Equity	Share Premium	1000	Share Premium	1000			1000	
51	Equity	General Reserve	1000	General Reserve	1000			1000	
52	Equity	Special Reserve	1000	Special Reserve	1000			1000	
53	Equity	Capital Reserve	1000	Capital Reserve	1000			1000	
54	Equity	Surplus	1000	Surplus	1000			1000	
55	Equity	Reserves	1000	Reserves	1000			1000	
56	Equity	Retained Earnings	1000	Retained Earnings	1000			1000	
57	Equity	Other Reserves	1000	Other Reserves	1000			1000	
58	Equity	Share Capital	1000	Share Capital	1000			1000	
59	Equity	Share Premium	1000	Share Premium	1000			1000	
60	Equity	General Reserve	1000	General Reserve	1000			1000	
61	Equity	Special Reserve	1000	Special Reserve	1000			1000	
62	Equity	Capital Reserve	1000	Capital Reserve	1000			1000	
63	Equity	Surplus	1000	Surplus	1000			1000	
64	Equity	Reserves	1000	Reserves	1000			1000	
65	Equity	Retained Earnings	1000	Retained Earnings	1000			1000	
66	Equity	Other Reserves	1000	Other Reserves	1000			1000	
67	Equity	Share Capital	1000	Share Capital	1000			1000	
68	Equity	Share Premium	1000	Share Premium	1000			1000	
69	Equity	General Reserve	1000	General Reserve	1000			1000	
70	Equity	Special Reserve	1000	Special Reserve	1000			1000	
71	Equity	Capital Reserve	1000	Capital Reserve	1000			1000	
72	Equity	Surplus	1000	Surplus	1000			1000	
73	Equity	Reserves	1000	Reserves	1000			1000	
74	Equity	Retained Earnings	1000	Retained Earnings	1000			1000	
75	Equity	Other Reserves	1000	Other Reserves	1000			1000	
76	Equity	Share Capital	1000	Share Capital	1000			1000	
77	Equity	Share Premium	1000	Share Premium	1000			1000	
78	Equity	General Reserve	1000	General Reserve	1000			1000	
79	Equity	Special Reserve	1000	Special Reserve	1000			1000	
80	Equity	Capital Reserve	1000	Capital Reserve	1000			1000	
81	Equity	Surplus	1000	Surplus	1000			1000	
82	Equity	Reserves	1000	Reserves	1000			1000	
83	Equity	Retained Earnings	1000	Retained Earnings	1000			1000	
84	Equity	Other Reserves	1000	Other Reserves	1000			1000	
85	Equity	Share Capital	1000	Share Capital	1000			1000	
86	Equity	Share Premium	1000	Share Premium	1000			1000	
87	Equity	General Reserve	1000	General Reserve	1000			1000	
88	Equity	Special Reserve	1000	Special Reserve	1000			1000	
89	Equity	Capital Reserve	1000	Capital Reserve	1000			1000	
90	Equity	Surplus	1000	Surplus	1000			1000	
91	Equity	Reserves	1000	Reserves	1000			1000	
92	Equity	Retained Earnings	1000	Retained Earnings	1000			1000	
93	Equity	Other Reserves	1000	Other Reserves	1000			1000	
94	Equity	Share Capital	1000	Share Capital	1000			1000	
95	Equity	Share Premium	1000	Share Premium	1000			1000	
96	Equity	General Reserve	1000	General Reserve	1000			1000	
97	Equity	Special Reserve	1000	Special Reserve	1000			1000	
98	Equity	Capital Reserve	1000	Capital Reserve	1000			1000	
99	Equity	Surplus	1000	Surplus	1000			1000	
100	Equity	Reserves	1000	Reserves	1000			1000	

STATEMENT OF EXPENSES FOR THE FISCAL YEAR ENDED 1964-65

Page 1

Line	Description	Account	Fund	Source	Budget			Actual	Balance	Encumbrance	Total
					Original	Amended	Final				
1	Salaries	100-0000	100	100	100	100	100			100	
2	Travel	100-0000	100	100	100	100	100			100	
3	Printing	100-0000	100	100	100	100	100			100	
4	Supplies	100-0000	100	100	100	100	100			100	
5	Telephone	100-0000	100	100	100	100	100			100	
6	Postage	100-0000	100	100	100	100	100			100	
7	Repairs	100-0000	100	100	100	100	100			100	
8	Utilities	100-0000	100	100	100	100	100			100	
9	Insurance	100-0000	100	100	100	100	100			100	
10	Depreciation	100-0000	100	100	100	100	100			100	
11	Interest	100-0000	100	100	100	100	100			100	
12	Other	100-0000	100	100	100	100	100			100	
13	Contingencies	100-0000	100	100	100	100	100			100	
14	Reserve	100-0000	100	100	100	100	100			100	
15	Unassigned	100-0000	100	100	100	100	100			100	
16	Other	100-0000	100	100	100	100	100			100	
17	Transfer	100-0000	100	100	100	100	100			100	
18	Other	100-0000	100	100	100	100	100			100	
19	Other	100-0000	100	100	100	100	100			100	
20	Other	100-0000	100	100	100	100	100			100	
21	Other	100-0000	100	100	100	100	100			100	
22	Other	100-0000	100	100	100	100	100			100	
23	Other	100-0000	100	100	100	100	100			100	
24	Other	100-0000	100	100	100	100	100			100	
25	Other	100-0000	100	100	100	100	100			100	
26	Other	100-0000	100	100	100	100	100			100	
27	Other	100-0000	100	100	100	100	100			100	
28	Other	100-0000	100	100	100	100	100			100	
29	Other	100-0000	100	100	100	100	100			100	
30	Other	100-0000	100	100	100	100	100			100	
31	Other	100-0000	100	100	100	100	100			100	
32	Other	100-0000	100	100	100	100	100			100	
33	Other	100-0000	100	100	100	100	100			100	
34	Other	100-0000	100	100	100	100	100			100	
35	Other	100-0000	100	100	100	100	100			100	
36	Other	100-0000	100	100	100	100	100			100	
37	Other	100-0000	100	100	100	100	100			100	
38	Other	100-0000	100	100	100	100	100			100	
39	Other	100-0000	100	100	100	100	100			100	
40	Other	100-0000	100	100	100	100	100			100	
41	Other	100-0000	100	100	100	100	100			100	
42	Other	100-0000	100	100	100	100	100			100	
43	Other	100-0000	100	100	100	100	100			100	
44	Other	100-0000	100	100	100	100	100			100	
45	Other	100-0000	100	100	100	100	100			100	
46	Other	100-0000	100	100	100	100	100			100	
47	Other	100-0000	100	100	100	100	100			100	
48	Other	100-0000	100	100	100	100	100			100	
49	Other	100-0000	100	100	100	100	100			100	
50	Other	100-0000	100	100	100	100	100			100	
51	Other	100-0000	100	100	100	100	100			100	
52	Other	100-0000	100	100	100	100	100			100	
53	Other	100-0000	100	100	100	100	100			100	
54	Other	100-0000	100	100	100	100	100			100	
55	Other	100-0000	100	100	100	100	100			100	
56	Other	100-0000	100	100	100	100	100			100	
57	Other	100-0000	100	100	100	100	100			100	
58	Other	100-0000	100	100	100	100	100			100	
59	Other	100-0000	100	100	100	100	100			100	
60	Other	100-0000	100	100	100	100	100			100	
61	Other	100-0000	100	100	100	100	100			100	
62	Other	100-0000	100	100	100	100	100			100	
63	Other	100-0000	100	100	100	100	100			100	
64	Other	100-0000	100	100	100	100	100			100	
65	Other	100-0000	100	100	100	100	100			100	
66	Other	100-0000	100	100	100	100	100			100	
67	Other	100-0000	100	100	100	100	100			100	
68	Other	100-0000	100	100	100	100	100			100	
69	Other	100-0000	100	100	100	100	100			100	
70	Other	100-0000	100	100	100	100	100			100	
71	Other	100-0000	100	100	100	100	100			100	
72	Other	100-0000	100	100	100	100	100			100	
73	Other	100-0000	100	100	100	100	100			100	
74	Other	100-0000	100	100	100	100	100			100	
75	Other	100-0000	100	100	100	100	100			100	
76	Other	100-0000	100	100	100	100	100			100	
77	Other	100-0000	100	100	100	100	100			100	
78	Other	100-0000	100	100	100	100	100			100	
79	Other	100-0000	100	100	100	100	100			100	
80	Other	100-0000	100	100	100	100	100			100	
81	Other	100-0000	100	100	100	100	100			100	
82	Other	100-0000	100	100	100	100	100			100	
83	Other	100-0000	100	100	100	100	100			100	
84	Other	100-0000	100	100	100	100	100			100	
85	Other	100-0000	100	100	100	100	100			100	
86	Other	100-0000	100	100	100	100	100			100	
87	Other	100-0000	100	100	100	100	100			100	
88	Other	100-0000	100	100	100	100	100			100	
89	Other	100-0000	100	100	100	100	100			100	
90	Other	100-0000	100	100	100	100	100			100	
91	Other	100-0000	100	100	100	100	100			100	
92	Other	100-0000	100	100	100	100	100			100	
93	Other	100-0000	100	100	100	100	100			100	
94	Other	100-0000	100	100	100	100	100			100	
95	Other	100-0000	100	100	100	100	100			100	
96	Other	100-0000	100	100	100	100	100			100	
97	Other	100-0000	100	100	100	100	100			100	
98	Other	100-0000	100	100	100	100	100			100	
99	Other	100-0000	100	100	100	100	100			100	
100	Other	100-0000	100	100	100	100	100			100	

Total 1000 1000 1000 1000

SILKBANK LIMITED
ISLAMIC BANKING BUSINESS

Annexure - II

The Bank is operating with 27 Islamic Banking branches at the end of 2022 (2021: 27). The Bank closed 4 Islamic banking branches in 2023.

The statement of financial position of these branches as at December 31, 2022 are as follows:

	Note	2022	2021
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks		1,773,437	2,141,118
Balances with other banks		21,101	52,576
Due from financial institutions	1	26,611,693	22,829,716
Investments	2	3,218,147	5,524,133
Islamic financing and related assets - net	3	226,868	2,857,002
Fixed assets		632,096	874,818
Intangible assets		4,909	5,111
Due from Head Office		-	2,036,327
Other assets		1,177,012	1,304,422
Total Assets		33,568,262	37,715,112
LIABILITIES			
Bills payable		414,267	395,004
Due to financial institutions		-	-
Deposits and other accounts	4	15,932,153	20,325,548
Due to Head Office		9,224,948	-
Other liabilities		970,722	1,199,661
Total Liabilities		26,542,090	30,921,313
NET ASSETS		7,023,172	6,793,799
REPRESENTED BY			
Islamic banking fund		6,625,000	6,625,000
Reserves		-	-
Deficit on revaluation of assets		(117,581)	(107,897)
Un-appropriated profits	6	515,753	276,696
		7,023,172	6,793,799

CONTINGENCIES AND COMMITMENTS

The profit and loss account of the Bank's Islamic banking branches for the year ended December 31, 2022 is as follows:

	Note	2022	2021
		Rupees in '000	
Profit / return earned	8	2,750,303	2,578,792
Profit / return expensed	9	(1,761,112)	(1,739,498)
Net profit / return		889,191	839,294
Other Income			
Fee and commission income		20,825	33,336
Foreign exchange income		6,792	24,720
Loss on securities		(47)	(2,720)
Other income		22,996	21,984
Total other Income		61,566	77,320
Total income		1,060,757	916,623
Other expenses			
Operating expenses		(819,416)	(826,269)
Workers Welfare Fund		-	(400)
Other charges		(2,284)	(23,797)
Total other expenses		(821,700)	(850,466)
Profit before provisions		239,057	66,077
Provisions and write offs - net		-	(42,045)
Profit for the year		239,057	24,032

	2022			2021		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
1 Due from Financial Institutions	Rupees in '000					
Bel Muzajil receivable from State Bank of Pakistan	-	-	-	-	-	-
Bel Muzajil receivable from other financial institutions	28,611,693	-	28,611,693	22,829,715	-	22,829,715
	<u>28,611,693</u>	<u>-</u>	<u>28,611,693</u>	<u>22,829,715</u>	<u>-</u>	<u>22,829,715</u>

	2022				2021			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
2 Investments by segments:	Rupees in '000							
Federal Government Securities:								
- Bazar Sukuk	3,336,158	-	(118,011)	3,218,147	5,374,372	-	(107,897)	5,266,475
- Bel Muzajil	-	-	-	-	257,658	-	-	257,658
Total Investments	<u>3,336,158</u>	<u>-</u>	<u>(118,011)</u>	<u>3,218,147</u>	<u>5,632,030</u>	<u>-</u>	<u>(107,897)</u>	<u>5,524,133</u>

	Note	2022	2021
		Rupees in '000	
3 Islamic financing and related assets - net			
Murabaha	3.1	14,493	16,242
Musawamah		-	-
Diminishing Musharaka		212,376	2,840,850
Gross Islamic financing and related assets		<u>226,869</u>	<u>2,857,092</u>
Less: provision against Islamic financings			
- Specific		-	-
- General		-	-
Islamic financing and related assets - net of provision		<u>226,869</u>	<u>2,857,092</u>
3.1 Murabaha			
Murabaha financing	3.1.1	14,493	16,242
Inventory for Murabaha		-	-
Advances for Murabaha		-	-
		<u>14,493</u>	<u>16,242</u>
3.1.1 Murabaha receivable - gross	3.1.2	17,830	68,206
Less: Deferred murabaha income	3.1.4	(1,251)	(602)
Less: Profit receivable shown in other assets	3.1.3	(2,186)	(51,362)
Murabaha financings		<u>14,493</u>	<u>16,242</u>
3.1.2 The movement in Murabaha financing during the year is as follows:			
Opening balance		88,206	426,069
Sales during the year		32,189	26,228
Adjusted during the year		(82,446)	(384,111)
Closing balance		<u>17,830</u>	<u>68,206</u>
3.1.3 Murabaha sale price		18,678	337,216
Murabaha purchase price		<u>(14,493)</u>	<u>(286,853)</u>
		<u>2,186</u>	<u>51,362</u>
3.1.4 Deferred murabaha income			
Opening balance		802	3,954
Arising during the year		2,838	1,623
Less: Recognised during the year		(2,189)	(4,875)
Closing balance		<u>1,251</u>	<u>602</u>

3.2 Islamic Advances include NPL (2021: FN) which have been placed under non-performing status as detailed below.

Category of classification - specific	2022		2021	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	Rupees in '000			
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

3.3 SRP wide various circulars has amended Prudential Regulations in respect of provisioning against non-performing advances under which the benefit of Forfeited Sale Value (FSV) has been allowed for plant and machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing advances upto five years from the date of classification.

4	Deposits	2022			2021		
		In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
Rupees In '000							
	Customers						
	Current deposits	4,333,068	846,177	5,179,243	4,088,672	470,466	4,575,128
	Savings deposits	6,639,108	3,417,923	7,267,031	18,659,173	803,806	19,301,979
	Term deposits	2,848,626	324,136	3,172,762	3,665,909	418,131	4,082,100
	Margin deposits	28,688	-	28,688	31,200	-	31,200
	Call deposits	67,309	-	67,309	47,047	-	47,047
		13,114,784	2,688,236	15,703,030	26,401,061	1,898,393	28,097,454
	Financial Institutions						
	Current deposits	106,127	000	107,030	148,889	750	149,739
	Savings deposits	22,087	-	22,087	977,266	-	977,266
	Term deposits	100,000	-	100,000	101,100	-	101,100
		228,214	800	229,123	1,227,344	750	1,228,094
		13,343,000	2,689,145	16,032,153	27,628,405	1,899,143	29,325,548
Rupees In '000							
4.1	Composition of deposits				2022	2021	
	- Individuals				9,788,889	10,064,210	
	- Government / Public Sector Entities				2,636,540	15,868,763	
	- Banking Companies				1,202	981,813	
	- Non-banking Financial Institutions				227,021	286,481	
	- Private Sector				3,277,601	1,766,491	
					16,932,153	28,025,548	
4.2	This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 11,000 billion (2021: Rs. 10.47 billion)				2022	2021	
Rupees In '000							
5	Charity Fund						
	Opening Balance				-	100	
	Received from customers on account of delayed payment				-	-	
	Payments / utilisation during the year				-	(100)	
	Closing Balance				-	-	
6	Islamic Banking Business Unappropriated Profit						
	Opening Balance				278,688	252,664	
	Add: Islamic Banking profit for the year				239,057	24,032	
	Closing Balance				518,745	276,696	
7	CONTINGENCIES AND COMMITMENTS						
	Guarantees				784,311	992,392	
	Commitments				2,163,385	1,324,828	
					2,947,766	2,317,220	
8	Profit / return earned of financing, investments and placement						
	Profit earned on:						
	Financing				(738,238)	400,414	
	Investments				443,166	310,279	
	Placements				3,055,388	1,650,099	
					2,760,303	2,678,792	
9	Profit on Deposits and other Dues Expensed						
	Deposits and other accounts				1,583,003	1,581,306	
	Due to Financial Institutions				-	-	
	Cost of foreign currency swaps against foreign currency deposits / borrowings				105,273	83,541	
	Lease liability against right-of-use assets				66,936	74,651	
					1,761,112	1,739,498	

10 Pool Management

The number and nature of pools maintained by the IBD along with their key features and risk and reward characteristics are as follows:

Emson Islamic Banking, the Islamic Banking Division (IBD) of S&Pbank Limited, has a well-defined profit and loss distribution and pool management framework for creation of one or more pools of assets to be financed by different types of deposits. Currently, the IBD has the policy of maintaining a single Mudaraba Pool. All funds obtained through Islamic Banking operations are being invested in this Common Mudaraba Pool. The key features and risk / reward features of the same are given below:

Key Features

The Account Holder, in his capacity as the fund provider (called Rabbul Mal in Fiqh terminology) authorises the IBD acting as the investment manager (called Mudarib in Fiqh terminology) to invest the Account Holder's funds on the basis of an unrestricted Mudaraba agreement in line with rules and principles of Shari'a.

Under the unrestricted Mudaraba agreement, the IBD in its capacity as the fund manager invests the funds accepted from Account Holders in Shari'a compliant financing and investments. The IBD receives a pre-agreed percentage (Mudarib Share) of the profit generated from these activities.

In line with the principles of commingling Mudaraba, where the Mudarib is permitted to commingle its own funds with the funds received on the basis of the Mudaraba, and to comply with the regulations of the SBP on creation of an Islamic Banking Fund (the 'IBF'), S&Pbank has created an Islamic Banking Fund of Rs. 8,625 million and deposited the same in its common Mudaraba pool.

Risk & Rewards Characteristics

The profit is shared between the Rabbul Mal and the Mudarib as per the agreed ratio, while the loss, if any, is borne by the Rabbul Mal in proportion to his invested amount unless the Mudarib is found to be negligent or in breach of the terms and conditions of the Mudaraba Agreement.

In case of commingling of the Mudarib's own funds with the funds of the Account Holders, the Mudarib shall get the full profit of its own funds and bear the entire loss thereof.

Profit for the Account Holder is calculated on the basis of a weightage system which takes into consideration the size of funds, its period and profit payment frequency (details of the weightages are available in all the branches and S&Pbank's website). The bigger the size of the fund and the longer the tenor, the higher would be the weightage allocated to the fund for profit distribution.

Profit Rate and Weightages announcement period

The profit sharing ratio, profit rate and weightages are announced when change is required. Although SBP allows to revise the profit sharing ratio & weightages for the period concerned, EIB has revised the Profit Sharing Ratio (PSR) during the year 2021 and announces the same on website and notice boards of branches.

Avenues / sectors of economy / business where Mudaraba based deposits have been deployed

Mudaraba based funds have been deployed to diversified sectors and avenues of the economy / business mainly to Government, Financial institutions, Construction, Manufacturing and Services sectors.

Parameters used for allocation of profit, charging expenses and provisions etc. along with a brief description of their major components

The profit of deposit pool is calculated on the earning assets booked by utilising the funds from the pool. No general or administrative nature of expense is charged to the pool. The profit of the pool is shared among the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period.

Profit and Loss distribution in Common Mudaraba Pool

2022

General Depositors Pool	Mudarib share - net of Hiba and including the Mudarib fee ('000)	Mudarib share - net of Hiba and including the Mudarib Fee (%)	Amount of Mudarib share transferred to depositors through Hiba ('000)	Profit rate and weightages announcement period	Mudarib share transferred to depositors through Hiba (%)	Profit rate earned (%)	Profit rate distributed (%)
Common Mudaraba Pool	694,002	27.64%	140,609	Monthly	14.15%	11.81%	8.94%

2021

General Depositors Pool	Mudarib share - net of Hiba and including the Mudarib fee ('000)	Mudarib share - net of Hiba and including the Mudarib Fee (%)	Amount of Mudarib share transferred to depositors through Hiba ('000)	Profit rate and weightages announcement period	Mudarib share transferred to depositors through Hiba (%)	Profit rate earned (%)	Profit rate distributed (%)
Common Mudaraba Pool	623,036	32.60%	346,225	Monthly	42.07%	8.08%	5.72%

Notice of the 29th Annual General Meeting (AGM)

Notice is hereby given that the Twenty-Ninth Annual General Meeting of Silkbank Limited will be held at **Best Western Premier Hotel**, located at **6-Club Road Islamabad** in person as well as through electronic means / Video link, on **January 04, 2025**, at **11:00 a.m.** to transact the following business:

Ordinary Business:

1. To confirm the minutes of Extra Ordinary General Meeting held on December 26, 2024.
2. To receive, consider and, if thought fit, adopt the Annual Audited Financial Statements, Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 of the Bank for the year ended December 31, 2022, together with the Directors' Report and Auditors' Reports thereon.
3. To consider and, if thought fit, appoint External Auditors to hold office from this AGM till the conclusion of the next AGM of the Bank and to fix their remuneration. The retiring External Auditors, M/s. Grant Thornton Anjum Rahman (GTAR), Chartered Accountants, have completed their full five-year term. As per clause II of section 33 of the Listed Companies Code of Corporate Governance Regulations – 2019 ("CoCG-19"), the external auditors must be rotated after every five years. However, in light of the contemplated merger/amalgamation of the Bank with and into UBL, the Bank requested the Securities and Exchange Commission of Pakistan (SECP) to allow the re-appointment of M/s. GTAR for the years 2023 and 2024 by relaxing the requirements of CoCG-19.

The SECP, vide its letter dated November 20, 2024, granted permission for the Bank to continue with its existing auditors, M/s. GTAR, for the audit of the Bank's financial statements for the years ending December 31, 2023, and 2024. Accordingly, the retiring auditors, M/s. GTAR, being eligible, have expressed their consent for reappointment. The Board of Directors has recommended to the Shareholder for the appointment of auditors till the conclusion of the next AGM for the year ending December 31, 2023.

Any Other Business:

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

Karachi, December 14, 2024

By Order of the Board

Faiz Ul Hasan Hashmi
Company Secretary

The Annual Audited Financial Statements of the Company together with the report and documents required under Companies Act, 2017 have been uploaded on the website of the Company which can be downloaded from the following link and/or QR enabled code:

Weblink	QR Code
www.silkbank.com.pk	

Notes:

1. Closure of Share Transfer Books:

The Share Transfer Book of the Bank will remain closed from **December 28, 2024**, to **January 04, 2025** (both days inclusive). Share Transfers received at our Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahr-e-Faisal Karachi-74400 by the close of business hours (5:00 PM) on **December 27, 2024**, will be treated as being in time for the purpose of above entitlement to the transferees.

2. Participation in the meeting through Online Facility:

The Annual General Meeting is being conducted as per guidelines circulated by SECP following arrangements have also been made by the Bank to facilitate the maximum participation of the shareholders in the AGM through video link facility, either in-person or through appointed proxies. The shareholders are encouraged to participate in the AGM through an electronic facility with Zoom Software organized by the Bank. In order to attend the AGM through the electronic facility, the shareholders are requested to get themselves registered with M/s CDC Share Registrar Services Limited at least 48 hours before the time of AGM at cdcsr@cdcsrsl.com.

The shareholders will be able to login and participate in the AGM proceedings through their smartphones or computer devices from their homes or any convenient location after completing all the formalities required for the verification and identification of the shareholders.

The login facility will be opened at 10:30 a.m. on January 04, 2025, enabling the participants to join the proceedings which will start at 11:00 a.m. sharp.

The shareholders are requested to provide the information as per the below format. The details of the video link will be sent to the shareholders on the email address provided in the below table:

S. No.	Folio / CDC A/c. No.	Company's Name	Name of Shareholder	CNIC Number	WhatsApp Number	Email Address
		SILK				

- Shareholders may send their comments and suggestions relating to the proposed agenda items of the AGM at least two working days before the AGM, at cdcsr@cdcsrsl.com, or WhatsApp or SMS on 0321-8200864. Shareholders are required to mention their full name, CNIC No. and Folio/CDS No. for this purpose.

- Shareholders will be encouraged to participate in the AGM to consolidate their attendance and participation through proxies.

3. For appointing Proxy

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the requirements mentioned below.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the Passport of the beneficial owners and of the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
- v. In case of a legal entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

In order to be effective, duly filled and signed Proxy Form must be received at the Registered Office of the Bank i.e. 13-L, F-7 Markaz, Islamabad, not less than forty-eight (48) hours before the time for holding the Meeting.

4. For attending the Meeting:

- i. In case of individuals, the Account holder and/or Sub-account holder whose registration details are uploaded as per the CDC regulations, shall authenticate his/her identity by showing his/her original valid CNIC or original passport at the time of attending the meeting.
- ii. In the case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

5. Change of Address:

Individual members having physical shareholding are requested to immediately notify the change, if any, in their registered address to the Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400. In case shares are held in CDC, then the request to update their address must be submitted directly to the broker/participant/CDC Investor Account Services.

6. Conversion of Physical Shares into Book Entry Form:

Section 72(2) of the Companies Act, 2017 provides that every existing company shall be required to replace its physical shares with book-entry form within four (4) years from the date of the promulgation of the Act. Further, vide its letter dated

March 26, 2021, the Securities and Exchange Commission of Pakistan has directed listed companies to pursue their shareholders holding securities in physical form to convert the same in the book entry form. In order to ensure compliance with the aforementioned provision and to be benefited of holding securities in book-entry form, all shareholders holding shares in physical form are therefore requested to convert their shares in the book-entry form.

7. Transmission of Annual Reports Through E-Mail:

The SECP vide SRO 787 (1)/2014 dated September 08, 2014, has provided an option for the shareholders to receive audited financial statements along with notice of the annual general meeting electronically through email. Hence, members who are interested in receiving the annual reports and notice of the annual general meeting electronically in the future are requested to send their email addresses on the Consent Form placed on the Company's website www.silkbank.com.pk, to the Company's Share Registrar. The Company shall, however, additionally provide hard copies of the annual report to such members, on request, free of cost.

8. Availability Of Audited Financial Statements on the Company's Website:

Annual Accounts for the year ended December 31, 2022, of the Bank, have been placed on the website of the Bank, www.silkbank.com.pk

9. Submission of copy of CNIC:

Individual members having physical shareholding and who have not yet submitted a photocopy of their valid CNIC are requested to send a notarized copy of their valid CNIC immediately to our Share Registrar, CDC Share Registrar Services Limited.

In case shares are held in CDC, then the request to update CNIC must be submitted directly to the broker/participant/CDC Investor Account Services.



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☎ 111-100-777

📠 SMS 9873

🌐 www.silkbank.com.pk

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