

Samba Bank Limited

ANNUAL REPORT | 2022

Samba Bank Limited

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think samba

World class banking solutions
for the most important things in life

samba bank  سامبا بینک



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VISION

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

MISSION

To become the most admired bank by:

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

CORE VALUES

Meritocracy

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

Respect & Dignity

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

Equal Opportunity

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

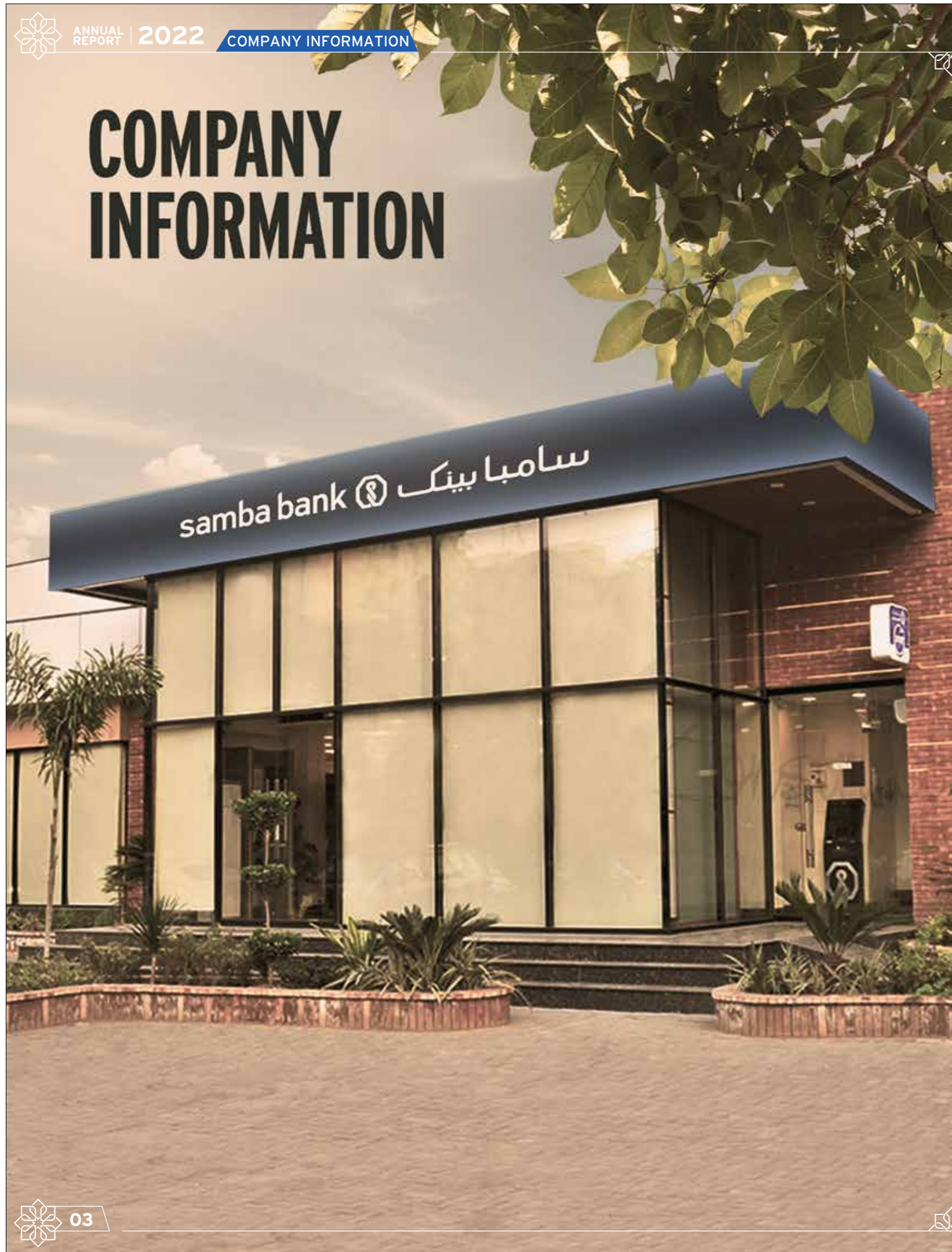
Teamwork

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





COMPANY INFORMATION



Board of Directors

Mr. Mustafa Ilyas	Chairman/Non-Executive Director
Mr. Ali Muhammad Mahoon	Non-Executive Director
Mr. Nasser Al-Fraih	Non-Executive Director
Mr. Hussein Eid	Non-Executive Director
Mr. Timour Pasha	Non-Executive Director
Hafiz Mohammad Yousaf	Independent Director
Mr. Javed Kureishi*	Independent Director
Ms. Zeeba Ansar	Independent Director

Board Audit Committee**

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

Board Risk Committee***

Mr. Timour Pasha	Chairman
Mr. Ali Muhammad Mahoon	Member
Ms. Zeeba Ansar	Member
Mr. Ahmad Tariq Azam	Member

Board Nominations & Remuneration Committee****

Hafiz Mohammad Yousaf	Chairman
Mr. Mustafa Ilyas	Member
Mr. Hussein Eid	Member

Board IT Committee***

Mr. Ali Muhammad Mahoon	Chairman
Mr. Mustafa Ilyas	Member
Mr. Javed Kureishi	Member
Hafiz Mohammad Yousaf	Member

President & Chief Executive Officer

Mr. Ahmad Tariq Azam (Acting)

Company Secretary

Syed Zia-ul-Husnain Shamsi

* Appointed w.e.f. Dec' 13, 2022
 ** Re-constituted w.e.f. Jan' 12, 2023
 *** Re-constituted w.e.f. Jan' 15, 2023
 **** Re-constituted w.e.f. Dec' 1, 2022

Chief Financial Officer

Mr. Rashid Jahangir

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co.
Advocates & Legal Consultants

Head Office

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

Registered Office

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

Share Registrar

Famco Associates (Pvt.) Limited
8-F, Near to Hotel Faran, Nursery,
Block-6 P.E.C.H.S., Karachi - Pakistan

Website

www.samba.com.pk

Helpline

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

Credit Rating by VIS

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





OUR BRANCH NETWORK

Currently, SBL has a network of 47 branches located in 14 major cities across the country

Karachi

- I.I. Chundrigar Road
- Clifton, Park Towers
- Rashid Minhas
- Hyderi
- SMCHS
- Bahria I
- DHA Phase VI
- Shahra-e-Faisal
- Gulshan
- Clifton
- Bahadurabad
- Ittehad
- Saba Avenue
- Tauheed Commercial

Lahore

- Gulberg
- Shadman
- Allama Iqbal Town
- Johar Town
- DHA Phase III
- DHA Phase V
- DHA Phase VI
- New Garden Town
- Tufail Sarwar Road
- Cavalry Ground
- Faisal Town
- Model Town
- Bahria Town

Islamabad

- Jinnah Avenue
- F-11
- F-7
- DHA Phase II

Jhelum

- Jhelum Cantt.

Nowshera

- Rashakai

Multan

- Nusrat Road
- DHA

Sialkot

- Paris Road

Peshawar

- Islamia Road

Quetta

- M.A. Jinh Road

Gawadar

- Airport Road

AJK - Bagh

- Bagh

Sahiwal

- Sahiwal

Rawalpindi

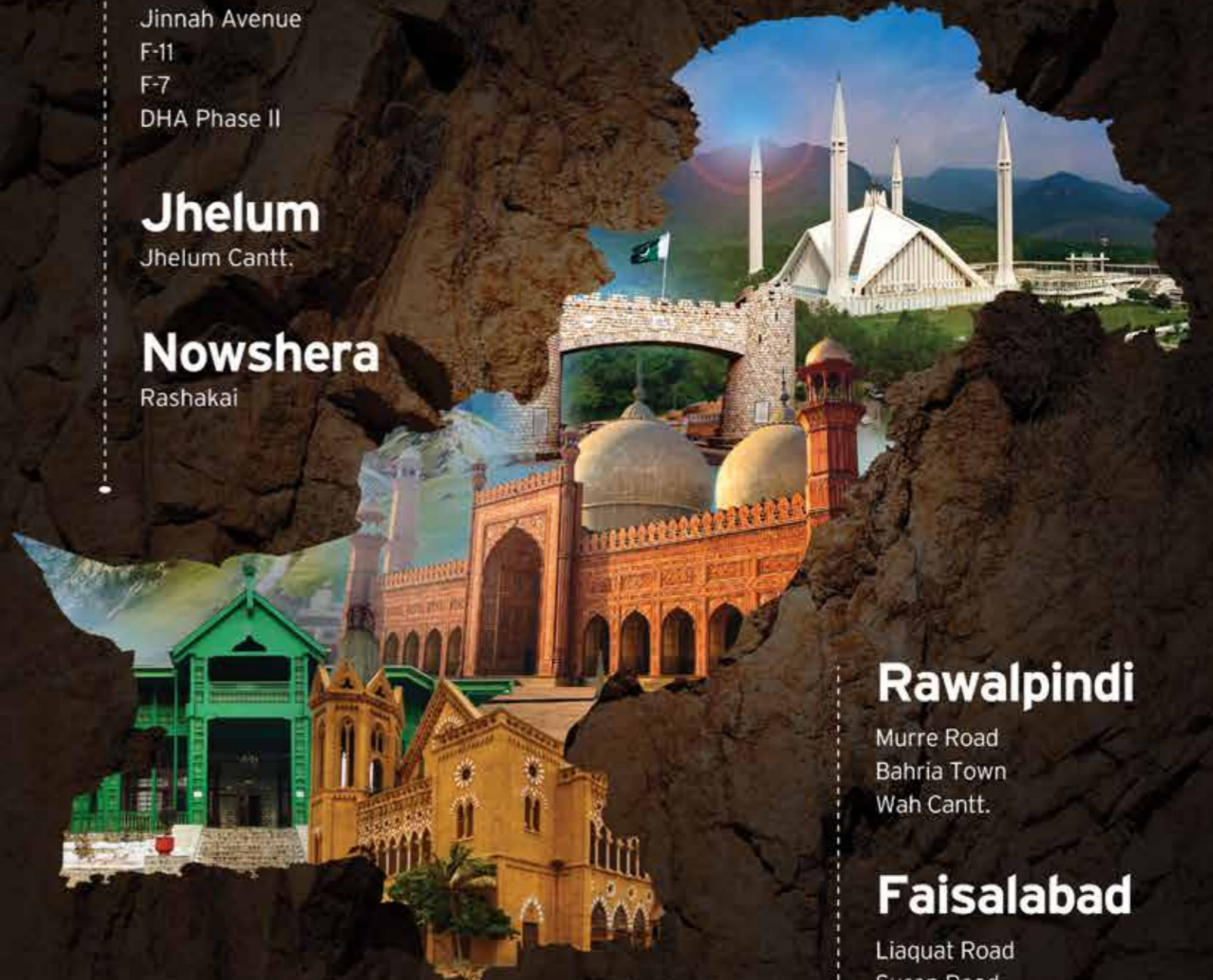
- Murre Road
- Bahria Town
- Wah Cantt.

Faisalabad

- Liaquat Road
- Susan Road

Gujranwala

- G.T Road





BOARD OF DIRECTORS



Mr. Mustafa Ilyas
Chairman

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

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

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

Mr. Ali Muhammad Mahoon is a qualified professional having over 25 years of banking experience with world-class institutions in both Pakistan and the Middle East. Currently, he is serving as Head of Wholesale Credit Risk Management at Saudi National Bank ("SNB"), Kingdom of Saudi Arabia, since March 2022 where he is responsible for all aspects of Wholesale Credit and Treasury Risk Management. Prior to that, he was holding the positions of Head of Wholesale Risk Management and Head of Corporate Credit Risk Management.

Mr. Ali Muhammad Mahoon was President & CEO of MCB Islamic Bank Limited, Pakistan from Sept' 2015 till Mar' 2019 and before that, he was Group Head, Islamic Banking, MCB Bank Limited (Nov' 2014 to Sep' 2015) responsible for managing the Islamic banking business of the bank, as well as the strategy to convert this business into a full-fledged independent Islamic bank operating as a scheduled commercial bank in Pakistan. He was also associated with Samba Financial Group ("SFG"), KSA as Regional Risk Manager & Senior Credit Officer from Jul' 2008 till Feb' 2014, where his responsibilities included approval of all corporate banking credits emanating from the Western Region, as well approval of all FI, Islamic Banking and Asset securitization transactions. Prior to joining SFG-KSA, Mr. Ali Muhammad Mahoon was with MCB Bank Limited, Pakistan holding the position of Group Head, Risk Management, and Chief Risk Officer from Jun' 2005 till Jul'2008 where he was responsible for the overall risk management function of the bank, including setting up an independent market risk function, operational risk function as well as an Enterprise Risk Management function. Before that, he was Corporate Head, Central from Feb' 2005 to Jun' 2005. He was also associated with ABN AMRO Bank, Pakistan (Now Faysal Bank Limited) from Mar' 1997 till Feb' 2005 where he served in various roles in Corporate & Investment Banking. He started his professional career at Citibank N. A Pakistan as Relationship Manager, Local Corporate Group where he worked from Jul' 1994 till Mar'1997.

Mr. Mahoon holds a MBA degree in Finance & Marketing from the Lahore University of Management Sciences and has also done ACMA and Diploma in Islamic Finance from the Chartered Institute of Management Accountants, London, England.



Mr. Ali Muhammad Mahoon
Director



Mr. Hussein Eid
Director

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

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

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

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

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



Mr. Nasser Sulaiman Al-Fraih
Director

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

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

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





Timour Pasha
Director

Mr. Timour Pasha is a Senior Corporate Banking Professional with over 30 years of banking experience. Over 13 years with Saudi National Bank (pre-merger known as Samba Financial Group). Prior to this he spent 17 years with Citigroup. Mr. Pasha is currently holding the position in Saudi National Bank as Head of Risk (under the Wholesale bank Risk architecture) for International and Financial Institutions.

Mr. Pasha started his career in 1992 with Citi group in their Corporate Banking Group and worked up to Country Corporate Banking Group head in 2004 for UAE. In 2006 moved with Citi group as Regional Head of Risk, Central & West Africa and Algeria where he was responsible for the portfolio of the Corporate & Commercial and Investment bank for six (6) countries including Algeria, Senegal, Cote D'Ivoire, Cameroon, Gabon and DRC Congo, where he worked on this position till 2008. In 2009, he joined Samba Financial Group (SFG) - Corporate & Investment Banking.

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

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

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

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

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

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

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



Hafiz Mohammad Yousaf, FCA
Director

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

Mr. Javed is currently associated with International Finance Corporation ("IFC") since Nov 2019 as a Consultant responsible for business development across the country which also includes strengthening senior strategic relationships with key stakeholders in the private sector and identifying large, bankable transactions that fit IFC parameters including debt, equity across several industries and involves working closely with local and regional Industry teams to the in Pakistan.

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



Mr. Javed Kureishi
Director



Ms. Zeeba Ansar
Director

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

Ms. Zeeba was with NIB Bank Limited, where she served as Group Head, Corporate & Investment Banking Group for two years and prior to that she worked in United Bank Limited for more than nine years where her last role was as Regional Corporate Head. She was also associated with Faysal Bank Limited for about five years where she progressed to the position of Corporate Head (Southern Region) and before that, she was with Deutsche Bank Limited, where she worked for almost eight years. She started her career from Shell Pakistan Limited, where she worked for over 4 years in their Planning department. She holds an MBA Degree from the Institute of Business Administration, Karachi.

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



Mr. Ahmad Tariq Azam
Acting President &
Chief Executive Officer

Mr. Ahmad Tariq Azam joined Samba Bank Ltd. in December 2013. He has almost 3 decades of diversified business and leadership experience in the banking and financial services sector with private banks, public sector banks, Non-Banking Financial Institutions, investment banks and leasing companies. Mr. Azam's core experience lies in Wholesale Banking, Corporate Banking, Corporate Finance, Cash Management, Commercial Banking, SME Banking, Retail Banking, Remedial Assets Management, Real Estate Projects, and Administration.

At Samba, Mr. Azam has held different senior management positions. He joined as Head of Institutional Remedial Management (IRM), as a member of the Executive Team and also led Administration and Real Estate Project Management. In 2015, Mr. Azam became Group Head of Commercial Banking, and in 2016, Group Head Commercial & SME Banking. In 2020 he was appointed as Group Head Corporate & Investment Banking (CIBG) & Cash Management, and In March 2022, became Group Head, Wholesale Banking with a portfolio covering Commercial Banking, SME, CIBG & Cash Management.

Prior to joining Samba, Mr. Azam worked with UBL, as Head Commercial Centres, Central & North. He was with NIB Bank from 2010 to 2013, working as Regional Head SME and next as Commercial and Head of Complex Card Unit. From 2009 to 2010, Mr. Azam was with Bank of Punjab as Head of Corporate & Investment Banking, and was previously with Pak-China Investment Company as Head of Corporate Finance. Between 1998 and 2009, Mr. Azam worked with Bank Al Falah in different roles, with his last role as Area Head Branch Banking & SME. Before joining Bank Al Falah, Mr. Azam worked in Ibrahim Leasing, Islamic Investment Bank and PILCORP.

Mr. Azam's mission in formulating and executing the Bank's strategic direction included development of the business franchise through launch of Commercial & SME Business, revenue growth, cost control, team development and enhanced customer experience.

Mr. Azam holds a Master's degree in Public Administration (MPA) from the University of Punjab, Lahore, and a Bachelor's degree from the University of Punjab, Lahore. He is also an alumnus of Cadet College Hassan Abdal & Government College, Lahore. In the course of his career he has attended many work-shops, conferences and seminars, and represented Samba at national and regional forums.



BOARD COMMITTEES

BOARD AUDIT COMMITTEE (BAC)

CONSTITUTION

-  Hafiz Mohammad Yousaf
-  Mr. Hussein Eid
-  Mr. Javed Kureishi

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

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

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

BOARD RISK COMMITTEE (BRC)

CONSTITUTION

-  Mr. Timour Pasha
-  Ms. Zeeba Ansar
-  Mr. Ali Muhammad Mahoon
-  Mr. Ahmad Tariq Azam

The Board Risk Committee-BRC oversees the risk management function, including credit, market, liquidity, operational, environmental, and information security risks. In addition, Compliance risks are also reviewed, as presented by the Compliance Function. BRC provides appropriate supervision and governance of these risks within the Bank. Additionally, all new business segments' related Product Programs are approved by the BRC. Minimum risk reporting standards have been set and being maintained. BRC in its quarterly meetings undertakes detailed risk reviews of the portfolios and provides the requisite oversight and guidance to the management.





BOARD NOMINATION AND REMUNERATION COMMITTEE (BNRC)

CONSTITUTION

-  Hafiz Mohammad Yousaf
-  Mr. Mustafa Ilyas
-  Mr. Hussein Eid

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

In its compensation supervisory role, the BNRC is tasked to review and monitor on an annual basis that an appropriate compensation system is in place which is aligned with appropriate international standards and best practices subject to primacy of local laws & regulations.

In its nomination supervisory role, the BNRC is tasked for:

- a. Reviewing directors' nominations for suitability with regard to the Bank's needs and regulatory requirements.
- b. Reviewing and recommending to the Board selection and appointment of President & CEO.
- c. To consider and approve/recommend to the Board appointment, compensation, increments, performance bonus, etc., and succession plan of Key Executives.

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

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

BOARD IT COMMITTEE (BITC)

CONSTITUTION

-  Mr. Ali Muhammad Mahoon
-  Mr. Mustafa Ilyas
-  Mr. Javed Kureishi
-  Hafiz Mohammad Yousaf

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

CHAIRMAN'S MESSAGE

On behalf of the board of directors, it is my pleasure to present the annual report of Samba Bank Limited for the year ended 31 December 2022.

As the recently appointed Chairman, I am committed to maintaining the highest standards of integrity, transparency, and accountability across all aspects of our business, most importantly our clients and people. My goal is to ensure that we deliver value to all of our stakeholders.

2022 presented many challenges for the banking industry both locally and internationally. Global growth remained subdued as Central banks around the world increased interest rates to counter high inflation led by supply chain disruptions. Inflation was even more pronounced locally due to the PKR devaluation, energy pass-through and supply shock triggered by the floods. The State Bank of Pakistan responded to these inflationary pressures and increased the benchmark discount rate by 625bps in 2022.



The Bank has carefully taken various measures to protect its earning assets in these stressful economic conditions, and has strengthened its balance sheet through recording an appropriate level of provision and restructuring the composition of certain assets. These measures have resulted in a loss before tax of PKR926 million, but stands us in good stead for future years.

Digital Initiatives

The past year saw the introduction of several new products and services that reflected the bank's digital vision. Samba Bank broke new ground as one of the few banks to offer remote, image-based biometric verification for all digital accounts. The ATM controller and card management system underwent a major upgrade and were moved to the advanced BPC system and the third-party processor Radar replaced 1Link. The customer experience was transformed through the redesign of various digital touch points, making Samba Bank one of the quickest providers of cash withdrawals. The bank prioritized automation to boost efficiency and reduce costs, incorporating Robotic Process Automation (RPA) for the first time. To expand its digital reach, the bank also formed partnerships with several Fintech companies during the year.



Corporate and Investment Banking Group (CIBG)

During the year, the CIBG team focused on portfolio management. With the exception of one obligor, classified as doubtful, the entire asset portfolio remained regular.

Significant improvement in assets' yields was achieved through higher spreads. Interest Income for 2022 increased to PKR 1,184 million (2021: PKR 711 million), representing YoY growth of 66%, and benefiting from the increase in policy rates. Non-interest income, despite the current economic situation, increased to PKR 257 million (2021: PKR 205 million), representing YoY growth of 25%, and an increase in FX income offset a decrease in trade income. Consequently, CIBG earned total revenue of PKR 1,441 million during 2022 (2021: PKR 916 million), representing YoY growth of 57%.

Going forward, the segment will continue to focus on prudent financial management of the existing portfolio along with replacement of lower-yielding/higher risk assets with new bookings. The segment will also strive to sustain momentum in deposit volumes, which exceeded PKR 25 billion during 2022 to supplement advances. Emphasis will remain on increasing penetration in cross sell avenues such as cash management to mitigate the expected decrease in trade income.

Retail & Consumer Banking Group (RBG)

Consumer Banking group closed the year with a well balanced performance, both in terms of profitability and volumes of deposits and loans. Despite the economic challenges and relative instability in the market, the segment grew the deposit book by PKR 11.46 billion, representing an 18% growth while gaining approximately 7,500 new to bank relationships. Our core strategy remained focused towards the growth of low cost deposits and cross sell of ancillary products resulting in a total income of over PKR 2.7 billion.

The Retail Assets book also recorded steady growth and closed the year with a 13% ENR growth, taking the retail asset portfolio to approximately PKR 5 billion. Amidst some stringent regulations, such as reduced per-party exposure, DBR limits and life of the asset, the business remained steadfast in growing the portfolio while complying to robust risk assessment criteria. Furthermore, strong collection efforts ensured that the quality of the portfolio did not get compromised in these challenging times with record inflation

and interest rate scenario.

Given the franchise's Saudi patronage, SBL remained the leading financial organization in providing transactional assistance to the Hajj & Umrah operators in the Country. Bulk of the private religious tourism remittance business was routed through the branches of Samba Bank Limited. During 2022, a throughput amounting to ~SAR 600 million was recorded, which illustrates the confidence of this niche client segment in our Bank.

Additionally, SBL opened 3 new branches in Lahore, Multan and Sahiwal during the year, taking the network to a total of 47 in 17 cities of Pakistan.

Global Markets (GM)

The above stated macro-economic challenges have directly affected Pakistan's Bonds, Capital and Currency markets. The profitability impacts of these challenges varied across the banking industry. The segment, under guidance of the Board of Directors, took well timed steps to minimize the downside impact of increasing interest rates, currency devaluation and capital market down-swing. Fixed income securities were timely offloaded curtailing further unrealized losses and the segment also managed to post ~164% increase in FX income.

Commercial Banking Group (CMBG)

Samba Commercial Banking Group has established strong footprints in the market by providing a complete suite of products and services, including short-term working capital, term finance for BMR&E, Transaction Banking and tailor-made solutions that take into account the unique challenges faced by this segment of Pakistan's economy. Samba has a presence across all the major cities of Pakistan and its ever growing Branch Network will enable it to expand its reach even further. Asset portfolio of the segment is stable and well diversified with non-reliance on any particular segment of the industry. The segment is resilient to handle current economic melt-down as Commercial Banking Group Team is closely engaged and monitoring the entire situation to achieve right balance and sustainable portfolio health. Additionally, the segment also participated in all SBP initiatives (including Salary & Wages, TERF, LTFF, Housing Construction/Builder Finance etc.) and further expects to grow the portfolio to optimize yield with good quality sustainable credit.

Small & Medium Enterprise Banking (SMEG)

Small and Medium Enterprises SMEs are considered as engines of economic growth and contributes to GDP. In Pakistan SMEs play major role in sustainable economic growth and generate large job opportunities in the society.

In an earnest endeavor to expand, SME segment is a step in the right direction. The segment has become a stable revenue generating stream for the bank. The segment is targeting to further promote SBP initiatives/products specially bring ease for female entrepreneurs to be benefited from SBP products which may add value to the society.

Corporate Social Responsibility (CSR)

Over the years, Samba Bank Limited 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 our mission of benefitting the communities in which we operate. The year-round activities carried out in this ambit are governed by an approved CSR policy.

The primary focus of our CSR initiatives during the year was provision of quality education and healthcare. The purpose of these activities was to support marginalized communities that lack access to essential facilities. Bank's support towards renowned non-profit organizations such as Indus Hospital, The Citizens Foundations, Pink Ribbon Pakistan, Progressive Education Network, Kiran Foundation, Patients Aid Foundation, Zindagi Trust etc. is a testament to its aim of addressing diverse social welfare concerns.

In addition to the regular organizations supported by the Bank every year, few new organizations such as Orange Tree Foundation, SoS Children's Villages and Sahara Public writes Welfare Organization were also considered.

Performance of the Board of Directors

I would like to take this opportunity to recognize the contribution of the board of directors to the progress and continued success of Samba Bank. During 2022, the board

demonstrated high standards of business and professional conduct in managing and supervising the affairs of the bank. It set the bank's strategic aims and provided the leadership to put those aims into effect, upholding the vision, mission, and core values of the bank. The board also monitored Samba Bank's financial and operational soundness, governance structure, the effectiveness of internal controls and audit functions, and the risk management framework.

Acknowledgement

On behalf of the board of directors, I would like to extend my appreciation for the continuous co-operation of the regulatory bodies that oversee the work of Samba Bank, including the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, and the Federal Board of Revenue.

Mustafa Ilyas
Chairman



THE EXECUTIVE TEAM



Ahmad Tariq Azam
President & CEO (Acting)



Syed Ghazanfar Agha
Group Head Compliance



Muhammad Arshad Mehmood
Group Head Human Resources,
Training & Administration



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



Zeeshan Kaiser
Group Head
Information Technology



Samina Hamid Khan
Chief Risk Officer



Rashid Jahangir
Chief Financial
& Digital Officer



Ghufuran Ahmed
Group Head, Commercial
Banking & SME



Imran Kazim
Group Head Operations



Talal Javed
Group Head
Consumer Banking



Amer Aziz
Acting Head of CIBG
& Cash Management



Sitwat Rasool Qadri
Chief Internal Auditor

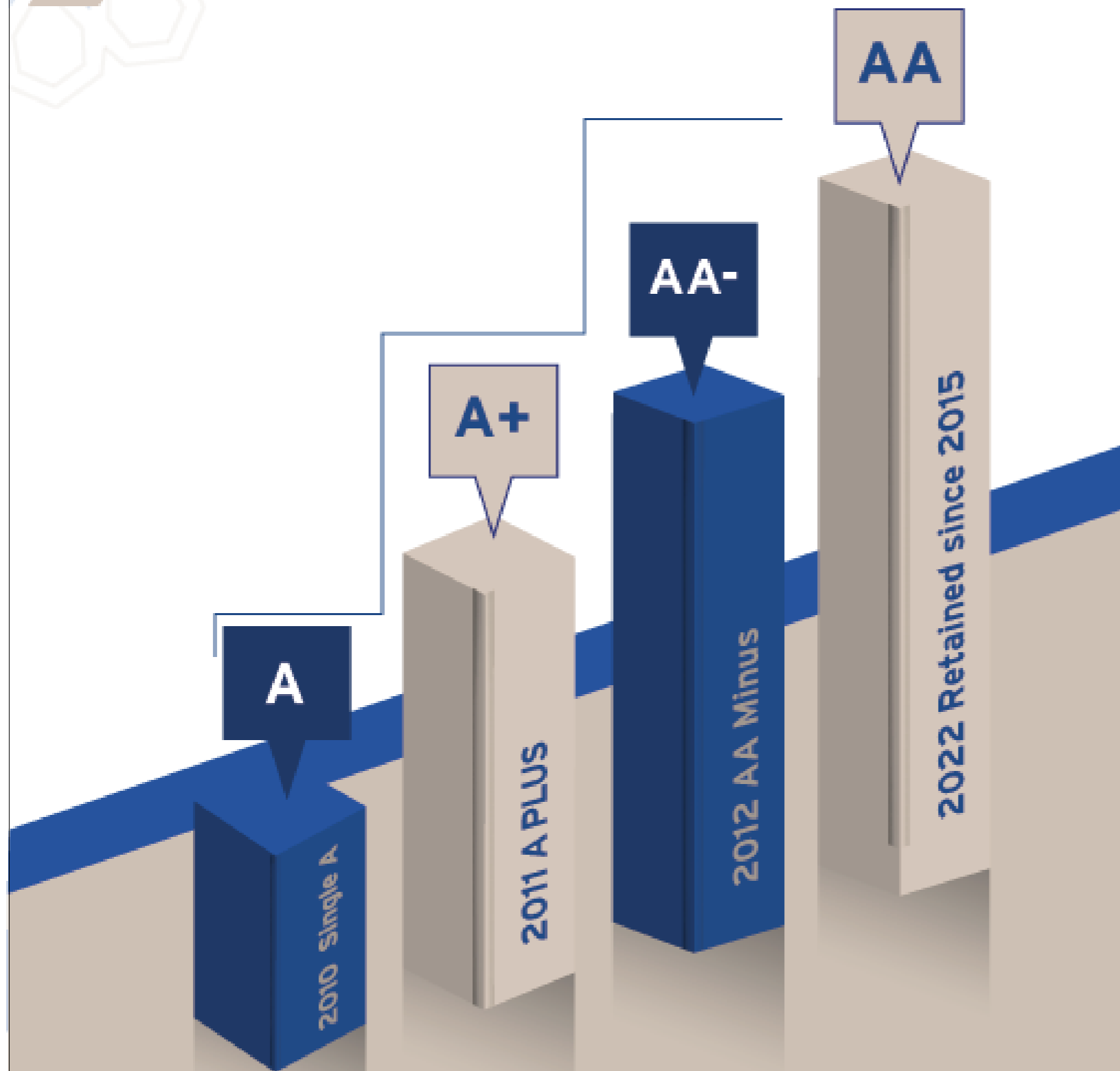


Farrukh Haider
Group Head
Global Markets &
FIs/Treasurer

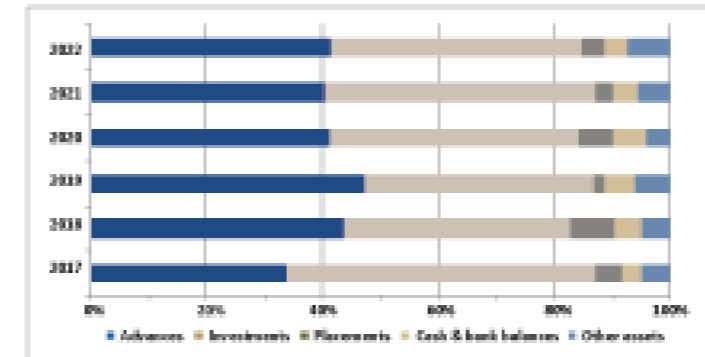




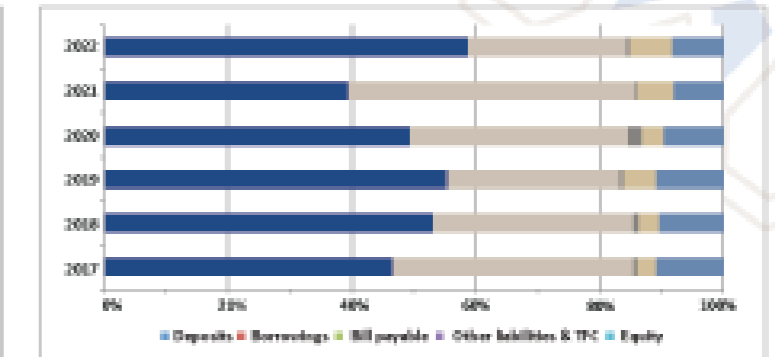
PERFORMANCE HIGHLIGHTS



Assets:



Liabilities & Equity

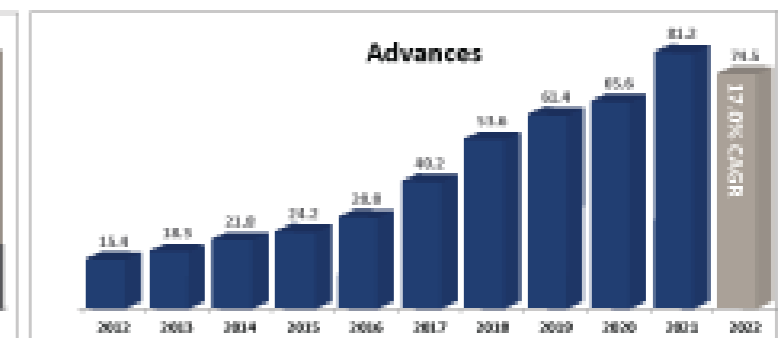
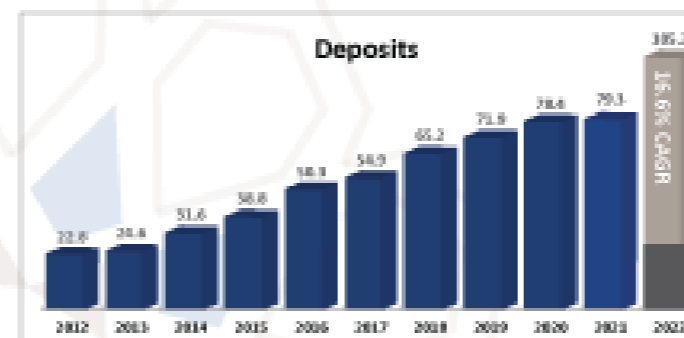


ASSETS:

	2017	2018	2019	2020	2021	2022
Advances	34%	44%	47%	41%	40%	42%
Investments	53%	39%	40%	43%	47%	43%
Placements	4%	8%	2%	6%	3%	4%
Cash & bank balances	3%	5%	5%	5%	4%	4%
Other assets	5%	5%	6%	4%	6%	7%

LIABILITIES & EQUITY:

	2017	2018	2019	2020	2021	2022
Deposits	46%	53%	55%	49%	39%	59%
Borrowings	39%	32%	28%	35%	46%	26%
Bills payable	1%	1%	1%	2%	0%	1%
Other liabilities & TFC	3%	3%	5%	4%	6%	7%
Equity	11%	10%	11%	10%	8%	8%





DIRECTOR'S REPORT

On behalf of the Board of Directors, we are pleased to present the annual report of the Bank along with its audited financial statements and auditors' report for the year ended December 31, 2022.

Economic Highlights

Pakistan economic activity is going through challenging times and is on the lower trajectory since start of the fiscal year 2023. This is indicated by negative growth of several high frequency variables such as cement dispatches, oil sales, industrial production etc. Inflationary pressures remained elevated during the year due to combination of factors including sharply rising energy & commodity prices and unfavorable exchange rate adjustments.

On the external front, current account posted a deficit of USD 3.7 billion for Jul-Dec 2022 as against deficit of USD 9.1 billion for Jul-Dec 2021. Reduction in current account deficit is mainly on account of contraction in imports which decreased by 20%. The State bank of Pakistan (SBP) is proactively managing its balance of payments as evident from month of December, where current account deficit shrank to USD 0.4 billion as against USD 1.8 billion in comparative period. SBP is enacting contractionary monetary policy to contain inflation and cumulatively raised the policy rate during the year by 625bps to reach at 16% at end December 2022.

The operating results for the year as approved by the Board are included in the table below.

Bank's Operating Results and Financial Review

(Rupees in million)

	2022	2021
Operating profit	919	2,353
Provisions	1,845	1,049
(Loss)/Profit before taxation	(926)	1,304
Taxation (Reversal)/charge	(498)	515
(Loss)/Profit before taxation	(428)	789
(Loss)/Earnings per share - PKR	(0.42)	0.78

SNB AWARDS 2022

- **First Bank in the Middle East by Tier One Capital** - The Banker Top 1000 Global Bank Rankings 2022
- **Best Financing Entity for Off-plan Product** - Sakani
- **Best Customer Experience Award for 2021** - Sakani
- **Best Bank for Payments and Collections in the Middle East for 2022** - Global Finance
- **SNB ranked in the top 100 Banks in the most valuable and strongest banking brands in the world 2022** - Brand Finance
- **Bank of the year 2021 in Middle East** - The Banker
- **1st Bank in the Middle East by tier capital for the year 2022** - The Banker Magazine
- **Best Retail Bank in Saudi Arabia in 2022** - The Middle East Economic Digest (MEED)
- **Best Bank for ESG in Saudi Arabia in 2022** - Euromoney
- **Elite (STP) Award** - JPMorgan Chase
- **STP Excellence Award in processing payments** - Citi Bank
- **GCC Award in the field of housing within the private sector category in 2022, in Saudi Arabia** - GCC in the field of housing
- **Ranked as market leader in corporate banking and highly regarded in digital solutions and Islamic finance** - Euromoney
- **Best Private Bank in Saudi Arabia in 2022** - Euromoney
- **Best Trade Finance Bank in Saudi Arabia in 2022** - 10th Annual Saudi Trade Finance Summit
- **KSA most sustainable Trade Finance Bank in Saudi Arabia in 2022** - 10th Annual Saudi Trade Finance Summit





Net Interest Income of the bank for the year ended increased by 9.9% over comparative period last year. Growth in net markup income was subdued by the increase in markup expense on interest bearing liabilities as a result of policy rate hike, against lagged increase in markup income on earning assets due to inherent nature of lending operations. FX income registered a healthy growth of 165% over the corresponding period and clocked at Rs. 1,051 million, however, due to multiple hikes in benchmark interest rates by 625 basis points during the year and persistent decline in capital markets, the bank registered a capital loss of Rs. 1,284 million on its investment portfolio. Operating expenses for the year ended December 2022 were higher by Rs. 667 million or 20% over the comparative period. This increase is in line with inflation, devaluation of rupee and expenses incurred on certain new initiatives.

The bank is continuously right sizing the strategic mix of its earning assets vis-à-vis credit risk, deposits and low cost borrowings. In the wake of rising interest rate scenario momentum has shifted towards mobilization of low cost deposit and reduction in borrowings. The bank has strategically reduced its balance sheet size by 11% or Rs. 22,065 million which primarily represents a reduction of Rs. 17,071 million in investments, Rs. 6,723 million in Loans and Advances and Rs. 47,193 million in the interbank borrowings. This reduction was done to counter the effects of rising interest rate on bank's fixed rate assets and to minimize the mark to market losses. On the positive side, the Bank was able to mobilize customer deposits which continued the growth momentum and increased by Rs. 25,976 million or 33%. Accordingly, CASA mix stands at 52.6% in December 31, 2022. Despite increase in policy rate, cost of deposits has been restricted at 8.3%.

New developments during the year

During the year, the Bank introduced the Biometric Verification App for resident Pakistanis. This enabled our customers to complete their biometric verification remotely, eliminating the need to visit a branch. The Bank also launched specialized accounts for ladies and freelancers, providing a personalized and digitally-focused experience. Video KYC was introduced for digital accounts, allowing customers to fulfill account opening requirements without visiting a branch. Additionally, a WhatsApp channel for complaint initiation was launched for non-resident Pakistanis.

Credit Rating

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

Statement of Internal Controls

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

Risk Management Framework

Effective risk management is a prerequisite for achieving our business objectives and is thus a central part of the Bank's policies. To ensure that an effective risk management framework is implemented in the Bank, the Board of Directors and senior management are actively involved in the formulation of policies, procedures and limits. Accordingly, the Bank has a comprehensive risk management framework that establishes risk management principles, guidelines and the governance structure. This framework defines the various committees established to undertake effective risk monitoring, by the Board of Directors and senior management, of the various types of risks which include credit, market, operational, liquidity, AML/ CPF/ CFT/Compliance, Environmental and Cyber Security risks. These are discussed in more detail in note 43 to the annexed financial statements.

Through the risk management framework, bank-wide risks are managed with the objective of maximizing the risk-adjusted returns while remaining within the risk parameters approved by the Board. The Bank's risk management framework is designed to balance corporate governance with well-defined independent risk management principles. Refinements were continuously undertaken in the overall risk management governance throughout 2022, based on the guiding principles established by the Board Risk Committee.

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

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

- The Bank is a subsidiary of Saudi National Bank of Saudi Arabia, which holds 84.51% shares of the Bank as at December 31, 2022 (2021: 84.51%);
- Vision and Mission statement monitoring the effectiveness of the company's governance practices and overall corporate strategy for the Bank is prepared, adopted and reviewed as and when deemed appropriate by the Board;
- A formal code of conduct is in place that promotes ethical culture in the Bank and prevents conflict of interest in their capacity as member of the Board, senior management and other employees. The Board takes appropriate steps to disseminate code of conduct throughout the Bank along with supporting policies and procedures;
- Adequate systems and controls are in place for identification and redressal of grievances arising from unethical practices;
- Proper books of accounts of the Bank have been maintained;
- The financial statements prepared by the management of the Bank fairly present its state of affairs, result of its operations, comprehensive income, cash flows, and changes in equity;
- Appropriate accounting policies have been consistently applied in the preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan and adopted by the State Bank of Pakistan, have been followed in preparation of the Bank's financial statements, and departures, if any, have been adequately disclosed;
- The system of internal controls is sound in design and has been effectively implemented and monitored on best efforts basis;
- There are no doubts about the Bank's ability to continue as a going concern;
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;
- A summary of key operating & financial data for last 6 years is included in Annual Report;
- A statement showing the Bank's shareholding pattern as of December 31, 2022 is annexed;
- The book value of investments of Staff Provident Fund is PKR 400mln as per the audited financial statements for the year ended December 31, 2021;
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as of December 31, 2022, except as disclosed in these financial statements;
- Statement of Compliance with Code of Corporate Governance is annexed;
- The financial statements of the Bank have been audited without qualification by auditors of the Bank, Messrs KPMG Taseer Hadi & Co., Chartered Accountants;
- The profiles of directors and their position as director in other entities is provided under a separate section in this Annual Report;
- The composition of board committees along with brief TORs of these committees is provided under a separate section in this Annual Report;
- Most of the directors of the Bank have completed their training program as per the requirements of the Code. The Board will arrange certification for remaining directors during 2023;
- Directors Fee is paid in line with Board approved remuneration policy for Board of Directors in this regard and in accordance with the Companies Act, 2017 and the Code of Corporate Governance (CCG);
- In line with the requirements of the CCG, the Bank encourages representation of independent and non-executive directors. Currently Board of Directors of the Bank comprise of three independent directors, five non-executive directors and one executive director;
- The Board evaluates its performance by the overall performance of the Bank. The Directors regularly attend the Board meetings and actively participate in the proceedings. The Board ensures that the Bank adopts the best practices of corporate governance in all areas of its operations and has a robust internal control system. The Board is fully cognizant of the Bank's commitment to its sustainability strategy based on social, environmental factors and has issued appropriate policy guidelines to ensure continued performance in these areas.





Meetings of the Board

Six (6) Board meetings along with Sixteen (16) Board Sub-Committee meetings were held during the period under review. The Board granted leave of absence to the Directors who did not attend the meetings. The number of meetings held and attended by each director is:

	Board Meetings	Audit Committee Meetings	Risk Committee Meetings	Nomination & Remuneration Committee Meetings	IT Committee Meetings
Number of meetings held	6	4	4	5	3
Number of meetings attended:					
Dr. Shujaat Nadeem*	5	-	-	4	3
Mr. Mustafa Ilyas**	1	-	-	1	-
Mr. Shahid Sattar***	4	-	2	-	-
Mr. Ahmad Tariq Azam****	2	-	2	-	-
Mr. Aiman Gusti*	5	3	-	-	3
Mr. Nasser Sulaiman Al-Fraih**	1	-	-	-	-
Mr. Ali Muhammad Mahoon**	1	-	-	-	-
Mr. Humayun Murad*	5	-	3	-	-
Hafiz Mohammad Yousaf	6	4	-	5	-
Mr. Tariq Javed*****	4	-	-	-	3
Mr. Javed Kureishi*****	-	-	-	-	-
Mr. Timour Pasha	6	-	4	-	-
Mr. Hussein Eid	6	4	-	5	-
Ms. Zeeba Ansar	6	-	4	-	-

- * Resigned on October 21, 2022
- ** Appointed on October 21, 2022
- *** Retired on July 31, 2022
- **** Appointed on August 01, 2022
- ***** Resigned on July 31, 2022
- ***** Appointed on December 13, 2022

Share Acquisition by Directors and Executives

The Pattern of shareholding and additional information regarding the pattern of shareholding is annexed separately. During the year, Mr. Javed Kureishi, Independent Director, purchased 500 hundred shares of the bank. Furthermore, the spouse of the executive namely Mr. Khalid Zafar individually purchased twenty thousand shares of the Bank.

Statement under Revised Guidelines on Remuneration Practices

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

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

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

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

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

Corporate Social Responsibility

Corporate Social Responsibility (CSR) refers to a business practice that involves participating or taking initiatives that benefits the social ecosystem in which an organization operates. When a business operates in an environmentally, socially and economically responsible/transparent manner, it helps the organization succeed. The Bank, being aware of its responsibilities toward the society as whole has taken initiatives to contribute towards the society. A specific budget was allocated towards CSR and related activities in 2022 which was utilized in form of contribution to some of the well-deserved organizations, engaged in education, health, sports and development activities for the betterment of the Pakistani Society at large. The details of donations/contributions made during the year have been disclosed in Note 28.3 of the annexed financial statements.

Auditors

The retiring external auditors Messrs. KPMG Taseer Hadi & Company, Chartered Accountants, being eligible, have offered themselves for re-appointment. The Board of Directors, on the suggestion of the Audit Committee, recommends Messrs KPMG Taseer Hadi & Company, Chartered Accountants (a member firm of KPMG International) to be appointed for the next year at a fee to be mutually agreed. The Auditors' remuneration for 2022 is disclosed in Note 28.4 of the annexed financial statements.





Events after the Balance Sheet Date

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

Future Outlook

Pakistan is currently confronted with challenges like high inflation, low growth and low levels of FX reserves. Stability in MoM consumer prices will be possible when international commodity prices are reverted and exchange rate stability is achieved. Pakistan and IMF are holding discussion for ninth review under Extended Fund Facility (EFF) arrangement. Considerable progress was made on policy measures to address domestic and external imbalances. Key priorities include strengthening the fiscal position with permanent revenue measures and reduction in untargeted subsidies, while scaling up social protection to help the most vulnerable and those affected by the floods; allowing the exchange rate to be market determined to gradually eliminate the foreign exchange shortage; and enhancing energy provision by preventing further accumulation of circular debt and ensuring the viability of the energy sector. Discussion will continue in near future to finalize the implementation of policy.

Acknowledgement

The Board wishes to place on record its sincerest appreciation for Bank's retiring President & CEO Mr. Shahid Sattar, whose leadership, commitment and work ethics took the Bank to new heights and turned it around into a smooth and profitable franchise.

The Board also wishes to commend the outgoing Chairman of the Board, Dr. Shujaat Nadeem, and directors Mr. Humayun Murad and Mr. Aiman Gusti for their diligent and effective oversight over the Bank's affairs and leading the Bank during its transitional phase.

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

On behalf of the Board of Directors,

Ahmad Tariq Azam
President and Chief Executive Officer (Acting)
February 27, 2023

Hafiz Mohammad Yousaf
February 27, 2023



ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے ہم سالِ پندرہم 31 دسمبر 2022ء کی سالانہ رپورٹ بشمول پچاس سال شدہ مالیاتی گواہیوں اور آڈیٹرز کی رپورٹ پیش کرنے میں بہت مسرت محسوس کر رہے ہیں۔

معاشی جائزہ

پاکستان کی معاشی سرگرمی ایک مشکل دور سے گزر رہی ہے اور یہ مالی سال 2023ء کے آغاز سے ہی سست روی کا شکار ہے۔ جس کا اظہار سینٹ کی ترسیل، تیل کی فروخت، صنعتی پیداوار وغیرہ جیسے متعدد اہم ہارڈ ویئر پے ہونے والے اختیارات میں رونما ہونے والی حتمی نمو سے ہوتا ہے۔ سال کے دوران، کئی عوامل جن میں اجناس اور توانائی کی تیزی سے بڑھتی قیمتیں اور شرح تبادلہ کی ناموافق مطابقت کی بناء پر افراط زر کا دباؤ برقرار رہا۔

بیرونی ممانہ پر، کرنٹ اکاؤنٹ کا خسارہ گزشتہ سال کے جولائی تا دسمبر 2021ء کے عرصے میں حاصل شدہ 9.1 بلین امریکی ڈالرز کے خسارے کی نسبت جولائی تا دسمبر 2022ء کی مدت کے دوران 3.7 بلین امریکی ڈالرز پر درج درآمدات میں 20 فیصد تک کا سکڑاؤ تھا۔ اسٹیٹ بینک آف پاکستان اپنی ادائیگیوں کے توازن کا پیش قدمی سے انتظام کر رہا ہے جیسا کہ دسمبر کے مہینے کی صورتحال سے عیاں ہے جس میں کرنٹ اکاؤنٹ کا خسارہ گزشتہ تین ماہی مدت کے 1.8 بلین ڈالرز کے حجم کی نسبت 0.4 بلین امریکی ڈالرز پر تنقح آیا۔

اسٹیٹ بینک آف پاکستان افراط زر پر قابو پانے کے لئے انتہاری مالیاتی پالیسی کے نفاذ کے لئے کوشاں ہے اور اس تناظر میں سال کے دوران پالیسی ریت میں مجموعی طور پر 625 بی پی ایس کا اضافہ کر کے اس کی شرح کو دسمبر 2022ء کے اختتام تک 16 فیصد پر مقرر کر دیا ہے۔





ہیرو کی جانب سے منظور شدہ کاروباری تاریخ مندرجہ ذیل جدول میں شامل کیے گئے ہیں:

اہم نام لکھو دوپے میں	
2021	2022
2,353	919
1,049	1,845
1,304	(926)
515	(498)
789	(428)
0.78	(0.42)

کاروباری نتائج
پروجیکٹ (اخراجات)
مبالغہ نقل از محصولات
محصولات (ٹیکسیشن)
مبالغہ بعد از محصولات
فی حصص (شیر) آمدنی (روپے)

ویک کی خاص اعترس آمدنی میں گزشتہ سال کے تقابلی عرصہ کی نسبت 9.9 فیصد اضافہ ہوا۔ خاص اعترس آمدنی کی نمو کے اس مثبت تاثر کو پالیسی ریت میں اضافے کے باعث اعترس کے مال اجہات سے حلقہ اخراجات کی بڑھتی نے زائل کر دیا۔ جبکہ قرضہ جات کی سرگرمیوں میں نظری تاخیر کے عوامل کی بدولت ہیو اڈاری 2021 جات سے حاصل ہونے والی آمدنی میں قدرے قفل دیکھا گیا۔ غیر ملکی زر مبادلہ کی آمدنی اپنی قابل مدت سے 165 فیصد کی شاندار نمو کے اندراج کے ساتھ 1,051 ملین روپے تک پہنچ گئی۔ تاہم سال کے دوران ٹیکس ہارک ریت میں 625 بی بی ایس کے حدود اضافوں اور کچھ مارکیٹ میں مسلسل تیزی کے درمیان کے باعث ویک نے اپنی سرمایہ کاری کے پورٹ فولیو میں 1,284 ملین روپے کا کچھ نقصان درج کیا۔ کاروباری اخراجات 31 دسمبر 2022ء کے اختتام تک اپنی قابل مدت سے 20 فیصد 667 ملین روپے تک کی سطح سے بڑھ گئے۔ یا اضافہ فراخ انداز کی شرح، روپے کی قدر میں فروسنگی اور سکی لے مواقع سے مستفید ہونے کے لئے اٹھائے گئے اقدامات کی عین مطابقت میں تھا۔

ویک اپنے ہیو اڈاری 2021 جات اور ان کے ساتھ گریٹ کے خدشات، ایچ اڈاری اور قرض کے حصول کی کم لاگت کی خصوصیت کو تسلیم کرتے ہوئے اپنے پورے اعترس ریت کی صورت حال کے تناظر میں ساری توجہ کم لاگت کے لاپاؤس کے حصول اور قرضہ جات میں کمی کی طرف ہے۔ ویک نے اپنی حکمت عملی کے تحت اپنے پورے عزم میں 11 فیصد 22,085 ملین روپے کی کمی کی۔ جس میں سرمایہ کاری میں 17,071 ملین روپے قرضہ جات میں 6,723 ملین روپے اور ٹیکس کے اہلین قرضہ جات میں 47,193 ملین روپے کی کمی کا نمایاں کردار رہا۔ اس کی کاٹھ ویک کے سینڈ ریت کے اثرات کے تدارک اور مارک ٹو مارکیٹ (Mark to Market) نقصان کو کم سے کم سطح پر رکھنا تھا۔ تاہم یہ ایک مثبت پہلو ہے کہ ویک نے اپنے صارفین کے لاپاؤس کو تحریک رکھتے ہوئے اس میں نمو کے تسلسل کو برقرار رکھا جس سے اگلے عزم میں 33 فیصد 25,976 ملین روپے تک اضافہ درج کیا گیا۔ چنانچہ کاما کی ترکیب کی شرح 31 دسمبر 2022ء تک 52.6 فیصد رہی۔ پالیسی ریت میں اضافے کے باوجود لاپاؤس کی لاگت کو 8.3 فیصد محدود رکھا گیا۔

سال کے دوران پیش رفت

سال کے دوران ویک نے پاکستان میں دیگر بین الاقوامی بائیں بھڑک تصدیق کے لئے ایک ایپ (APP) حوالہ کر دئی ہے۔ جس سے صارفین ویک کی برانچ میں آنے والی عرصہ سے ہی اپنی بائیں بھڑک تصدیق کے عمل کو مکمل کرنے کی اہلیت حاصل کر سکتے ہیں۔ ویک نے ٹیکنالوجی اور فرنی لائنز کا ڈیٹا بھی حوالہ کر دیا ہے جس سے وہ اپنی ضرورت کے مطابق اور ڈیجیٹل تجربے سے مستفید ہو سکیں گے۔ ان ڈیجیٹل اکاؤنٹس کے لئے ویڈیو کے ذریعے (KYC) کی سہولت کا بھی اجراء کیا گیا جس کے باعث صارفین برانچ میں آنے کے بجائے اکاؤنٹ کے کھولنے کے مطلوبہ کو پورا کر سکیں گے۔ اس کے علاوہ، غیر ملکی عزم میں ٹیم پاکستان کی فعالیت کو درج اور اسکے ادارے کے لئے ایک ڈیس ایپ (Wats App) نمبر کا بھی قیام کیا گیا ہے۔

گریٹ ریٹنگ

جی آر سی آئی ایس گریٹ ریٹنگ کمپنی، جو کہ ویک کی ایک معروف گریٹ ریٹنگ ایجنسی ہے، نے ویک کی داخلی ریٹنگ کو (Double A/ A-1) کی سطح پر مستحکم پیش پیشی کے ساتھ ترمیم کیا ہے۔ یہ طویل اور قابل مدتی وجوہات ویک کے اعلیٰ قرضہ جاتی معیار اور اس کے ساتھ مناسب بحالیت کے عوامل اور اپنی مضبوط سیال پیمبری (لیکوئڈٹی) کی بدولت اپنی تمام مالیاتی ذمہ داریوں کی وقت پر ادائیگی کی اعلیٰ صلاحیت کی نظر میں۔

اندرونی انضباط (انٹرنل کنٹرول) کا بیانیہ

ہیرو اندرونی انضباط (انٹرنل کنٹرول) کی قدرتی (جانرہ) سے حلقہ اختتام کے تجربے، جس میں سالانہ پورٹ میں شامل ہے، کی بخوشی توثیق کرتا ہے۔

خدشات کے تدارک کا نظام (ریسک مینجمنٹ فریم ورک)

موثر ریسک مینجمنٹ خدشات کے تدارک کا نظام (ہمارے کاروباری مقاصد کے حصول کا ایک بنیادی جزو ہے۔ لہذا یہ ویک کی پالیسیوں (حکمت عملیوں) کا کلیدی طبع نظر ہے۔ ریسک مینجمنٹ کے موثر نظام کو یقینی بنانے کے لئے ہیرو آف ڈائریکٹرز اور ویک کی انتظامیہ اعلیٰ نے نہایت مستعدی اور جانفشانی کا مظاہرہ کرتے ہوئے تمام پالیسیوں، طریقہ کار اور حدود کا تعین کیا ہے۔ چنانچہ ویک کے پاس ایک جامع ریسک مینجمنٹ کا نظام موجود ہے جو کہ ریسک مینجمنٹ کے حصول، رہنمائی اور انتظامی اسلوب کا تعین کرتا ہے۔ اس نظام کے تحت بہت سی کمپنیوں کی تعین کی گئی ہے، جو کہ ہیرو آف ڈائریکٹرز اور ہیرو انٹرنیشنل کی جانب سے مختلف اقسام کے ریسک (خدشات) بشمول قرض (گریٹ) منڈیوں (مارکیٹ) کارکردگی، سیال پیمبری (لیکوئڈٹی) اسے اکٹھا کرنا، ایس بی ایف سی ایف سی (AML/CPI/CFT) کی اہلیت، ماحولاتی اور سماجی ریسک، رتی سے حلقہ خدشات کی موثر انداز میں نگرانی کرتی ہیں۔ ان معاملات کو مزید تفصیل سے ان مالیاتی گوشواروں (انٹیلیجنس) کے ساتھ شیک لوٹ نمبر 43 میں واضح کیا گیا ہے۔

ریسک مینجمنٹ کے نظام کے تحت ہیرو کی طرف سے منظور شدہ دائرہ کار میں رہتے ہوئے پورے ویک کے ریسکو (خدشات) کا انتظام، ریسک کے منظر کے مطابق احوالے گئے گوشواروں (ریگولز) کے فروغ کے مقاصد کو پورا کرتے ہوئے کیا جاتا ہے۔ ویک کے ریسک مینجمنٹ کا نظام آزادانہ ریسک مینجمنٹ کے طے شدہ اصولوں سے عزمین معتم (کارپوریٹ) عزم نشی کو متوازن کرنے کے لئے ڈیزائن کیا گیا ہے۔ 2022ء کے مکمل سال کے دوران، ہیرو کی ریسک کمپنی کے تشکیل کردہ رجسٹری کے اصولوں کی بنیاد پر، مجموعی ریسک مینجمنٹ کے عزم و جدت میں بہتری اور موثری کے لئے کوششیں جاری ہیں۔

کوڈ آف کارپوریٹ گورننس کے تحت بیان / کارپوریٹ اور مالیاتی (نانفل) رپورٹنگ کا نظام

ہیرو آف ڈائریکٹرز کوڈ آف کارپوریٹ گورننس کے تحت اپنی ذمہ داریوں سے مکمل آگاہی اور بخوشی بیان تصدیق کرتے ہیں کہ:

- ویک سعودی عرب کے سعودی پیپلز ویک کا ذیلی ادارہ ہے جو 31 دسمبر 2022ء تک ویک کے 84.51 فیصد حصص کی ملکیت رکھتا ہے (2021-84.51 فیصد)
- کمپنی کے انتظامی معاملات، اقدامات کی سزادیت اور ویک کی مجموعی کارپوریٹ حکمت عملی کی نگرانی کے لئے ڈیڑھ اور مشن انٹیلیجنس (تصور اور مقاصد کا بیانیہ) کو ہیرو کی حسب ضرورت اور صلاحیت کے تحت تیار، اختیار اور ان کا تجزیہ کیا گیا ہے۔
- طرز عمل کے باضابطہ قوانین موجود ہیں جن سے ویک میں اخلاقی تہذیب، تہذیب، تہذیب اور مفادات کے نگرانی سے بچا جائے جو ہیرو کے ادارے، بینکار، بینکار، بینکار اور دیگر ملازمین کی حیثیت سے تیار نہیں ہو سکتے ہیں۔ ہیرو ویک میں اخلاقی تہذیب کے طرز عمل کے فروغ کے لئے مختلف ضابطے اور طریقہ کار کے ساتھ مناسب اقدامات جاری رکھتا ہے۔
- غیر اخلاقی ضابطوں سے بچا ہونے والی کسی بھی شکایت کی شناخت اور اسکے ازالے کے لئے مناسب سسٹم (نظام) اور کنٹرول (انضباط) موجود ہیں۔
- ویک کی جانب سے حسابات کے لئے نہایت مناسب کھاتے بنائے گئے ہیں۔
- ویک کی جانب سے تیار کردہ مالیاتی گوشوارے اس کے معاملات کی واضح تصویر (مستند) تیار کرنا، ماسکی کارکردگی کے نتائج، مجموعی آمدنی، نقد بہاؤ (کیٹش فلوز) اور سرمایہ (انٹرنی) کی تبدیلی پیش کرتے ہیں۔





بورڈ کے اجلاس:

اس ذمہ نظر سے میں بورڈ کے چھ (6) اجلاس اور اس کے ساتھ بورڈ کی ذیلی کمیٹیوں کے سولہ (16) اجلاس منعقد ہوئے۔ بورڈ ان ڈائریکٹرز کو معاشری سا مشفقہ ملاحظہ کرتا ہے جنہوں نے اجلاس میں شرکت نہیں کی۔ منعقد شدہ اجلاسوں کی تعداد اور ان میں ہر ڈائریکٹر کی شرکت کی تفصیل درج ذیل ہے:

بورڈ کے اجلاس	آؤٹ کال کے اجلاس	ریک کال کے اجلاس	پمز کی اور معاشرتی کال کے اجلاس	آئی ٹی کمیٹی کے اجلاس
منعقد شدہ اجلاس کی تعداد	6	4	4	3
اجلاس میں شرکت کی تعداد	5	-	-	3
ڈائریکٹر ہمت علی	1	-	1	-
جناب مصطفیٰ ایس	4	2	-	-
جناب طاہر	2	2	-	-
جناب امجد علی اعظم	5	-	-	3
جناب یونس نسیمی	1	-	-	-
جناب ناصر علیان اعجاز	1	-	-	-
جناب علی احمد	5	3	-	-
جناب علی مراد	6	-	4	-
جناب طارق چاہو	4	-	-	3
جناب جاوید قریشی	-	-	-	-
جناب محمد یونس	6	4	-	-
جناب یونس میا	6	4	5	-
محمد علی انصاری	6	4	-	-

- * 21 اکتوبر 2022 کو منعقد ہوئے۔
- ** 21 اکتوبر 2022 کو تقریباً ہوئے۔
- *** 31 جولائی 2022 کو راجہ ٹرا ہوئے۔
- **** 01 اگست 2022 کو تقریباً ہوئے۔
- ***** 31 جولائی 2022 کو منعقد ہوئے۔
- ***** 13 دسمبر 2022 کو تقریباً ہوئے۔

ڈائریکٹرز اور ایگزیکٹو کے حصص کا حصول

حصص کی ملکیت کی ترتیب سے متعلق انسانی معلومات ملحدہ سے منسلک ہیں۔ اس سال کے دوران، جناب جاوید قریشی، آزاد ڈائریکٹر نے چیک کے 600 حصص خریدے۔ علاوہ ازیں، چیک کے ایک ایگزیکٹو جناب خالد ظفر کی ذمہ داری نے افزوی طور پر چیک کے چھ بڑے حصص خریدے ہیں۔

معاوضوں کے ضابطہ عمل برائے نظر ثانی شدہ رہنمائی کے اصولوں کے تحت بیان ہے:

اسٹیٹ بینک آف پاکستان کی فراہم کردہ انتظام اور معاہدہ کے طریقہ کار کے بارے میں رہنمائی اور اظہار کے اصولوں کی روشنی میں، چیک نے ایک پالیسی ترتیب دیا ہے جو تمام طور پر ان ملازمین سے تعلق رکھتی ہے جو خدمات کا اختیار یا اس کی نگرانی کے عمل کے ذمہ دار ہیں، مثلاً، جنرل ریسک ٹیکرز (ایم آر ٹی) (Material Risk Takers (MRTs)) اور جنرل ریسک کنٹرولرز (ایم آر سی) (Material Risk Controllers (MRCs))۔

- موضوع حساب داری کی سخت عملیوں کو کماتوں کی چھری کے لئے مسلسل طور پر جاری رکھا جاتا ہے۔ حساب داری کے اعزاز مستحق اولیٰ طبقہ کے ہر مستحق کے ساتھ ساتھ ہیں۔
- بین الاقوامی حساب داری کے معیار (انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز) کے پاکستان میں اطلاقی کی مدد سے معاملات کو ان مابین مابین کی تیسری کے دوران مد نظر رکھا گیا ہے۔ تاہم ان سے معمولی سرلیٹنگ، اگر کوئی ہو، اس کو بہت وضاحت کے ساتھ بیان کیا گیا ہے۔
- اندرونی انضمام کا نظام اپنے حدود میں مضبوط اور مستحکم ہے اور بہت خوش سولہ سے نافذ کیا اور جانچا جاتا ہے۔
- بین الاقوامی کارکردگی جاری رکھنے کی صلاحیت کے حوالے سے کسی بھی شعبہ سے باہر ہے۔
- کارپوریٹ گورننس کے بہترین ضابطہ عمل (جیسا کہ متعلقہ قوانین میں درج ہیں) سے کوئی قابل ذکر مدافعتی نہیں کی گئی۔
- پچھلے 6 سال کی اہم کارکردگی اور مالیاتی مواد (ایچ) کا خلاصہ سالانہ رپورٹ میں شامل ہے۔
- 31 دسمبر 2022 کو بینک کے حصص یافتگان کی ترتیب کے نمونے پر مشتمل گوشوارہ منسلک ہے۔
- بینک کے اسٹاک ہولڈنگس کی اہمیت پر توجہ دہانی کو گوشواروں کے مطابق سالانہ رپورٹ 31 دسمبر 2022 کو 400 ملین روپے دی۔
- پرنٹ شدہ مالیاتی گوشواروں کے مطابق سالانہ رپورٹ 31 دسمبر 2022 تک کوئی بھی قانونی یا عملی ٹیکس کی مدد سے یا ڈیوٹی (عام شدہ) یا کوئی اور شرح واجب الادا نہیں یا سامانے ان کے جن کی وضاحت مالیاتی گوشواروں میں کر دی گئی ہے۔
- کوڈ آف کارپوریٹ گورننس کے تحت جاری منسلک ہے۔
- بینک کے مالیاتی گوشواروں کو بینک کے آڈیٹرز کے ذریعہ کی پی ایم پی (KPMG) شریانی ایگزیکٹو کمیٹی چارٹرڈ اکاؤنٹنٹس نے بطور کسی اعتراض کے آڈٹ کیا ہے۔
- ڈائریکٹرز کے پردہ نظر اور مددگاروں میں ان کی بطور ڈائریکٹرز حیثیت کے بارے میں معلومات اس سالانہ رپورٹ کے ملحدہ پیکٹ میں فراہم کی گئی ہیں۔
- بورڈ کی کمیٹیوں کی ناکامیوں کے کام کے طریقہ کار (فرم آف ریفلیکشن) کا خلاصہ اس سالانہ رپورٹ کے ملحدہ پیکٹ میں فراہم کیا گیا ہے۔
- بینک کے زیادہ تر ڈائریکٹرز نے اپنے ترتیبی پروگرام قانون کے ضوابط اور شرائط کے مطابق پورے کئے ہیں۔ بورڈ سال 2023ء کے دوران، باقی ماندہ ڈائریکٹرز کی لٹریچر کے لئے انتظامات کرے گا۔
- ڈائریکٹرز کی فیس کی ادائیگی بورڈ کی دستور شدہ ریٹرنیشن (معاوضوں) پالیسی کے تحت کی جاتی ہے اور بینک اس بارے میں گنڈا ایکٹ 2017 اور کوڈ آف کارپوریٹ گورننس (سی سی سی) کے تحت ایک ضابطہ پالیسی کی تشکیل کے آخری مراحل میں ہے۔
- سی سی سی کی معلومات کے مطابق، بینک آزاد اور غیر انتظامی ڈائریکٹرز کی فراہمی کی حوصلہ افزائی کرتا ہے۔ فی الوقت بینک کا بورڈ آف ڈائریکٹرز تین آزاد ڈائریکٹرز، پانچ غیر انتظامی ڈائریکٹرز اور ایک انتظامی ڈائریکٹر پر مشتمل ہے۔
- بورڈ اپنی کارکردگی بینک کی مجموعی کارکردگی سے جانچتا ہے۔ ڈائریکٹرز بورڈ کے اجلاس میں باقاعدگی سے شرکت کرتے ہیں اور ان کی کارروائی میں بھرپور کردار ادا کرتے ہیں۔ بورڈ اس امر کو یقینی بناتا ہے کہ بینک اپنی کارکردگی کے تمام شعبوں میں کارپوریٹ گورننس بہترین معیار کو اختیار کرے اور مضبوط داخلی انتظام کے نظام کا حامل ہو۔ بورڈ معاشرتی اور بااقتصادی حوالوں کی بنا پر بینک کی اپنی پالیسیاں درستگی کے بارے میں ذمہ داریوں کو بحال اور اک رکھتا ہے اور اس بارے میں رہنمائی بھی مرتب کرتا ہے، تاکہ ان تمام معاملات پر مدد دہانی کے جاری عمل کو یقینی بنایا جاسکے۔





آڈیٹرز

چیک کے بیرونی (ایگزٹرنل) آڈیٹرز سمیرز کے پی ایم سی (KPMG) ٹیم ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے اہلیت کی بناء پر اپنی دوبارہ تقرری کی پیشگی کی ہے۔ یورڈ آف ڈائریکٹرز آڈٹ کمیٹی کی تجویز پر سمیرز کے پی ایم سی (KPMG) ٹیم ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس (جو کے پی ایم سی (KPMG) انٹرنیشنل کی ممبر فرم ہے) کو اگلے سال کے تقریر کے لئے تجویز کرتا ہے جس کی ٹیمس مشاورتی طور پر ملے گی۔ سال 2020ء کے لئے آڈیٹرز کے معاوضوں کا ڈکر مایاتی گوشواروں کے ساتھ فیکس نوٹ نمبر 274 میں کیا گیا ہے۔

میزانہ (پینلس شیٹ) کی تاریخ کے بعد کے واقعات

میزانہ (پینلس شیٹ) کی تاریخ کے بعد کوئی ایسا قابل ذکر واقعہ نہیں ہوا جس کی بدولت مایاتی گوشواروں میں مطابقت کی ضرورت ہو۔

مستقبل کی پیش بینی :

پاکستان اس وقت افزائش پذیر شرح نمو میں کی اور ذوال پذیر رہا بلکہ گزشتہ سال سے مزید آگے بڑھتا ہے۔ سمارٹس کی قیمتوں میں باہر دنیا پر استحکام، ایشیا کی بین الاقوامی قیمتوں میں کی اور ذوال رہا بلکہ شرح نمو میں استحکام کے حصول سے ہی ممکن ہے۔

پاکستان اور آئی ایم ایف ایکٹیو ڈیفنڈیشنل (Extended Fund Facility) کے تحت نوئی تجویز کے لئے مطابقت کر رہے ہیں۔ اس بارے میں داخلی اور بیرونی حرم تعاون سے ملنے کے لئے پالیسی اقدامات کی شکل میں کافی پیش رفت ہوئی ہے۔ اہم ترجیحات میں مستقل محصولات کے اقدامات اور غیر ملکی شہ سب سے بڑی شرح میں کی سے سال صورت حال کو مضبوط کرنے کے ساتھ ساتھ مستحق افراد اور سب ذوال کو معاشرتی گھٹا کی سطح میں لانے اور ذوال رہا بلکہ شرح نمو کو مارکیٹ کی طلب کے مطابق تعین کرنے سے غیر ملکی ذوال رہا بلکہ میں ہونے والی کی قدرتی اور بیرونی اور گزشتہ قرضوں میں مزید جامعیت کو روک کر ذوال اتائی کے شعبے کی افادیت اور فراہمی کو یقینی بنانا بھی ہے۔ پالیسی کے علاوہ کوئی عمل رہنے کے لئے مستقبل قریب میں بھی اس بارے میں بات چیت جاری رہے گی۔

اظہار تشکر

یورڈ اس امر کو یاد رکھنا چاہتا ہے کہ وہ چیک کے ریٹائر ہونے والے پر بڑے اہلیت اور چھٹا ایکٹو پیکٹا فیصر جناب شاہد ستاری خدمات کا بعد قیام سے متعارف ہے جن کی لیڈرشپ، محنت اور کام کے معیار اور لگن نے چیک کوئی بلکہ یوں کی طرف کامزن کر دیا اور اس کو ایک سہارا اور مدد ملنے میں مدد مل کر دیا۔

یورڈ اپنے سیکرٹری ہونے والے چیز میں ڈائریکٹرز جناب علی اور ڈائریکٹرز جناب علی اور ڈائریکٹرز جناب علی کو بھی سراہتا ہے جنہوں نے ہمارے چیک کے بیرونی دورانیے میں اپنی قیامت کی بلکہ چیک کے دیگر معاملات کا بھی مستعد اور متحرک اہلیت کیا۔

ہم اپنے سمارٹس اور کاروباری شراکت داران اور حوصص یافتگان کے اعتماد اور غلطیوں پر نہایت مشکور ہیں۔ یورڈ آف ڈائریکٹرز اور چیک کی انتظامیہ، چیک واپس پاکستان، سیکرٹری ایچ ایچ کیٹن آف پاکستان، مایاتی نی اور دیگر گزشتہ ایچ ایچ ایچ کیٹن اداروں کی رہنمائی پر ان کے شکر گزار ہیں۔ اس کے علاوہ ہم اپنے چیک کے تمام ملازمین کی تہذیب سے حوصلہ افزائی کرتے ہیں جن کی لگن، محنت اور سہجہ و سادگی نے چیک کو ایک کامیاب ادارے میں تبدیل کر دیا ہے۔

یورڈ آف ڈائریکٹرز کی جانب سے

محمد طارق اعظم

پر بڑے اہلیت اور چھٹا ایکٹو پیکٹا فیصر (کامیاب مقام)

27 فروری 2023

محمد طارق اعظم

27 فروری 2023

اس پالیسی کے بنیادی مقاصد میں خدشات کے تدارک کے لئے موضوع اور مضبوط انتظام کا فروغ، طویل المدت کا کردار کی حوصلہ افزائی، تعاون اور داخلی قابلیت کے حامل ملازمین کی دلچسپی کا کو بھاری اور متحرک رکھنے، صحیحے حوالہ شامل ہیں۔

یہ پالیسی، جس میں جانچنے کا طریقہ کار شامل ہے، ایم آر ٹی اور ایم آر سی (MRTs & MRCs) کی مدد سے بنی کرتی ہے جن کے اہداف کا تعین کارکردگی کی جانچ اور اگلے کام کی سجا آوری کو برکھنے کے طریقہ کار کا ایک حوالہ کارڈ (score card) کی سطح کے طور پر اخذ کیا گیا ہے، جس کا تعلق مایاتی کارکردگی کے جائزے اور چیک میں مجموعی طور پر اس سے نکلے خدشات کی بنیاد پر ہوتا ہے۔ ایم آر ٹی ایم آر سی کی شمولیت کے معیار اصول میں دہلیوں پہلوں کو مدنظر رکھا جاتا ہے، معیاری پہلو میں پر بڑے اہلیت اور سی ای او (CEO)، اور یورڈ اور ڈی کی کمیٹیوں کو برادہ است، مزید، ناگزیر جمیٹ کمیٹیوں کے ممبران اور تمام شعبہ جات کے سربراہان، جو کاروبار، اسکے خدشات اور ان پر قابو پانے اور اس کے ساتھ ساتھ معیاری معیار کے پہلوں جس میں تمام خدشات کا احاطہ کیا گیا ہو، مثلاً کریڈٹ ریسک، آپریشنل ریسک، لیکویڈیٹی ریسک اور مایاتی اثرات جات کی منظوری کا کام اہم اور داخلی اختیار اور غیرہ کے لئے ضروری اقدامات کرتے ہیں۔

تمام ایم آر ٹی ایم آر سی کی کارکردگی کی جانچ خدشات کی مطابقت کے حوالہ کارڈ، جس میں مایاتی اور غیر مایاتی معیاری اور اس کے ساتھ ساتھ خدشات کی مطابقت کے حوالہ، جو خدشات اور داخلی مایاتی میں ہم آہنگی قائم کرتے ہیں، کے ذریعے کی جاتی ہے۔ سکوکارڈ میں موجود ہر چیز میں مختلف حوالہ اس میں مختلف مایاتی اور اہداف کی بنیاد پر کارکردگی کی جانچ کے لئے کے لپہ آئی (KPIs) شامل ہیں۔

پالیسی کے تحت اقدامات کے معاوضوں کا اہلیت مندرجہ ذیل پر مشتمل ہے

- الف۔ ضمنی معاوضہ - جس میں ملازمین کو باہر دنیا پر کل تکراؤ کر گیا اور عہدہ کی بنا پر ضمنی الاؤنس اور فوڈ انڈیا شامل ہیں اور
- ب۔ حفری معاوضہ - جس میں کارکردگی کی بنیاد پر سالانہ نوٹس معیاری فراہم کی شکل میں معاوضوں کی ادائیگی شامل ہے۔

ضمنی معاوضوں کی ترکیب ایک افزائی ملازم کے کام اور عہدہ، پیشہ ورانہ قابلیت، مہارت، تعلیم، ذمہ داری، کام کی پیروی، داخلی مارکیٹ کے حالات وغیرہ پر مبنی ہوتی ہے۔ جبکہ حفری معاوضوں میں چیک کے گروپ کے کاروبار، عہدہ اور افزائی کارکردگی کے جائزے کو اہلیتوں کے تعین کے لئے استعمال کیا جاتا ہے۔

تمام اہلیت ایم آر ٹی ایم آر سی کی حفری معاوضوں کا ایک ضمنی حصہ کو ملازمین اور دیگر اسٹیک ہولڈرز (stake holders) کے مفاد میں ایک مخصوص مدت (تین سال) کے لئے متعین کیا جائے گا اور اس کا تعلق اہلیت طویل مدت یا عیار کارکردگی سے جڑ دیا جائے گا۔ متعین رقم کے حصے کا تعین، جس کی حد سے 20 لاکھ سے 30 لاکھ ہے، مختلف ایم آر ٹی اور ایم آر سی کی مدد سے بنی کی بنیاد پر ہوگا۔ جس میں پر بڑے اہلیت اور سی ای او، سیکرٹری انتظامیہ اور دیگر ایم آر ٹی اور ایم آر سی شامل ہیں۔ سیکرٹری معاوضے، اہلیت شدہ معاوضے، اہلیت شدہ مختلف سال سے اگلے تین سال کی مدت کے ملکیٹی حساب میں رکھے جائیں گے اور ملازمین کو مطلوب حساب میں سالانہ سطحوں میں ادا کیے جائیں گے۔ چند مخصوص خلاف خدشات، روئے اور حال پلان یا کارکردگی کے نتائج کے باعث غیر حاصل شدہ معاوضوں میں کم یا کوئی شوقی کے سدا ب کے لئے ضروری اثرات جات (پروٹیکشن) کا اندازہ کیا جاتا ہے۔ فوڈ اہلیتوں جن میں ریسک، جمیٹ، کریڈٹ، سیکرٹس، داخلی آڈٹ، داخلی کنٹرول، ایچ ایچ ایچ وغیرہ شامل ہیں۔

فرواہلیت مطالبات کے ضمن مطابق چیک کے پاس غیر انتظامی ڈائریکٹرز پر مشتمل اور ایک آزاد ڈائریکٹرز کمیٹی سربراہی میں ایک یورڈ نو مینیشن اینڈ ریمونریشن کمیٹی (بی این آر سی) Board Nomination & Remuneration Committee (BNRC) موجود ہے۔ اگرچہ یورڈ آف ڈائریکٹرز ہرے چیک پر مجملہ معاوضوں کی ادائیگیوں کے نظام کے علاوہ تجویز، منظوری اور نگرانی کے مجموعی طور پر ذمہ دار ہیں، بی این آر سی (BNRC) چیک کے معاوضوں کی ادائیگی کے مجموعی خدو خال اور دیگر نگرانی کی ذمہ دار ہے۔ بی این آر سی (BNRC) یورڈ کی منظوری کے لئے سیکرٹری انتظامیہ کے لئے سالانہ کارکردگی کے اپارڈ کو حوالہ دہا کر بھی کرتی ہے۔

کارپوریٹ سماجی ذمہ داری

کارپوریٹ سماجی ذمہ داری (سی ایس آر) سے مراد ایسی کاروباری سرگرمی ہے جو کہ سماجی، اہلیت یا نظام، جس میں وہ ادارہ کام کرتا ہے، میں حصہ لینے یا اس کو فائدہ پہنچانے کے لئے کی جاتی ہے۔ جب کوئی کاروبار، اہلیت یا سماجی اور معاشی ذمہ داری کے مطابق اور خلاف طریقے سے چلتا ہے تو یہ ادارے کی کامیابی میں مددگار ثابت ہوتی ہے۔ چیک اپنی معاشرتی ذمہ داریوں سے بخوبی آگاہی رکھتے ہوئے اس کے لئے تمام ضروری اقدامات اہلیت رہا ہے۔ سی ایس آر (CSR) اور اس کے مختلف سرگرمیوں کے لئے 2022ء میں بجٹ تعین کیا گیا جو کچھ سطحوں میں مستحق ایسے اداروں میں تعین کیا گیا ہے جو پاکستانی معاشرے کی بہتری کے لئے عمومی طور پر تعلیمی، صحت، سکول اور سماجی ترقی سے مختلف شعبوں میں کام کرتے ہیں۔ اس سال کے دوران اس میں دے جانے والے عطیات، شراکت کی تحصیل، مایاتی گوشواروں کے نوٹ نمبر 283 میں مدد کی گئی ہیں۔





Six Years' Performance Highlights

December 31	Rs. in Millions					
	2022	2021	2020	2019	2018	2017
Statement of Financial Position						
Assets						
Advances - gross	80,529	85,256	68,573	64,043	55,892	42,503
Investments - gross	76,922	94,188	68,199	51,510	48,139	62,936
Lending to financial institutions	7,354	5,908	9,936	2,274	9,449	5,193
Cash and balances with treasury and other banks	7,193	8,910	8,743	6,698	5,651	4,015
Fixed assets	3,132	2,982	1,939	1,897	1,065	1,113
Intangible assets	616	592	142	133	121	133
Deferred tax asset - net	2,121	1,218	365	327	701	437
Other assets - gross	7,457	6,537	4,508	5,774	4,338	4,406
Total assets - gross of provisions	185,323	205,591	162,404	132,657	125,355	120,736
Provision against advances - specific and general	(6,074)	(4,079)	(2,938)	(2,687)	(2,300)	(2,321)
Provision for diminution in the value of investments	(18)	(213)	(309)	(232)	(118)	(18)
Provision held against bad and doubtful other assets	(157)	(161)	(161)	(161)	(173)	(173)
Total assets - net of provisions	179,074	201,139	158,996	129,577	122,765	118,224
Liabilities						
Customer deposits and other accounts	105,244	79,267	78,426	71,882	65,225	54,901
Borrowings	45,826	93,019	56,197	36,114	39,781	46,201
Bills payable	1,039	903	3,358	783	877	687
Subordinated debt	4,997	4,999	-	-	-	-
Other liabilities	7,315	7,051	5,698	6,618	4,098	3,726
Total liabilities	164,421	185,239	143,679	115,398	109,981	105,515
Net assets						
Share capital	10,082	10,082	10,082	10,082	10,082	10,082
Advance against proposed issue of shares	-	-	-	-	-	-
Reserves	2,730	2,730	1,032	829	692	555
Unappropriated profit/(accumulated losses)	2,590	3,623	3,748	2,939	2,389	1,843
Equity	15,402	16,435	14,862	13,850	13,164	12,481
(Deficit)/ surplus on revaluation of assets - net of tax	(749)	(535)	455	329	(380)	227
	14,653	15,900	15,317	14,179	12,784	12,708
Profit & Loss Account						
Mark-up/return/interest earned	22,545	13,983	13,575	12,791	7,556	7,256
Mark-up/return/interest expensed	(17,811)	(9,676)	(9,876)	(9,272)	(4,847)	(4,897)
Net mark-up/interest income	4,734	4,306	3,699	3,519	2,708	2,359
Fee, commission, brokerage and Income from dealing in foreign currencies	1,462	859	809	764	508	349
Dividend income and gain on sales of securities - net	(1,231)	581	523	83	258	139
Other income and unrealised (loss)/gain on revaluation of investments	13	31	10	(0)	5	227
Non mark-up/interest income	244	1,471	1,341	846	772	715
Revenue	4,978	5,777	5,040	4,365	3,480	3,074
Non mark-up/interest expenses	(4,059)	(3,424)	(3,018)	(2,763)	(2,303)	(2,042)
(Charge)/reversal/recovery of provision/against write-offs	(1,845)	(1,049)	(354)	(502)	(68)	(101)
Profit/(Loss) before taxation	(926)	1,304	1,668	1,100	1,110	931
Taxation	498	(515)	(657)	(414)	(427)	(192)
Profit/(Loss) after taxation	(428)	789	1,012	686	683	739
Other Information						
Return on equity (RoE)	-2.8%	5.2%	6.6%	5.2%	5.4%	5.9%
Return on assets (RoA)	-0.2%	0.4%	0.7%	0.6%	0.6%	0.6%
Profit before tax to revenue ratio	-18.6%	22.6%	33.1%	25.2%	31.9%	30.3%
Advances to deposits ratio (ADR) *	58.4%	85.9%	70.9%	78.3%	76.1%	67.5%
Efficiency ratio (cost to revenue)	81.5%	59.3%	59.9%	63.3%	66.2%	66.5%
Earning Per Share (EPS)	(0.42)	0.78	1.00	0.68	0.68	0.73
Market value per share - rupees	6.50	12.45	7.50	8.00	8.04	6.96
Number of employees	1,010	990	939	905	837	747
Number of branches	47	44	40	40	37	37

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



Statement of Internal Controls

Management is responsible for establishing and maintaining adequate controls for providing reasonable assurance on effective and efficient operations, internal financial controls and compliance with laws and regulations. Furthermore, the development of internal control systems is an ongoing process and these controls are embedded in respective departmental Policies and Procedures. Internal controls are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The responsibility for adherence to controls mainly lies with the business from where the risk arises. For monitoring the effectiveness of internal control systems, the Board of Directors has formed various sub-committees for continuous oversight over the controls environment of the Bank. Further, the Bank has set roles, in its Internal Controls Policy, for certain functions such as Audit & Risk Review (ARR), Compliance, Operations Risk Management Department (ORMD) and Finance. ARR periodically carries out audits of branches and departments to monitor compliance with the Bank's control and processing standards and regulatory requirements. Likewise, the Compliance department assists the senior management in managing effectively the regulatory compliance and Money Laundering & Terrorist Financing risks faced by the Bank. Also, the ORMD function within the Risk Management Group carries out quality assurance reviews of processes and transactions of branch banking operations, to monitor compliance of procedures and policies. Risk & Controls Self-Assessment (RCSA) regime has been implemented throughout the Bank, whereby each business/function, under the guidance of their Group Head, ORMD, ICFR and Compliance, undertakes a quarterly self-testing exercise to test the effectiveness of their operational and regulatory risks controls. To institutionalize a robust operational risk management culture, Key Risk Indicators (KRIs) for each function have been identified along with tolerance limits. The Internal Control - ICFR Unit under Finance assists the management in formulating an effective ICFR system, in line with the applicable regulations and its regular monitoring. An accountability process is in place to ensure the effectiveness of the overall control environment. Further, the management gives due consideration to recommendations made by internal and external auditors and regulators, especially for improvements in internal control systems and processes, and takes timely action to implement their recommendations.

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

The management considers the existing internal controls system of the Bank, including ICFR, to be adequate, with appropriate implementation and regular monitoring, however, room for improvement exists.

The Board of Directors is ultimately responsible for the internal control system of the Bank and endorses the above evaluation of Internal Controls system by management, in the Directors' Report.

Ahmad Tariq Azam
President & Chief Executive Officer (Acting)
February 27, 2023
Karachi





Complaint Handling Mechanism

Samba Bank believes in making constant efforts in enhancing Customer Experience proactively by visualizing our customers' requirements thus enhancing our product suite accordingly to deliver a world class banking experience.

In 2022, we had launched Digital Account services for Resident Pakistanis, which will allow them to open a bank account digitally without visiting a branch. The digital onboarding services for Resident & Non-Resident Pakistani account holds remains one of the important strategic objectives for our franchise, as a step into a whole new landscape where financial institutions will aim to tap the customers on the basis of convenience.

SambaCare continues to be responsible for managing and resolving customer grievances by ensuring that the following State Bank of Pakistan prescribed guidelines are followed at the time of resolving customer complaints:

- Every complainant is treated fairly
- All complaints are handled with impartiality and transparency
- All complaints are resolved within shortest possible time
- SambaCare's Customer Care Manual is comprehensive and integrated to Samba Bank's core business
- SambaCare is subjected to adequate monitoring where controls are in place to ensure optimum efficiency and effectiveness in complaint handling.
- Samba Bank's complaint handling mechanism is visible and accessible to all Samba and non-Samba customers as complaints can be logged by any of the following channels

SambaPhone Banking	Samba Branches
Mail	Email
WhatsApp	Fax
Social Media	Focal Points for Complaint Resolution

SambaCare on a regular frequency reports the complaint trend analysis to its Senior Management & Business owners. The "Service Quality and Performance of Call Center Committee" has been established to overlook customer issues and experiences of customer complaint and phone banking quarterly. The Service Quality and Performance of Call Center Committee comprises of relevant Group Heads and is chaired by the CEO and President of Bank Limited.

Appended is a snapshot of the complaints received/resolved by SambaCare during 2022.

- 3966 customer complaints/grievance addressed / resolved
- 98% complaints were resolved within the timelines as per the regulatory benchmarks
- Average complaint resolution time was about 4 working days.



Independent Auditors' Review Report to the Members on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Samba Bank Limited ("the Bank") for the year ended 31 December 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 31 December 2022.

Karachi
Date: 2th March 2023
UDIN: CR202210096PJOMzYmS6

KPMG Taseer Hadi & Co.
Chartered Accountants



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

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

1. The total number of directors is 9 as per the following:
 - a. Male: 8
 - b. Female: 1
2. The composition of the Board is as follows:

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

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this bank.
4. The Bank has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the bank along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Bank. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Bank.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and these Regulations.
7. All the meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording, and circulating minutes of meetings of the Board.
8. The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations.
9. Following Directors have attended Directors' Training program:
 - Hafiz Mohammad Yousaf (Independent Director)
 - Ms. Zeeba Ansar (Independent Director)
 - Mr. Ali Muhammad Mahoon (Non-Executive Director)

The remaining directors' training shall be arranged in due course.

10. It is hereby confirmed that no new appointment of CFO, Head of internal audit and Company Secretary has been made during the year. However, their remuneration has been approved by the Board.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

a) Board Audit Committee ("BAC")*

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

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

- (i) Mr. Timour Pasha (Chairman)
- (ii) Mr. Ali Muhammad Mahoon (Member)
- (iii) Ms. Zeeba Ansar (Member)
- (iv) Mr. Ahmad Tariq Azam (Member)

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

- (i) Hafiz Mohammad Yousaf (Chairman)
- (ii) Mr. Mustafa Ilyas (Member)
- (iii) Mr. Hussein Eid (Member)

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

- (i) Mr. Ali Muhammad Mahoon (Chairman)
- (ii) Mustafa Ilyas (Member)
- (iii) Mr. Javed Kureishi (Member)
- (iv) Hafiz Mohammad Yousaf (Member)

* Re-constituted w.e.f. Jan' 12, 2023

** Re-constituted w.e.f. Jan' 15, 2023

*** Re-constituted w.e.f. Dec' 1, 2022

**** Re-constituted w.e.f. Jan' 15, 2023

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.
14. The frequency of meetings of the committees was as per following:
 - a) Audit Committee: 4 meetings were held during the financial year ended December 31, 2022.
 - b) Board Nomination & Remuneration Committee: 5 meetings were held during the financial year ended December 31, 2022.
 - c) Board Risk Committee: 4 meetings were held during the financial year ended December 31, 2022.
 - d) Board IT Committee: 3 meetings was held during the financial year ended December 31, 2022.
15. The Board has set up an effective internal audit function that is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Bank.
16. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent



children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Bank.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with.

Mr. Ahmad Tariq Azam
President & CEO (Acting)

Mr. Mustafa Ilyas
Chairman

February 27, 2023

Notice of The 20th (Twentieth) Annual General Meeting

Notice is hereby given that the 20th (Twentieth) Annual General Meeting of Samba Bank Limited (the "Bank") will be held on Wednesday, March 29, 2023, at 11:00 a.m. ("PST") in Serena Hotel, Islamabad - Pakistan to transact the following business

Ordinary Business

1. To confirm the minutes of the 19th Annual General Meeting held on February 28, 2022.
2. To receive, consider and adopt the Annual Audited Accounts of the Bank for the year ended December 31, 2022, together with the Reports of the Directors and Auditors thereon.
3. To appoint Auditors and to fix their remuneration for a term ending at the conclusion of the next Annual General Meeting. The retiring Auditors, M/s KPMG Taseer Hadi & Co., Chartered Accountants, being eligible, have offered themselves for reappointment.

Any Other Business

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

March 8, 2023
Karachi

By the Order of the Board

Zia-ul-Husnain Shamsi
Company Secretary





NOTES:

- Share Transfer Books of the Bank will remain closed from 23-03-2023 to 29-03-2023 (both days inclusive). Transfer received in order at Bank's Registrar, M/s. Famco Associates (Pvt.) Ltd., 8-F, near Hotel Faran, Nursery, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi, upto close of business on 22-03-2023 will be considered in time and to be entitled to attend and vote.
- Copies of the minutes of the 19th Annual General Meeting dated February 28, 2022, are available for inspection by Members as required under section 152 of the Companies Act, 2017. Members who will join the meeting through a video link and are desirous of inspecting the minutes of the 19th AGM meeting may send his/her request via email at zia.shamsi@samba.com.pk
- Shareholders are requested to notify any change in their addresses to the Bank's Shares Registrar, M/s. Famco Associates (Pvt.) Ltd., 8-F, near Hotel Faran, Nursery, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi, immediately. Shareholders holding shares in electronic form with CDC must notify change of address to their participants or CDC Investor Account Services with whom their shares are placed.
- A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend and vote for him/her provided that a corporation may appoint as its proxy a person who is not a member but is duly authorized by the corporation. Proxies must be received at the Registered Office of the Bank not less than 48 hours before the time of the holding of the Annual General Meeting.

A. REQUIREMENTS FOR ATTENDING THE ANNUAL GENERAL MEETING:

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

B. PARTICIPATION IN AGM THROUGH ELECTRONIC MEANS:

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

The entitled shareholders whose names appear in the Books of the Bank by the close of business on March 22, 2023, and who are interested to attend the AGM via video link are hereby requested to register themselves with the Company Secretary Office by providing the following information at the earliest but not later than 48 hours before the time of the AGM through Email agm@samba.com.pk with the following particulars:

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

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

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

C. REQUIREMENTS FOR APPOINTING PROXIES:

- In the case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall submit the proxy form as per the requirement given in Note 4 above.
- The proxy form shall be witnessed by two persons whose names, addresses, and CNIC numbers shall be mentioned on the form.
- Attested copies of the CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

- The proxy shall produce his/her original CNIC or original passport at the time of the Annual General Meeting ("AGM").

D. CIRCULATION OF ANNUAL AUDITED ACCOUNTS VIA EMAIL/CD/USB/DVD OR ANY OTHER MEDIA:

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan ("SECP") through its SRO 787(1)/2014, dated September 8, 2014, and SRO 470(1)/2016 dated May 31, 2016, have allowed the companies to circulate its Annual Audited Accounts alongwith requisite reports to its members through CD/DVD/USB/or any other Electronic Media at their registered Addresses. The Bank has accordingly dispatched its annual report to shareholders on CDs.

Shareholders who wish to receive the hardcopy of Financial Statements shall have to fill out the standard request form (also available on the company's website www.samba.com.pk) and send it to the Company address.

E. PLACEMENT OF FINANCIAL ACCOUNTS IN WEBSITE

The audited financial statements of the Bank for the year ended December 31, 2022 have been made available on the Bank's website www.samba.com.pk.

F. SUBMISSION OF CNIC (MANDATORY):

- Shareholders who have not yet submitted a copy of their valid CNIC or valid Passport to the Bank, are once again reminded to send the same latest by March 22, 2023. The CNIC number/NTN details are mandatory and are also required for checking the tax status as per the Active Taxpayers List (ATL) issued by the Federal Board of Revenue ("FBR") from time to time.
- Individual Shareholders (including all joint holders) holding physical share certificates of the Bank are therefore requested to submit a copy of their valid CNIC to the Bank or its Share Registrar if not already provided. The shareholders while sending CNIC must quote their respective folio numbers.
- In cases of non-receipt of the copy of a valid CNIC, the Bank will be constrained under Section 243 (3) of the Companies Act, 2017 ("Companies Act") to withhold the dividend of such shareholders.

G. PROVISION OF IBAN FOR PAYMENT OF CASH DIVIDEND ELECTRONICALLY (MANDATORY)

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

H. E-VOTING:

Members can exercise their right to demand a poll subject to meeting requirements under Sections 143-145 of the Companies Act and applicable clauses of Companies (Postal Ballot) Regulations 2018.

I. CONVERSION OF PHYSICAL SHARES INTO BOOK ENTRY FORM

Section 72 of the Companies Act, 2017 (Act) requires every existing company to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017. The period of four years is extendable by another two years. In this regard, SECP vide its letter dated March 26, 2021 has advised companies to comply with Section 72 of the Act and encourage shareholders to convert their shares in book entry form.

In light of above, the shareholders having physical shareholding are requested to open CDC subaccount with any of the brokers or Investor Account directly with CDC and convert their physical shares into scripless form at the earliest, which will facilitate them in many ways, including safe custody and sale of shares at any time they want.

J. REGISTRATION IN CDDR WEB PORTAL OF CDC

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





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

K. UNCLAIMED DIVIDEND/SHARES U/S 244 OF THE COMPANIES ACT, 2017:

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

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

اطلاع برائے بیسواں سالانہ اجلاس عام

نوٹس ہذا کے ذریعے آگاہ کیا جاتا ہے کہ سامبا بینک لمیٹڈ (بینک) کا بیسواں (20) سالانہ اجلاس عام 29 مارچ 2023ء بروز جمعہ پاکستانی وقت کے مطابق صبح گیارہ (11:00 am) بجے، بمقام ہاؤس سرینہ اسلام آباد، پاکستان میں حسب ذیل امور کی انجام دہی کے لئے منعقد کیا جا رہا ہے۔

عمومی امور

۱۔ 28 فروری 2022ء کو منعقد شدہ انیسویں (19) سالانہ اجلاس عام کے منٹس کی تائید و منظوری۔

۲۔ بینک کے سالانہ آؤٹ شدہ اکاؤنٹس بشمول ڈائریکٹرز اور آڈیٹرز کی رپورٹس برائے اختتام سال 31 دسمبر 2022ء کو وصولی مان کا تجزیہ اور ان کی منظوری دی جائے۔

۳۔ آئندہ مالی سال کے لئے سالانہ اجلاس عام کی حتمی مدت تک کے لئے آڈیٹرز کا تقرر اور معاوضے طے کرنا۔ ریٹائر ہونے والے آڈیٹرز میسرز کے پی ایم جی تا شرمادی ایجنٹس، چارٹرڈ اکاؤنٹنٹس نے اہلیت کی بنیاد پر دوبارہ تقرری کی پیشکش کی ہے۔

دیگر امور

چیئرمین کی منظوری سے دیگر امور کو زیر غور لانا۔

عظیم بھڑا

نیا مینجمنٹ
کنٹری کنٹرولری

8 مارچ 2023ء

کراچی





ویب کی ویسٹ یا انٹیکان سے درخواست ہے کہ وہ مندرجہ بالا اسات تک رسائی حاصل کرنے کے لیے خود کو CDC کے سرورسز پر <https://eservices.odcaaccess.com.pk> پر رجسٹر کروائیں۔

ک کنٹریکٹ 2017 کی تک 244 کے تحت ان کے ذرائع اور حصص

کھپن کے فیرومی شدہ ذرائع اور حصص جو واجب الادا ہونے کی تاریخ سے تین سال کی مدت تک فیرومی شدہ ذرائع اور حصص کے بارے میں ایک تا دو تریں فورسٹ ویب کی ویسٹ سامت www.samba.com.pk/overviews/samba/notices پر دستیاب ہے۔

حصص یا انٹیکان ویب کی ویسٹ سامت پر دستیاب کھیم فارم پر فیرومی درج کر سکتے ہیں۔ ذیادہ ذرائع کی وصولی کے لئے کھیم فارم کو کھپن کے شیڈولز ریویو اور کھپن کے ذرائع کی جانچیں۔

FINANCIAL STATEMENTS



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

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Samba Bank Limited ("the Bank"), which comprise the statement of financial position as at 31 December 2022 and the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, along with unaudited certified returns received from the branches except for fourteen 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, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and, give the information required by the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at 31 December 2022 and of the loss, 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.

Key Audit Matters

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 year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Provision against Advances</p> <p>(Refer Note 10.4 to the Financial Statements)</p> <p>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 (SBP).</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 the consumer portfolio.</p> <p>The Bank has recognized a net provision against advances amounting to Rs. 2,032.73 million in the profit and loss account in the current year. As at 31 December 2022, the Bank holds a provision of Rs. 6,073.98 million against advances.</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</p>	<p>Our audit procedures to verify provision against advances, amongst others, included the following:</p> <ul style="list-style-type: none"> reviewed the design and tested the operating effectiveness of key controls established by the Bank to identify loss events and for determining the extent of provisioning required against non-performing loans. <p>The testing of controls included testing of:</p> <ul style="list-style-type: none"> automated (IT system based) controls over suspension of markup upon classification of borrower as non-performing; controls over monitoring of advances with higher risk of default and correct classification of non-performing advances on subjective criteria; controls over accurate computation and recording of provisions; and controls over the governance and approval process related to provisions, including continuous reassessment by the management. <p>In accordance with the regulatory requirement, we sampled and tested at least sixty percent of the total advances portfolio and performed the following substantive procedures for sample loan accounts:</p>



S.No.	Key Audit Matters	How the matter was addressed in our audit
	as a key audit matter.	<ul style="list-style-type: none"> • verified repayments of loan / markup installments and checked that non-performing loans have been correctly classified and categorized based on the number of days overdue; • examined watch list accounts and, based on review of the individual facts and circumstances, discussions with management and our assessment of financial conditions of the borrowers, formed a judgement as to whether classification of these accounts as performing was appropriate; • checked the accuracy of specific provision made against non- performing advances and of general provision made against consumer finance by recomputing the provision amount after considering the benefit of forced sales value, if any, in accordance with the criteria prescribed under the PRs; and • where the management has not identified indicators displaying impairment, reviewed the credit history, account movement, financial ratios, and challenged the management's assessment based on our view of the credit from the review of credit file.
2	<p>Valuation of Investments (Refer note 9.3 to the financial statements)</p> <p>The carrying value of investments held by the Bank amounted to Rs.76,904.15 million, which constitutes 42.95% of the Bank's total assets as at 31 December 2022.</p> <p>The significant portion of the investments comprise of federal government, equity and debt securities. Investments are carried at cost or fair value in accordance with the Bank's accounting policy relating to their recognition and measurement. Provision against investments is made based on impairment policy of the Bank which includes both objective and subjective factors.</p> <p>We identified assessing the carrying value of the investment as a key audit matter because of its significance to the financial statements and because assessing the key impairment assumptions involves a significant degree of management judgment.</p>	<p>Our audit procedures to verify valuation of investments, amongst others, included the following:</p> <ul style="list-style-type: none"> • assessed the design and tested operating effectiveness of the relevant controls in place relating to valuation of investments; • checked on a test basis the valuation of investments in the portfolio, as recorded in the general ledger, to supporting documents, externally quoted market prices and break-up values including the significant or prolonged decline in fair value of equity investments for impairment; • obtained independent confirmations for verifying the existence of the investment portfolio as at 31 December 2022 and reconciled it with the books and records of the Bank. Where such confirmations were not available, alternate procedures were performed; • evaluated the Bank's assessment of available for sale financial assets for any additional impairment in accordance with the relevant accounting standards as applicable in Pakistan and performed an independent assessment of the assumptions and conclusions; and • considered the Bank's disclosures of investments, such as the fair value hierarchy, to the requirements of the accounting standards.

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

Management is responsible for the other information. The other information comprises the information included in the Bank's Annual Report but does not include the financial statements and our auditors' report thereon.

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

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Bank as required by the Companies Act, 2017 (XIX of 2017) and the returns referred above from the branches have been found adequate for the purpose of our audit;
- b) the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 and the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were in accordance with the objects and powers of the Bank and the transactions of the Bank which have come to our notice have been within the powers of the Bank; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

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

Karachi
Dated: 2 March 2023
UDIN: AR2022100969LrZlvXUz

KPMG Taseer Hadi & Co.
Chartered Accountants



Statement of Financial Position

AS AT DECEMBER 31, 2022

		(Rupees in '000)	
Note	2022	2021	
ASSETS			
Cash and balances with treasury banks	6	6,169,111	7,839,066
Balances with other banks	7	1,023,414	1,070,975
Lendings to financial institutions	8	7,354,279	5,907,587
Investments	9	76,904,147	93,975,403
Advances	10	74,454,568	81,177,176
Fixed assets	11	3,131,840	2,981,656
Intangible assets	12	616,036	592,247
Deferred tax assets	13	2,121,039	1,218,277
Other assets	14	7,299,825	6,377,129
		179,074,259	201,139,516
LIABILITIES			
Bills payable	15	1,038,709	903,059
Borrowings	16	45,826,302	93,019,209
Deposits and other accounts	17	105,243,764	79,267,272
Liabilities against assets subject to finance lease		-	-
Subordinated debt	18	4,997,000	4,999,000
Deferred tax liabilities		-	-
Other liabilities	19	7,315,401	7,050,550
		164,421,176	185,239,090
NET ASSETS		14,653,083	15,900,426
REPRESENTED BY:			
Share capital	20	10,082,387	10,082,387
Reserves		2,729,919	2,729,919
Deficit on revaluation of assets	21	(749,270)	(534,770)
Unappropriated profit		2,590,047	3,622,890
		14,653,083	15,900,426
CONTINGENCIES AND COMMITMENTS			
	22		

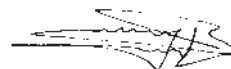
The annexed notes 1 to 45 and Annexures I and II form an integral part of these financial statements.



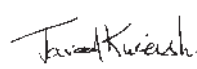
Chief Financial Officer



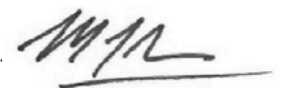
President & Chief Executive Officer



Director



Director



Chairman

Profit and Loss Account

FOR THE YEAR ENDED DECEMBER 31, 2022

		(Rupees in '000)	
Note	2022	2021	
Mark-up / return / interest earned	23	22,545,096	13,982,612
Mark-up / return / interest expensed	24	17,811,336	9,676,467
Net mark-up / return / interest income		4,733,760	4,306,145
Non mark-up / interest income			
Fee and commission income	25	411,067	463,087
Dividend income		52,949	66,140
Foreign exchange income		1,050,922	396,039
(Loss) / gain on securities	26	(1,283,594)	515,145
Other income	27	12,762	30,584
Total non mark-up / interest income		244,106	1,470,995
Total income		4,977,866	5,777,140
Non mark-up / interest expenses			
Operating expenses	28	4,046,350	3,378,580
Workers' Welfare Fund	29	8,800	37,000
Other charges	30	3,525	8,671
Total non mark-up / interest expenses		4,058,675	3,424,251
Profit before provisions		919,191	2,352,889
(Provisions) / reversals and write offs - net	31	(1,845,079)	(1,048,793)
(Loss) / profit before taxation		(925,888)	1,304,096
Taxation	32	497,948	(515,118)
(Loss) / profit after taxation		(427,940)	788,978
(Rupees)			
(Loss) / earnings per share - basic and diluted	33	(0.424)	0.783

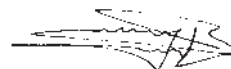
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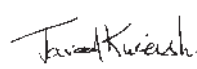
Chief Financial Officer



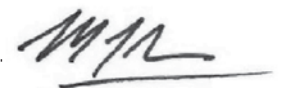
President & Chief Executive Officer



Director



Director



Chairman



Statement of Comprehensive Income

FOR THE YEAR ENDED DECEMBER 31, 2022

	(Rupees in '000)	
	2022	2021
(Loss) / profit after taxation for the year	(427,940)	788,978
Other comprehensive loss		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in deficit on revaluation of investments - net of tax	(214,500)	(989,846)
Total comprehensive loss for the year	(642,440)	(200,868)


The annexed notes 1 to 45 and Annexures I and II form an integral part of these financial statements.



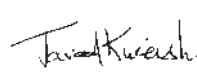
Chief Financial Officer



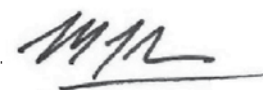
President & Chief Executive Officer



Director



Director



Chairman



Cash Flow Statement

FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	(Rupees in '000)	
		2022	2021
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(925,888)	1,304,096
Less: dividend income		(52,949)	(66,140)
		(978,837)	1,237,956
Adjustments:			
Depreciation	11.2	428,930	354,444
Amortisation	12.2	75,578	48,737
Reversal of diminution in the value of investments	31	(194,929)	(96,630)
Provision against loans and advances - net	31	2,032,725	1,141,392
Bad debts written off directly	31	7,283	2,992
Fixed assets written-off	31	-	1,039
Other assets written-off	14.3.1	3,515	-
Loss / (Gain) on sale of available for sale investments		1,291,233	(486,562)
Interest expense on lease liability against right of use assets	24	153,535	135,754
Interest expensed on debt securities	24	673,540	375,392
Gain on sale of fixed assets	27	(6,455)	(30,550)
		4,464,955	1,446,008
		3,486,118	2,683,964
Decrease / (increase) in operating assets			
Lendings to financial institutions		(1,446,692)	4,027,979
Held-for-trading securities		(216,228)	248,007
Advances		4,682,600	(16,686,169)
Other assets (excluding advance taxation)		(571,713)	(2,030,995)
		2,447,967	(14,441,178)
Increase in operating liabilities			
Bills payable		135,650	(2,455,286)
Borrowings from financial institutions		(47,192,907)	36,822,117
Deposits and other accounts		25,976,492	841,715
Other liabilities (excluding current taxation)		(33,856)	898,270
		(21,114,621)	36,106,816
		(15,180,536)	24,349,602
Income tax paid		(625,833)	(786,862)
Markup payment on debt securities		(532,298)	(226,849)
Net cash flows (used in) / generated from operating activities		(16,338,667)	23,335,891
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities		15,753,343	(27,373,213)
Dividend received		52,949	67,190
Investments in fixed assets		(293,128)	(1,423,303)
Proceeds from sale of fixed assets		17,910	9,754
Net cash flows generated from / (used in) investing activities		15,531,074	(28,719,572)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuance of debt securities		-	5,000,000
Contribution from Shareholder		-	1,540,500
Principal repayment of debt securities		(2,000)	(1,000)
Dividend Paid		(592,529)	(740,302)
Payments of lease liability against right of use assets		(315,394)	(248,264)
Net cash flows (used in) / generated from financing activities		(909,923)	5,550,934
(Decrease) / increase in cash and cash equivalents during the year			
Cash and cash equivalents at the beginning of the year		(1,717,516)	167,253
		8,910,041	8,742,788
Cash and cash equivalents at the end of the year	34	7,192,525	8,910,041


The annexed notes 1 to 45 and Annexures I and II form an integral part of these financial statements.



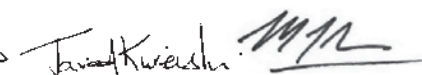
Chief Financial Officer



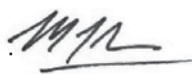
President & Chief Executive Officer



Director



Director



Chairman



Statement of Changes In Equity

FOR THE YEAR ENDED DECEMBER 31, 2022

	(Rupees in '000)					
	Share capital	Capital reserve (a)	Statutory reserve (b)	(Deficit) / Surplus on revaluation of investments	Unappropriated profit	Total
Balance as at January 01, 2021	10,082,387	20,935	1,010,688	455,076	3,747,887	15,316,973
Comprehensive income for the year						
Profit after taxation for the year ended December 31, 2021	-	-	-	-	788,978	788,978
Other comprehensive loss						
Movement in surplus on revaluation of investments - net of tax	-	-	-	(989,846)	-	(989,846)
Transfer to statutory reserve	-	-	157,796	(989,846)	788,978	(200,868)
Transactions with owners recognized directly in equity						
Cash dividend for the year ended December 31, 2020 (Rs. 0.75 per ordinary share)	-	-	-	-	(756,179)	(756,179)
Contribution from shareholder	-	1,540,500	-	-	-	1,540,500
Balance as at December 31, 2021	10,082,387	1,561,435	1,168,484	(534,770)	3,622,890	15,900,426
Comprehensive loss for the year						
Loss after taxation for the year ended December 31, 2022	-	-	-	-	(427,940)	(427,940)
Other comprehensive loss						
Movement in deficit on revaluation of investments - net of tax	-	-	-	(214,500)	-	(214,500)
Transfer to statutory reserve	-	-	-	(214,500)	(427,940)	(642,440)
Transactions with owners recognized directly in equity						
Cash dividend for the year ended December 31, 2021 (Rs. 0.6 per ordinary share)	-	-	-	-	(604,903)	(604,903)
Contribution from shareholder	-	-	-	-	-	-
Balance as at December 31, 2022	10,082,387	1,561,435	1,168,484	(749,270)	2,590,047	14,653,083

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

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

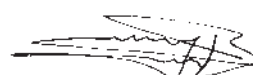
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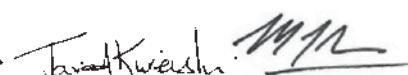
Chief Financial Officer



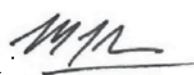
President & Chief Executive Officer



Director



Director



Chairman



Notes to and forming part of the Financial Statements

For The Year Ended December 31, 2022

1 STATUS AND NATURE OF BUSINESS

1.1 Samba Bank Limited (the Bank) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank is listed on the Pakistan Stock Exchange Limited. Its principal office is located at Ground Floor, Arif Habib Centre, M.T. Khan Road, Karachi, whereas, the registered office of the Bank is located at 1st Floor, 19 - Saleem Plaza, Blue Area, Jinnah Avenue, Islamabad. The Bank operates 47 branches (December 31, 2021: 44 branches) inside Pakistan.

The Bank is a subsidiary of Saudi National Bank (formerly Samba Financial Group) of Kingdom of Saudi Arabia, the Parent entity, which holds 84.51% shares of the Bank as at December 31, 2022 (December 31, 2021: 84.51%).

1.2 VIS Credit Rating Company has maintained the Bank's medium to long-term rating as 'AA' and the short-term rating as 'A-1'.

2 BASIS OF PRESENTATION

2.1 In accordance with the directives of the Federal Government regarding the shifting of the Banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon.

3 STATEMENT OF COMPLIANCE

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

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

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

3.2 The State Bank of Pakistan, vide its BSD Circular Letter no. 10 dated August 26, 2002, has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.

3.3 State Bank of Pakistan through BPRD Circular No. 02 of 2023 has amended the existing format of annual financial statements of banks. All banks are directed to prepare their annual / interim financial statements on the revised formats, effective from the 1st quarter of year 2023 or 2024 as per their assets size communicated earlier vide BPRD Circular No. 3 of 2022, IFRS 9 'Financial Instruments' which is briefed below:

As per State Bank of Pakistan (SBP)'s BPRD circular letter no. 03 of 2022, IFRS 9 'Financial Instruments' is applicable:

- Effective January 1, 2023 for banks having asset size of Rs. 500 billion or above as per their annual financial statements of December 31, 2021
- Effective January 1, 2024 for all other banks.

Therefore, based on the asset size of the Bank which amounts to Rs. 201.14 billion as at December 31, 2021, the aforementioned amended format and IFRS 9 is applicable on the Bank from the 1st quarter of 2024.



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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2023:

Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.

Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) - the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- Requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- Clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- Clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrows the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transactions that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

As per State Bank of Pakistan (SBP)'s BPRD circular letter no. 02 of 2022, IFRS 9 'Financial Instruments' is applicable:

- Effective January 1, 2023 for banks having asset size of Rs 500 billion or above as per their annual financial statements of December 31, 2021
- Effective January 1, 2024 for all other banks.

The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed.

3.5 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

There are certain other new standards and interpretations of and amendments to existing accounting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2022. These are considered either to not be relevant or not to have any significant impact on the Bank's financial statements.

4 BASIS OF MEASUREMENT

4.1 Accounting convention

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

4.2 Functional and presentation currency

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

4.3 Critical accounting estimates and judgments

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

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

- i) classification and provisioning against investments (notes 5.3 and 9);
- ii) classification and provisioning against loans and advances (notes 5.4 and 10);
- iii) current and deferred taxation (notes 5.8, 13, 22.3.1 and 32);
- iv) depreciation, amortisation methods and useful lives of fixed assets and intangibles (notes 5.5, 5.6, 11 and 12);
- v) right of use assets and related lease liabilities (note 5.5, 11 and 19); and
- vi) impairment of assets (note 5.7); and
- vii) provisions and contingent liabilities (notes 5.9 and 22)

The amount of general provision is determined in accordance with the relevant regulations and management's judgment as explained in note 10.4.3.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. The Bank has consistently applied the following accounting policies to all periods presented in these financial statements.

5.1 Cash and cash equivalents

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



5.2 Lendings to / borrowings from financial institutions

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

(a) Sale of securities under repurchase agreements

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

(b) Purchase of securities under resale agreements

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

(c) Bai Muajjal

The securities sold under Bai Muajjal agreement are derecognised on the date of disposal. Payable against such sale is recognised at the agreed sale price. The difference between the sale price and the carrying value on the date of disposal is taken to mark-up expense on straight line basis.

(d) Call lendings / placements

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

(e) Borrowings

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

5.3 Investments

5.3.1 Classification

The Bank classifies its investments as follows:

(a) Held for trading

These represent securities, which are either acquired for generating a profit from short-term fluctuations in market prices, interest rate movements, dealer's 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 maturities, which the Bank has the positive intent and ability to hold them till maturity.

(c) Available for sale

These are investments, that do not fall under the 'held for trading' or 'held to maturity' categories.

5.3.2 Regular way contracts

All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at trade date, which is the date on which the Bank commits to purchase or sell the investments. Regular way purchases or sales are purchases or sales of investments that require delivery within the time frame generally established by regulation or convention in the market place.

5.3.3 Initial recognition and measurement

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

5.3.4 Subsequent measurement

Subsequent to initial recognition investments are valued as follows:

(a) Held-for-trading

Investments classified as held-for-trading are subsequently measured at fair value. Any unrealised surplus / deficit arising on revaluation is taken to the profit and loss account.

(b) Available-for-sale

Quoted securities classified as available-for-sale are subsequently measured at fair value. Any unrealised surplus / deficit arising on revaluation is recorded in the surplus / deficit on revaluation of securities account shown as part of equity in the statement of financial position and is taken to the profit and loss account either when realised upon disposal or when the investment is considered to be impaired.

Unquoted equity securities are carried at the lower of cost or break-up value. The break-up value is calculated with reference to the net assets of the investee company as per its latest available audited financial statements. Other unquoted securities are valued at cost less impairment, if any.

(c) Held-to-maturity

These are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amount.

5.3.5 Impairment

Impairment loss in respect of investments classified as 'available for sale' (except for term finance certificates) is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of these investments. A significant or prolonged decline in the value of equity securities is also considered as an objective evidence of impairment. The Prudential Regulations specify that investments in unlisted equity securities are required to be carried at cost. However, in cases where the breakup value of such equity securities is less than the cost, the difference between the cost and breakup value should be charged to the profit and loss account as an impairment charge. In the case of such securities, impairment loss is reversed when the shares are disposed off. Provision for diminution in the value of term finance certificates is made as per the requirements of the Prudential Regulations issued by the SBP. In the event of impairment of available for sale securities, the cumulative loss that had been recognised directly in surplus on revaluation of securities in the statement of financial position is removed thereof and recognised in the profit and loss account. For investments classified as held to maturity, the impairment loss is recognised in the profit and loss account.

5.3.6 Gain / loss on disposal of investments made during the year is credited / charged to the profit and loss account.

5.4 Advances

(a) Loans and advances

Advances are stated at cost less specific and general provisions. Specific provision for non-performing advances is determined keeping in view the Bank's policy subject to the minimum requirement set out by the Prudential Regulations and other directives issued by the SBP and charged to the profit and loss account. General provision against consumer and small enterprises financing portfolio is maintained as per the requirements set out in the Prudential Regulations issued by the SBP and provision based on historical loss experience on advances. Advances are written off when there are no realistic prospects of recovery.

(b) Net investment in finance leases

Net investment in finance leases is stated at net of provisions made against non-performing leases.

Leasing arrangements in which the Bank transfers substantially all risks and rewards incidental to the ownership of an asset to the lessee, are classified as finance lease. A receivable is recognised on commencement of the lease term at an amount equal to the present value of minimum lease payments including guaranteed residual value, if any. Unearned finance income is recognised over the term of the lease period so as to produce a constant periodic return on the outstanding net investment in the lease.

Unrealised lease income in respect of non-performing finance leases is suspended in accordance with the Prudential Regulations issued by the SBP.



5.5 Fixed assets and depreciation

(a) Property and Equipment

(i) Tangible Assets - owned

Fixed assets (other than land and building) are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for capital work-in-progress and freehold land.

Depreciation on fixed assets (excluding land which is not depreciated) is charged using the straight line method in accordance with the rates specified in note 11.2 to these financial statements after taking into account the residual value, if significant. The assets' residual values and useful lives are reviewed and adjusted, if required, at each reporting date. Depreciation on additions is charged from the month the assets are available for use. No depreciation is charged in the month of disposal.

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

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

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

(ii) Lease liability and right-of-use asset

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

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

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

1) Right-of-use asset

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

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

The Bank present right-of-use asset that do not meet the definition of investment property in property and equipment.

2) Lease Liability

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

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

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

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

(b) Capital work-in-progress

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

5.6 Intangible assets and amortisation

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis in profit and loss account over their estimated useful life, from the month in which it is available for use while no amortisation is charged for the month in which the asset is disposed off. The estimated useful life of intangible assets for the current and comparative year is specified in note 12 to these financial statements. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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

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

5.7 Impairment

At each reporting date, the Bank reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss account.

Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5.8 Taxation

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

(a) Current

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

(b) Deferred

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

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

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

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



5.9 Provisions

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

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

5.10 Staff retirement benefits

(a) Defined contribution plan

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

(b) Compensated absences

The provision in respect of compensated absences of employees on unavailed leave balances is accounted for in the period in which the leave is earned.

5.11 Borrowings / deposits and their cost

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

5.12 Proposed dividend and transfers between reserves

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

5.13 Revenue recognition

- Mark-up income / interest on advances and returns on investments are recognised on a time proportionate basis using the effective interest method except that mark-up / income / return on classified advances and investments is recognised on receipt basis in accordance with the requirements of the Prudential Regulations issued by the SBP. Interest / return / mark-up on rescheduled / restructured advances and investments is recognised as permitted by the Prudential Regulations issued by the SBP, except where, in the opinion of the management, it would not be prudent to do so.
- Fee, commission and brokerage income are accounted for on an accrual / time proportion basis.
- Dividend income from investments is recognised when the Bank's right to receive the dividend has been established.
- Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of the leased assets) is deferred and taken to income over the term of the lease so as to produce a constant periodic rate of return on the outstanding net investment in the lease.
- Unrealised lease income in respect of non-performing finance leases and markup / return on non-performing advances is held in suspense account
- Premium or discount on acquisition of debt investments is capitalised and amortised through the profit and loss account over the remaining period till maturity.
- Gains / losses on termination of lease contracts, documentation charges, front end fee and other lease income are recognised as income when realised.
- Gain / loss on sale of investments is credited / charged to profit and loss account currently.

5.14 Foreign currencies

(a) Foreign currency transactions

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

(b) Translation gains and losses

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

(c) Contingencies and commitments

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

5.15 Segment reporting

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

(a) Business segments

(i) Corporate Banking

Corporate banking includes project finance, real estate, export finance, trade finance, leasing, lending, guarantees, bills of exchange and deposits and includes services provided in connection with mergers and acquisitions, underwriting, privatisation, securitisation, research, debt (government and high yield) and equity syndications, IPO and secondary private placements. These services are being offered to large corporate entities.

(ii) Global Markets

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

(iii) Retail banking

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

(iv) Commercial banking

Commercial banking includes lendings, export finance, trade finance, bills of exchange and deposits. These services are being offered to commercial customers and small & medium sized entities.

(v) Senoff

It includes certain corporate assets and liabilities which are not allocated to business segments.

(b) Geographical segments

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

5.16 Earnings per share

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



5.17 Financial instruments

5.17.1 Financial assets and liabilities

All financial assets and liabilities are recognised at the time when the Bank becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Bank loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognised when they are extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain / loss on derecognition of the financial assets and financial liabilities is taken to income directly. Financial instruments carried on the statement of financial position include cash and balances with treasury banks, balances with other banks, lendings to financial institutions, investments, advances, certain other assets, bills payable, borrowings, deposits and certain other liabilities. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with these assets and liabilities.

5.17.2 Off-setting of financial instruments

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

5.17.3 Derivatives

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

5.18 Fiduciary assets

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

5.19 Acceptances

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

5.20 Sub-ordinated debt

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

6. CASH AND BALANCES WITH TREASURY BANKS

	Note	(Rupees in '000)	
		2022	2021
In hand			
Local currency		1,080,788	839,959
Foreign currencies		402,368	563,251
		1,483,156	1,403,210
With State Bank of Pakistan in			
Local currency current account	6.1	3,847,539	4,442,485
Foreign currency current account (cash reserve account)	6.2	647,140	567,491
Foreign currency deposit account (USD settlement account)		191,078	271,486
Foreign currency deposit account (special cash reserve account)	6.2	-	1,134,805
		4,685,757	6,416,267
With National Bank of Pakistan in			
Local currency current account		-	15,091
National Prize Bonds			
		198	4,498
		6,169,111	7,839,066

6.1 The local currency current account is maintained with the State Bank of Pakistan (SBP) as per the requirements of Section 22 of the Banking Companies Ordinance, 1962. This section requires banking companies to maintain a local currency cash reserve in current account opened with the SBP at a sum not less than such percentage of its time and demand liabilities in Pakistan as may be prescribed by the SBP.

6.2 This mainly represents reserve required to be maintained with the SBP at an amount equivalent to at least 15% of the Bank's foreign currency deposits mobilised under FE-25 scheme. This foreign currency cash reserve comprises an amount equivalent to at least 5% of the Bank's foreign currency deposits mobilised under the FE 25 scheme, which is kept in a non-remunerative account (cash reserve account). The balance reserve equivalent to at least 10% of the Bank's foreign currency deposits mobilised under FE-25 scheme was maintained in a remunerative account (special cash reserve account) on which the Bank is entitled to earn a return which is declared by the SBP on a monthly basis. These deposits carry mark-up rate ranging from 0.79% to 3.14% (2021: nil) per annum. The Bank has obtained relaxation from SBP in respect of SCRR requirement on FE - 25 (i.e. 10%) to ease USD liquidity constrain. The aforesaid relaxation is granted till January 05, 2023.

7. BALANCES WITH OTHER BANKS

	Note	(Rupees in '000)	
		2022	2021
In Pakistan			
In current accounts		55,964	38,385
In deposit accounts	7.1	20	18
		55,984	38,403
Outside Pakistan			
In current accounts	7.2	967,430	1,032,572
		1,023,414	1,070,975

7.1 These carry mark-up at the rate of 14.5% (2021: 8.25%) per annum.

7.2 The above amount includes balance with Saudi National Bank (a related party) amounting to Rs. 47.903 million (2021: Rs. 91.857 million)



8. LENDINGS TO FINANCIAL INSTITUTIONS

	Note	(Rupees in '000)	
		2022	2021
Repurchase agreement lendings (Reverse Repo)	8.21&8.23	2,531,750	4,980,038
Other lending with financial institutions	8.2.2	4,822,529	927,549
		7,354,279	5,907,587
Less: provision held against Lending to Financial Institutions		-	-
Lending to Financial Institutions - net of provision		7,354,279	5,907,587
8.1 Particulars of lending			
In local currency		7,354,279	5,907,587

8.2 Securities held as collateral against lending to financial institutions

	(Rupees in '000)					
	2022			2021		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
Market Treasury Bills	2,600,000	-	2,600,000	1,500,000	-	1,500,000
Pakistan Investment Bonds	-	-	-	3,500,000	-	3,500,000
Total	2,600,000	-	2,600,000	5,000,000	-	5,000,000

8.2.1 These represent short-term lendings to financial institution against investment securities. These carry mark-up at the rates ranging from 16.00% to 16.20% (2021: 10.4% to 10.7%) per annum and will mature latest by January 03, 2023 (2021: January 07, 2022).

8.2.2 These represent placements with Islamic NPC Company Limited (a special purpose vehicle owned by the Government of Pakistan) in respect of issuance of Naya Pakistan Certificate in PKR, USD, GBP and Euro to eligible investors, the Bank is acting as agent to facilitate the issuance of NPCs. These carry mark-up rates ranging from 8.24% to 11.01%, 2.99% to 4.50%, 2.49% to 3.50% and 1.74% to 1.77% (2021: 8.24% to 8.26%, 2.99% to 3.01%, 2.49% to 2.51% and 1.74% to 1.76%) for PKR, USD, GBP and Euro respectively with no fixed maturity.

8.2.3 The market value of securities held as collateral against repurchase agreement lendings amounted to Rs. 2,533.262 million (2021: Rs. 4,994.485 million).

9. INVESTMENTS

9.1 Investments by type

	(Rupees in '000)							
	2022				2021			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Held for trading securities								
Federal Government Securities	68,981	-	142	69,123	-	-	-	-
Shares	145,103	-	2,002	147,105	-	-	-	-
	214,084	-	2,144	216,228	-	-	-	-
Available for sale securities								
Federal Government Securities	73,565,454	-	(871,525)	72,693,929	89,029,076	-	(706,068)	88,323,008
Shares	1,531,285	(17,786)	(423,012)	1,090,487	1,711,256	(212,715)	(153,208)	1,345,333
Non Government Debt Securities	848,214	-	(19,972)	828,242	1,266,071	-	(17,396)	1,248,675
	75,944,953	(17,786)	(1,314,509)	74,612,658	92,006,403	(212,715)	(876,672)	90,917,016
Held to maturity securities								
Federal Government Securities	2,075,261	-	-	2,075,261	3,058,387	-	-	3,058,387
Total Investments	78,234,298	(17,786)	(1,312,365)	76,904,147	95,064,790	(212,715)	(876,672)	93,975,403

9.2 Investments by segment

	(Rupees in '000)							
	2022				2021			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Federal Government Securities								
Pakistan Investment Bonds	75,709,696	-	(871,383)	74,838,313	90,796,202	-	(705,499)	90,090,703
Market Treasury Bills	-	-	-	-	1,291,261	-	(569)	1,290,692
	75,709,696	-	(871,383)	74,838,313	92,087,463	-	(706,068)	91,381,395
Shares								
Listed Companies	1,665,888	(7,286)	(421,010)	1,237,592	1,700,756	(202,215)	(153,208)	1,345,333
Unlisted Companies	10,500	(10,500)	-	-	10,500	(10,500)	-	-
	1,676,388	(17,786)	(421,010)	1,237,592	1,711,256	(212,715)	(153,208)	1,345,333
Non Government Debt Securities								
Listed	848,214	-	(19,972)	828,242	1,266,071	-	(17,396)	1,248,675
Unlisted	-	-	-	-	-	-	-	-
	848,214	-	(19,972)	828,242	1,266,071	-	(17,396)	1,248,675
Total investments	78,234,298	(17,786)	(1,312,365)	76,904,147	95,064,790	(212,715)	(876,672)	93,975,403

9.2.1 Investments given as collateral

	(Rupees in '000)	
	2022	2021
Pakistan Investment Bonds	32,478,850	72,914,738

9.3 Provision for diminution in value of investments

	(Rupees in '000)	
	2022	2021
9.3.1 Opening balance	212,715	309,345
Charge / (reversals)		
Charge for the year	46,846	40,492
Reversal on disposals for the year	(241,775)	(137,122)
	(194,929)	(96,630)
Closing balance	17,786	212,715



9.3.2 No provision was recognised against investment in debt securities as at December 31, 2022 (2021: Nil).

9.4 Quality of Available for Sale Securities

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

		(Rupees in '000)	
		2022	2021
		Cost	
Federal Government Securities - Government guaranteed			
Pakistan Investment Bonds		73,565,454	87,737,815
Market Treasury Bills		-	1,291,261
Ijara Sukuks		-	-
		73,565,454	89,029,076
Shares			
Listed Companies - sector wise exposure			
Cement		407,500	256,808
Engineering		333,300	146,419
Cable & Electrical Goods		234,629	96,250
Transport		102,951	80,066
Oil & Gas Marketing Companies		100,858	200,454
Commercial Banks		90,962	308,234
Technology & Communication		82,355	79,907
Real Estate Investment Trust		52,571	-
Textile Composite		50,167	32,948
Automobile Parts & Accessories		40,870	111,456
Leather & Tanneries		20,105	-
Chemical		4,128	21,533
Investment Banks		285	285
Modarabas		104	104
Power Generation & Distribution		-	241,783
Oil & Gas Exploration Companies		-	89,939
Glass & Ceramics		-	22,771
Pharmaceuticals		-	11,799
		1,520,785	1,700,756

				(Rupees in '000)			
		2022	2021	2022	2021		
		Cost		Breakup value			
Unlisted Companies*							
Crescent Industrial Chemical Limited		10,000	10,000	(540)	(540)		
Union Communication Private Limited		500	500	343	343		
		10,500	10,500	(197)	(197)		

*Fully provided in prior years

		(Rupees in '000)	
		2022	2021
		Cost	
Non Government Debt Securities			
Listed			
Categorised based on long term rating by Credit Rating Agency			
- AAA		312,500	312,500
- AA+, AA, AA-		250,000	500,000
- A+, A, A-		285,714	453,571
		848,214	1,266,071
Unlisted			
Categorised based on long term rating by Credit Rating Agency			
- AA+, AA, AA-		-	-

9.4.1 The Bank has no investment in foreign securities under Available for sale category as at December 31, 2022 (December 31, 2021: Nil).

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

(Rupees in '000)	
2022	2021
Cost	
2,075,261	3,058,387

Federal Government Securities - Government guaranteed

Pakistan Investment Bonds

9.5.1 The market value of securities classified as held-to-maturity as at December 31, 2022 amounted to Rs. 1,830.946 million (2021: Rs. 2,935.066 million).

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

		(Rupees in '000)					
Note		Performing		Non Performing		Total	
		2022	2021	2022	2021	2022	2021
10. ADVANCES							
	Loans, cash credits, running finances, etc.	74,823,126	80,226,186	5,245,303	4,467,512	80,068,429	84,693,698
	Bills discounted and purchased	444,620	546,515	15,494	15,494	460,114	562,009
	Advances - gross	75,267,746	80,772,701	5,260,797	4,483,006	80,528,543	85,255,707
	Provision against advances						
	- Specific	-	-	(4,909,582)	(3,882,761)	(4,909,582)	(3,882,761)
	- General	(1,164,393)	(195,770)	-	-	(1,164,393)	(195,770)
		(1,164,393)	(195,770)	(4,909,582)	(3,882,761)	(6,073,975)	(4,078,531)
	Advances - net of provision	74,103,353	80,576,931	351,215	600,245	74,454,568	81,177,176

10.1 Includes Net Investment in Finance Lease as disclosed below:

	(Rupees in '000)							
	2022				2021			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
Lease rentals receivable	168,577	-	-	168,577	170,253	-	-	170,253
Residual value	35,403	-	-	35,403	35,595	-	-	35,595
Minimum lease payments	203,980	-	-	203,980	205,848	-	-	205,848
Financial charges for future periods	(1,292)	-	-	(1,292)	(1,292)	-	-	(1,292)
Present value of minimum lease payments	202,688	-	-	202,688	204,556	-	-	204,556

10.2 Particulars of advances (Gross)

	(Rupees in '000)	
	2022	2021
In local currency	80,361,544	83,967,770
In foreign currencies	166,999	1,287,937
	80,528,543	85,255,707

10.3 Advances include Rs. 5,261 million (2021: Rs.4,483 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Rupees in '000)			
	2022		2021	
	Non Performing Loans	Provision	Non Performing Loans	Provision
Domestic				
Other Assets Especially Mentioned*				
Substandard	165,834	41,459	562,474	140,619
Doubtful	105,203	52,320	250,000	112,000
Loss	4,989,760	4,815,803	3,670,532	3,630,142
	5,260,797	4,909,582	4,483,006	3,882,761

* The Bank has non-funded exposure in this category, against which the Bank is of the view that specific provision is not required against the exposure.

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

10.4 Particulars of provision against advances

Note	(Rupees in '000)					
	2022			2021		
	Specific	General	Total	Specific	General	Total
Opening balance	3,882,761	195,770	4,078,531	2,605,952	331,923	2,937,875
Charge for the year	1,159,218	968,623	2,127,841	1,375,142	21,510	1,396,652
Reversals for the year	(95,116)	-	(95,116)	(97,597)	(157,663)	(255,260)
	1,064,102	968,623	2,032,725	1,277,545	(136,153)	1,141,392
Amounts written off	(37,281)	-	(37,281)	(736)	-	(736)
Closing Balance	4,909,582	1,164,393	6,073,975	3,882,761	195,770	4,078,531

10.4.1 Particulars of provision against advances

In local currency	(Rupees in '000)					
	2022			2021		
	Specific	General	Total	Specific	General	Total
	4,909,582	1,164,393	6,073,975	3,882,761	195,770	4,078,531

10.4.2 In accordance with BSD Circular No. 1 of 21 October 2011 issued by the SBP, the Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing loans and advances of certain obligors where chances of recovery are quite high. Had this benefit of FSV not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 143 million (2021: nil) and loss after tax would have been higher by Rs. 72.93 million (2021: nil). This amount of Rs. 72.93 million (2021: nil) is not available for distribution of cash and stock dividend to the shareholders and bonus to employees.

10.4.3 As at December 31, 2022, general provision of Rs. 1,164.393 million includes provision of Rs. 97.514 million (December 31, 2021: Rs. 93.433 million) held against consumer finance portfolio as required by the Prudential Regulations issued by the State Bank of Pakistan and Rs. 1,066.879 million (December 31, 2021: Rs.102.337 million) created against corporate, commercial and SME advances which is based on management's best estimate for potential losses present in the portfolio.

10.5 Particulars of write offs:

	Note	(Rupees in '000)	
		2022	2021
10.5.1 Against provisions	10.4	37,281	736
Directly charged to the profit and loss account		7,283	2,992
		44,564	3,728
10.5.2 Write offs of Rs. 500,000 and above	10.6	41,275	635
Write offs of below Rs. 500,000		3,289	3,093
		44,564	3,728

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

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 the statement in respect of written-off loans or any other financial relief of five hundred thousand rupees or above allowed to a person during the year ended December 31, 2022 is given in Annexure-I to these financial statements. These loans are written off as a book entry without prejudice to the Bank's right of recovery against the customers.

		(Rupees in '000)	
		2022	2021
11. FIXED ASSETS	Note		
Capital work-in-progress	11.1	47,138	259,030
Property and equipment	11.2	3,084,702	2,722,626
		3,131,840	2,981,656
11.1 Capital work-in-progress			
Civil works		28,143	120,756
Equipment		18,995	138,274
Advances to suppliers		-	-
		47,138	259,030



11.2 Property and Equipment

(Rupees in '000)							
2022							
Land	Building on land	Furnitures and fixtures	Electrical, office and computer equipment	Vehicles	Right-of use assets	Total	
At January 1, 2022							
Cost	710,240	390,514	748,088	1,016,052	132,332	1,738,274	4,735,500
Accumulated depreciation	-	(113,545)	(494,475)	(808,335)	(35,160)	(561,359)	(2,012,874)
Net book value	710,240	276,969	253,613	207,717	97,172	1,176,915	2,722,626
Year ended December 2022							
Opening net book value	710,240	276,969	253,613	207,717	97,172	1,176,915	2,722,626
Additions	-	-	184,392	217,566	181	454,408	856,547
Disposals / write-offs (Note 11.3)	-	-	(29)	(1,185)	(8,053)	(56,274)	(65,541)
Depreciation charge	-	(17,219)	(81,685)	(94,564)	(14,746)	(220,716)	(428,930)
Closing net book value	710,240	259,750	356,291	329,534	74,554	1,354,333	3,084,702
At December 31, 2022							
Cost	710,240	390,514	931,335	1,059,882	111,704	2,137,850	5,341,525
Accumulated depreciation	-	(130,764)	(575,044)	(730,348)	(37,150)	(783,517)	(2,256,823)
Net book value	710,240	259,750	356,291	329,534	74,554	1,354,333	3,084,702
Rate of depreciation (percentage)	-	5	5/10/20/33	14/20/33/50	20	10-33	

(Rupees in '000)							
2021							
Land	Building on land	Furnitures and fixtures	Electrical, office and computer equipment	Vehicles	Right-of use assets	Total	
At January 1, 2021							
Cost	502,240	173,236	730,544	868,685	90,345	1,258,431	3,623,481
Accumulated depreciation	-	(107,529)	(455,236)	(734,804)	(25,310)	(365,334)	(1,688,213)
Net book value	502,240	65,707	275,308	133,881	65,035	893,097	1,935,268
Year ended December 2021							
Opening net book value	502,240	65,707	275,308	133,881	65,035	893,097	1,935,268
Additions	208,000	219,321	37,792	155,227	48,705	604,594	1,273,639
Disposals / write-offs (Note 11.3)	-	-	(4,524)	(283)	(2,279)	(124,751)	(131,837)
Depreciation charge	-	(8,059)	(54,963)	(81,108)	(14,289)	(196,025)	(354,444)
Closing net book value	710,240	276,969	253,613	207,717	97,172	1,176,915	2,722,626
At December 31, 2021							
Cost	710,240	390,514	748,088	1,016,052	132,332	1,738,274	4,735,500
Accumulated depreciation	-	(113,545)	(494,475)	(808,335)	(35,160)	(561,359)	(2,012,874)
Net book value	710,240	276,969	253,613	207,717	97,172	1,176,915	2,722,626
Rate of depreciation (percentage)	-	5	10/20/33	20/33/50	20	7-50	

11.3 Disposal of fixed assets

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

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

		(Rupees in '000)	
		2022	2021
11.4	Carrying amount of temporarily idle property	-	-
11.5	The gross carrying amount (cost) of fully depreciated assets that are still in use:		
	Building on land	73,916	57,556
	Electrical, office and computer equipments	525,590	620,951
	Furniture and fixtures	332,093	302,776
	Vehicles	8,854	14,394
		940,453	995,677

		(Rupees in '000)	
		2022	2021
12	INTANGIBLE ASSETS		
	Capital work-in-progress	362,875	417,041
	Intangible assets	253,161	175,206
		616,036	592,247
12.1	Capital work-in-progress		
	Advances to suppliers	362,875	417,041
12.2	Intangible assets		
	At January 1		
	Cost	448,043	344,421
	Accumulated amortisation	(272,837)	(224,100)
	Net book value	175,206	120,321
	Year ended December 31		
	Opening net book value	175,206	120,321
	Additions:		
	- directly purchased	153,533	103,622
	Amortisation charge	(75,578)	(48,737)
	Closing net book value	253,161	175,206
	At December 31		
	Cost	601,576	448,043
	Accumulated amortisation	(348,415)	(272,837)
	Net book value	253,161	175,206
	Rate of amortisation (percentage)	20 / 14.28	20 / 14.28
	Useful life	5 / 7	5 / 7

12.3 Intangible assets include licensing cost of bank's core banking system having a carrying value of Rs. 16.992 million (2021: Rs. 32.024 million). The remaining amortisation period of this asset is 1 year (2021: 2 years).



- 12.4** The gross carrying amount (cost) of fully amortised assets that are still in use:
Intangible assets

(Rupees in '000)	
2022	2021
136,852	130,144

13. DEFERRED TAX ASSETS

(Rupees in '000)				
2022				
	At January 1, 2022	Recognised in profit and loss account	Recognised in OCI	At December 31, 2022
Deductible temporary differences on:				
- Revaluation of investments	341,902	-	223,337	565,239
- Accelerated tax depreciation	42,431	(2,317)	-	40,114
- Provision against advances, off balance sheet etc.	910,171	689,344	-	1,599,515
	1,294,504	687,027	223,337	2,204,868
Taxable temporary differences on:				
- Net investment in finance lease	(76,227)	(7,602)	-	(83,829)
	1,218,277	679,425	223,337	2,121,039
(Rupees in '000)				
2021				
	At January 1, 2021	Recognised in profit and loss account	Recognised in OCI	At December 31, 2021
Deductible temporary differences on:				
- Revaluation of investments	(290,950)	-	632,852	341,902
- Accelerated tax depreciation	31,928	10,503	-	42,431
- Provision against advances, off balance sheet etc.	699,370	210,801	-	910,171
	440,348	221,304	632,852	1,294,504
Taxable temporary differences on:				
- Net investment in finance lease	(75,601)	(626)	-	(76,227)
	364,747	220,678	632,852	1,218,277

14 OTHER ASSETS

		(Rupees in '000)	
Note		2022	2021
Income / mark-up accrued in local currency		5,151,054	3,313,762
Income / mark-up accrued in foreign currencies		35,814	31,457
Advances, deposits, advance rent and other prepayments		187,779	151,078
Advance taxation (payments less provisions)		354,498	-
Mark to market gain on forward foreign exchange contracts		816,671	1,264,661
Acceptances	19	679,975	1,537,573
Receivable against sale of equity investment		74,847	37,762
Others	14.1	156,346	201,510
		7,456,984	6,537,803
Less: provision held against other assets	14.3	(157,159)	(160,674)
Other assets (net of provision)		7,299,825	6,377,129

14.1 This includes:

- (a) an amount of Rs. 32.389 million (2021: Rs. 32.389 million) receivable from InterAsia Leasing Limited.
(b) an amount of Rs. 1.847 million (2021: Rs. 1.593 million) receivable from Saudi National Bank - a related party.

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

		(Rupees in '000)	
		2022	2021
14.3	Provision held against other assets		
	Fee, commission and other receivables	88,019	88,084
	Fraud and forgery	69,140	72,590
		157,159	160,674
14.3.1	Movement in provision held against other assets		
	Opening balance	160,674	160,674
	Write-off during the year	(3,515)	-
	Closing balance	157,159	160,674
15.	BILLS PAYABLE		
	In Pakistan	1,038,709	903,059
16.	BORROWINGS		
	Secured		
	Borrowings from the State Bank of Pakistan		
	Under export refinance scheme	16.1 5,121,341	4,584,800
	Under long term financing facilities	16.2 7,915,505	8,463,009
		13,036,846	13,047,809
	Bai muajjal borrowing	16.3 -	4,951,908
	Repurchase agreement borrowings	16.4 32,767,120	67,883,857
	Total secured	45,803,966	85,883,574
	Unsecured		
	Bai muajjal borrowing	16.3 -	7,113,299
	Bankers Equity Limited (under liquidation)	16.5 22,336	22,336
	Total unsecured	22,336	7,135,635
		45,826,302	93,019,209

16.1 The Bank has entered into various agreements with the SBP for extending export finance to customers. As per the terms of the agreements, the Bank has granted the SBP the right to recover the outstanding amount from the Bank at the time of maturity of finances by directly debiting the current account maintained with the SBP. This facility is secured against demand promissory note executed in favour of the SBP. These borrowings carry mark-up at the rate ranging from 2.0% to 10.0% (2021: ranging from 1.0% to 2.0%) per annum, and have maturity period of upto six months from deal date (2021: six months).

16.2 These represent borrowing from the SBP to provide refinance to customers and carries mark-up at the rate ranging from of 1% to 7.5% (2021: ranging from of 1% to 3.5%) per annum and will mature latest by December 23, 2031 (2021: December 23, 2031).

16.3 These represent funds that were borrowed against government securities and carried mark up at the rate ranging from 7.25% to 7.35% per annum and matured by January 28, 2022.

16.4 These represent funds borrowed from interbank market against Government securities and carries mark up at the rate ranging from 15.90% to 16.45% (2021: ranging from 10.10% to 10.70%) per annum and will mature by March 3, 2023 (2021: March 04, 2022).

16.5 These represent amount payable to Bankers Equity Limited (under liquidation) on account of counter receivable from InterAsia Leasing Limited (note 14.1) and carries no mark-up.



16.6 Particulars of borrowings with respect to currencies

	(Rupees in '000)	
	2022	2021
In local currency	45,826,302	93,019,209
In foreign currencies	-	-
	45,826,302	93,019,209

17 DEPOSITS AND OTHER ACCOUNTS

Note	(Rupees in '000)					
	2022			2021		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Customers						
Current deposits	18,151,448	5,374,691	23,526,139	16,461,229	5,099,298	21,560,527
Savings deposits	18,403,509	3,276,147	21,679,656	14,304,664	3,538,418	17,843,082
Term deposits	45,744,241	3,893,866	49,638,107	34,779,264	1,707,989	36,487,253
Others - margin and call deposits	1,138,552	-	1,138,552	763,271	-	763,271
	83,437,750	12,544,704	95,982,454	66,308,428	10,345,705	76,654,133
Financial Institutions						
Current deposits	81,170	2,223	83,393	68,377	-	68,377
Savings deposits	7,849,496	-	7,849,496	1,339,456	-	1,339,456
Term deposits	250,000	-	250,000	550,000	-	550,000
Others	1,078,421	-	1,078,421	655,306	-	655,306
	9,259,087	2,223	9,261,310	2,613,139	-	2,613,139
	92,696,837	12,546,927	105,243,764	68,921,567	10,345,705	79,267,272

17.1 Composition of deposits

	(Rupees in '000)	
Note	2022	2021
- Individuals	30,662,175	30,858,040
- Government (Federal and Provincial)	21,203,848	19,324,856
- Public sector entities	6,180,593	4,830,230
- Banking companies	1,078,421	655,306
- Non-banking financial institutions	8,182,890	1,957,833
- Private sector	37,935,837	21,641,007
	105,243,764	79,267,272

17.1.1 This includes deposit amounting to Rs. 1,078.421 million (2021: Rs. 655.306 million) from Saudi National Bank - a related party.

17.2 This includes eligible deposits covered under insurance arrangements amounting to Rs. 27,665 million (2021: Rs. 29,069 million).

18 SUBORDINATED DEBT

	(Rupees in '000)	
Note	2022	2021
Term Finance Certificates (TFCs) - Unsecured	4,997,000	4,999,000

18.1 Term Finance Certificates (TFCs) - Unsecured

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

		(Rupees in '000)	
		2022	2021
19	OTHER LIABILITIES		
	Mark-up / return / interest payable		
	- in local currency	2,197,263	1,821,556
	- in foreign currencies	62,570	3,682
	Accrued expenses	506,377	538,784
	Accrual for WWF	156,470	147,670
	Acceptances	679,975	1,537,573
	Payable against purchase of equity investment	404,516	16,269
	Dividends payable	28,251	15,877
	Unclaimed dividends	3,351	3,351
	Taxation	-	89,858
	Mark to market loss on forward foreign exchange contracts	1,212,633	1,234,323
	Provision against off-balance sheet obligations	172,746	172,746
	Security deposits against lease	34,754	34,946
	Lease liability against right-of-use assets	1,501,455	1,266,506
	Others	355,040	167,409
		7,315,401	7,050,550

		(Rupees in '000)	
		2022	2021
19.1	Provision against off-balance sheet obligations		
	Opening balance	172,746	172,746
	Reversal during the year	-	-
	Closing balance	172,746	172,746

19.1.1 This includes:

- A provision of Rs 71.134 million (2021: Rs 71.134 million) made in respect of two counter guarantees amounting to Rs. 71.134 million issued by Crescent Investment Bank Limited, an amalgamated entity, on behalf of Mr. Reyaz Shafi favouring Privatization Commission of Pakistan (PC). The PC had invoked/called for payment of both the guarantees prior to their expiry date. However, Mr. Reyaz Shafi had obtained stay order for payments against the guarantees on the grounds that the guarantees were conditional and the condition had not been met. Subsequently, the PC filed a suit against Faysal Bank Limited and Al-Baraka Islamic Bank, the guarantees issuing banks, against counter guarantees of the amalgamated entity, in the Lahore High Court under the Privatization Commission Ordinance, 2000 for payment against the guarantees. The case is still pending for decision. As a matter of prudence, full provision of Rs. 71.134 million (2021: Rs. 71.134 million) was made by the amalgamated entity in respect of this matter, which is being maintained.
- A 50% provision is maintained amounting to Rs. 52.762 million (2021: Rs. 52.762 million) in respect of a guarantee issued by the bank in favour of a gas utility company on behalf of Dewan Cement Limited. The amount of guarantee will be payable by the bank if and when a call is made upon the bank by the beneficiary, in case of a default by the company. The company had shown gradual and visible improvement in the affairs of its business, hence, after obtaining necessary approval from SBP, the account was upgraded from Loss to Doubtful in 2012 and accordingly, 50% of the provisioning was reversed. Currently, provisioning of Rs. 52.762 million (2021: Rs. 52.762 million) is being maintained.



- c) A provision of Rs. 48 million (2021: Rs. 48 million) in respect of a fraud and forgery claim. The matter is still under investigation and is sub judice. The management is confident that the case will be settled in favour of the Bank. However, as a matter of prudence, a provision has been retained in the financial statements.

20 SHARE CAPITAL

20.1 Authorised capital

(Number of shares)			(Rupees in '000)	
2022	2021		2022	2021
1,500,000,000	1,500,000,000	Ordinary shares of Rs. 10 each	15,000,000	15,000,000

20.2 Issued, subscribed and paid-up capital

(Number of shares)			(Rupees in '000)	
2022	2021		2022	2021
883,317,458	883,317,458	Ordinary shares	8,833,175	8,833,175
124,921,190	124,921,190	Fully paid in cash	1,249,212	1,249,212
		Issued for consideration other than cash		
1,008,238,648	1,008,238,648		10,082,387	10,082,387

20.2.1 Shares held by related parties of the Bank

Directors, their spouses and minor children

Hafiz Mohammad Yousaf
 Ms. Zeeba Ansar
 Mr. Javed Kureishi
 Dr. Shujaat Nadeem
 Mr. Shahid Sattar
 Mr. Tariq Javed
 Mr. Humayun Murad

(Number of shares)	
2022	2021
1,000,500	1,000,500
1,000	1,000
500	-
-	59,832,424
-	1,154,800
-	53,500
-	1,281
1,002,000	62,043,505
852,040,531	852,040,531
853,042,531	914,084,036

Associated Companies, undertakings and related parties

Saudi National Bank(SNB)

21 DEFICIT ON REVALUATION OF ASSETS

Deficit on revaluation of

- Available for sale securities

Deferred tax on deficit on revaluation of:

- Available for sale securities

	(Rupees in '000)	
Note	2022	2021
	(1,314,509)	(876,672)
	565,239	341,902
	(749,270)	(534,770)

		(Rupees in '000)	
		2022	2021
22	CONTINGENCIES AND COMMITMENTS		
	- Guarantees	22.1 8,062,744	7,249,258
	- Commitments	22.2 132,504,858	174,499,374
	- Other contingent liabilities	22.3 2,245,273	2,053,840
		142,812,875	183,802,472
22.1	Guarantees		
	Financial guarantees	1,679,657	1,679,657
	Performance guarantees	5,419,619	5,023,147
	Other guarantees	963,468	546,454
		8,062,744	7,249,258
22.2	Commitments		
	Documentary credits and short-term trade-related transactions		
	- letters of credit	7,855,756	10,911,755
	Commitments in respect of:		
	- forward foreign exchange contracts	22.2.1 124,483,534	162,938,155
	- forward government securities transactions	22.2.2 -	492,275
	- operating leases	22.2.3 5,366	5,733
		124,488,900	163,436,163
	Commitments for acquisition of:		
	- operating fixed assets	62,537	47,065
	- intangible assets	97,665	104,391
		160,202	151,456
		132,504,858	174,499,374
22.2.1	Commitments in respect of forward foreign exchange contracts		
	Purchase	64,799,813	83,574,137
	Sale	59,683,721	79,364,018
		124,483,534	162,938,155
22.2.2	Commitments in respect of forward government securities transactions		
	Purchase	-	492,275
	Sale	-	-
		-	492,275
22.2.3	Commitments in respect of operating leases		
	Not later than one year	5,366	5,733
	Later than one year and not later than five years	-	-
	Later than five years	-	-
		5,366	5,733



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

		(Rupees in '000)	
		2022	2021
22.3	Other contingent liabilities		
	Contingencies in respect of taxation	22.3.1 1,841,903	1,611,056
	Claims against the Bank not acknowledged as debt	22.3.2 403,370	442,784
		2,245,273	2,053,840

22.3.1 The Income tax department has raised a demand of Rs. 426.787 million (December 31, 2021: Rs. 426.787 million) for the assessment years 1995-96, 1996-97, 1999-00, 2001-02, 2002-03 on account of non-deduction of tax on profit paid under portfolio management scheme, interest paid on foreign currency deposits and certificates of investment. The department has also raised further demand of Rs. 645.337 million (December 31, 2021: Rs. 645.337 million) for assessment years 1999-00 to assessment year 2002-03 and tax year 2006 on account of taxability of investment banks as banking companies and taxation of dividend income as normal banking income, and on account of lease rentals received or receivable, lease key money and certain other items. The aforementioned relates to pending assessments of the Bank and amalgamated entities namely Crescent Investment Bank Limited, Trust Investment Bank Limited and Pakistan Industrial Leasing Corporation. Tax department has also raised demand of Rs. 29.052 million (December 31, 2021: Rs. 29.052 million) for the assessment years 2009, 2010 & 2011 on account of Federal Excise Duty. Further, tax department has raised a demand of Rs. 28.110 million (December 31, 2021: Rs. 28.110 million), Rs. 5.498 million (December 31, 2021: Rs. 5.498 million) and Rs. 177.120 million (December 31, 2021: Nil) on account of monitoring of withholding taxes for the tax years 2012, 2014 and 2022, respectively. Tax authorities have also issued orders under Sindh Sales Tax on Services Act, 2011 and Punjab Sales Tax on Services Act, 2012 thereby creating arbitrary aggregate demand amounting to Rs. 35.391 million (December 31, 2021: Rs. 35.391 million) for the years 2012 to 2017 and Rs.15.380 million (December 31, 2021: Rs. 15.380 million) for the year 2016 respectively. Federal Board of Revenue has issued orders to amend assessments for tax years 2014, 2015, 2016, 2018, 2019 and 2020 raising demands of Rs. 45.268 million (December 31, 2021: Rs. 45.268 million), Rs. 64.945 million (December 31, 2021: Rs. 64.945 million), Rs. 53.727 million (December 31, 2021: Nil), Rs. 133.374 million (December 31, 2021: Rs. 133.374 million), Rs. 177.117 million (December 31, 2021: Rs. 177.117 million) and Rs. 4.794 million (December 31, 2021: Rs. 4.794 million), respectively.

Presently, the Bank is contesting these issues at various appellate forums. The disallowances in respect of a number of assessment years have been decided / set aside by various appellate authorities for re-assessment while the Bank's appeal in respect of the remaining assessment years are currently pending. Based on the professional advice received from tax advisors, the management is confident that the eventual outcome of the aforementioned matters will be in favour of the Bank. Accordingly, no provision has been made in these financial statements in respect of the above mentioned demands aggregating Rs. 1,841.903 million (December 31, 2021: Rs. 1,611.056 million) raised by the income tax authorities.

22.3.2 These represent various cases filed against the Bank for recovery of damages / settlement of deposit balances by various parties. Based on the legal advice, management believes that the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these financial statements. Other litigations against which Bank has maintained full or partial provision are disclosed in note 19.1.1 to these financial statements.

		(Rupees in '000)	
		2022	2021
23	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	a) Loans and advances	10,514,091	6,210,306
	b) Investments	11,180,973	7,015,349
	c) Lendings to financial institutions	732,153	724,298
	d) Balances with banks	492	507
	e) Others (on pool lending to Naya Pakistan Certificate)	117,387	32,152
		22,545,096	13,982,612

		(Rupees in '000)	
		2022	2021
24	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	a) Deposits	7,502,746	4,054,771
	b) Borrowings	8,890,092	4,618,619
	c) Finance cost on lease liability against right-of-use assets	153,535	135,754
	d) Cost of foreign currency swaps against foreign currency deposits	591,423	491,931
	e) Subordinated debt	673,540	375,392
		17,811,336	9,676,467

		(Rupees in '000)	
		2022	2021
25	FEE AND COMMISSION INCOME		
	Branch banking customer fees	57,589	44,607
	Consumer finance related fees	29,192	26,300
	Credit related fees	50,451	62,066
	Debit card related fees	8,121	7,930
	Investment banking fees	-	-
	Commission on trade	118,102	139,875
	Commission on guarantees	42,067	66,386
	Commission on cash management	16,260	14,199
	Commission on remittances including home remittances	68,172	59,674
	Commission on bancassurance	6,949	17,112
	Commission on Naya Pakistan Certificates	8,894	21,406
	Others	5,270	3,532
		411,067	463,087

		(Rupees in '000)	
		2022	2021
26	(LOSS) / GAIN ON SECURITIES		
	Realised (loss) / gain	(1,285,738)	515,145
	Unrealised gain on held for trading securities	2,144	-
		(1,283,594)	515,145
26.1	Realised (loss) / gain on:		
	Federal Government Securities	(900,869)	316,526
	Shares	(384,869)	197,182
	Non Government Debt Securities	-	1,437
		(1,285,738)	515,145

		(Rupees in '000)	
		2022	2021
27	OTHER INCOME		
	Gain on sale of fixed assets	5,129	3,707
	Gain on termination of lease liability against right of use assets	1,326	26,843
	Others	6,307	34
		12,762	30,584



28 OPERATING EXPENSES

Total compensation expense

Note	(Rupees in '000)	
	2022	2021
28.1	2,104,528	1,807,237
	Property expense	
	Rent and taxes	129,077
	Insurance	1,955
	Utilities cost	84,818
	Security (including guards)	65,038
	Repair and maintenance (including janitorial charges)	63,807
11.2	Depreciation on owned fixed assets	8,059
11.2	Depreciation on right of use assets	196,025
	636,321	548,779
	Information technology expenses	
	Software maintenance	126,434
	Hardware maintenance	41,033
11.2	Depreciation	62,115
12.2	Amortisation	48,737
	Network charges	123,946
	Insurance	571
	579,105	402,836
	Other operating expenses	
	Directors' fees and allowances	44,105
	Legal and professional charges	22,590
28.2	Outsourced services costs	3,452
	Travelling, conveyance and official entertainment	47,937
	Charges paid to Central Depository Company of Pakistan Limited and NIFT	25,172
11.2	Depreciation	88,245
	Training and development	3,762
	Postage and courier charges	11,076
	Communication	13,626
	Stationery and printing	36,755
	Repair and maintenance	50,989
	Insurance	57,994
	Marketing, advertisement and publicity	61,878
	Fee commission and brokerage	99,412
28.3	Donations	14,617
28.4	Auditors remuneration	8,121
	Others	29,997
	726,396	619,728
	4,046,350	3,378,580

28.1 Total compensation expense

	(Rupees in '000)	
	2022	2021
Fees and allowances etc		
Managerial remuneration		
i) Fixed	735,577	670,803
ii) Variable		
of which;		
a) Cash bonus / awards etc.	334,962	295,000
b) Incentive payments	117,949	56,547
Contribution to defined contribution plan	58,587	51,842
Rent & house maintenance	333,349	302,334
Utilities	74,086	67,185
Medical	74,086	67,186
Conveyance / fuel / allowance	250,699	192,397
Staff insurance	37,008	24,653
Club membership	6,038	6,843
Other support staff salaries	80,233	69,508
Leave fare assistance	1,954	2,939
Others	-	-
Total	2,104,528	1,807,237

28.2 This represents cost of material outsourcing arrangement with Avanza Solutions (Private) Limited, amounting to Rs.7.195 million (2021: Rs.3.452 million). Material outsourcing arrangement shall have the same meaning as specified in Annexure-I of BPRD Circular No. 06 of 2017. This arrangement has been entered into for providing services related to hosting of ATM Switch and Card Management System.

28.3 Donations made during the year were as follows:

	(Rupees in '000)	
	2022	2021
Progressive Education Network (PEN)	3,000	5,021
Patients Aid Foundation	1,000	1,000
Zindagi Trust	983	966
The Citizens Foundation	1,260	1,500
Pink Ribbon Pakistan	200	500
Kiran Foundation	750	780
Karachi Down Syndrome Program (KDSP)	200	300
The Indus Hospital	802	1,500
Sharmeen Khan Memorial Foundation	432	560
The Kidney Center	500	-
Sahara Public Rights Welfare Organization	300	-
SOS Children's Villages	300	-
Orange Tree Foundation	350	-
Hunar Ghar	350	-
Bestway Group UK	1,514	-
Kidney Centre	500	-
Lady Dufferin Hospital	-	200
National Institute of Child Health	-	250
Empowering Communities for Change (ECC)	-	300
Govt Fatima Jinnah Graduate College	-	450
Special Olympics Pakistan	-	500
The Hunar Foundation	-	540
Behbud Association	-	250
	12,441	14,617

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



28.4 Auditors' remuneration

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

(Rupees in '000)	
2022	2021
3,059	2,703
-	-
644	569
2,811	3,880
1,150	969
7,664	8,121

29 WORKERS' WELFARE FUND

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

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

The Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers' Welfare Fund were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending.

Legal advice obtained on the matter indicates that consequent to filing of these review petitions, the judgement may not currently be treated as conclusive. Accordingly, the Bank maintains its provision in respect of WWF.

30 OTHER CHARGES

Penalties imposed by the State Bank of Pakistan

(Rupees in '000)	
2022	2021
3,525	8,671

31 (PROVISIONS) / REVERSALS AND WRITE OFFS - NET

Reversals / (Provision) for diminution in the value of investments
Provision against loans and advances
Fixed assets written-off
Bad debts written off directly
Recoveries against debts written-off

		(Rupees in '000)	
Note		2022	2021
9.3.1	Reversals / (Provision) for diminution in the value of investments	194,929	96,630
10.4	Provision against loans and advances	(2,032,725)	(1,141,392)
	Fixed assets written-off	-	(1,039)
10.5	Bad debts written off directly	(7,283)	(2,992)
	Recoveries against debts written-off	-	-
		(1,845,079)	(1,048,793)

		(Rupees in '000)	
		2022	2021
32	TAXATION		
	Current	(181,477)	(722,399)
	Prior years	-	(13,397)
	Deferred	679,425	220,678
		497,948	(515,118)
32.1	Relationship between tax expense and accounting profit		
	(Loss) / profit before taxation	(925,888)	1,304,096
	Effects of:		
	- Tax calculated at the applicable rate of 39% (2021: 35%)	(361,096)	456,434
	- Super tax at applicable rate of 10% (2021: 4%)	(92,589)	52,164
	- Impact of increase in normal tax rate by 4%	(89,885)	-
	- Prior year charge	-	13,397
	- Permanent differences	1,516	3,382
	- Others	44,106	(10,259)
	Tax charge for the year	(497,948)	515,118
32.2	This pertains to super tax at the rate of 10% of taxable profit for the current year. This new tax is applicable vide Finance Act 2022 for the tax year 2023 (accounting year: 31 December 2022) which will reduce to 4% from tax year 2024 (accounting year: 31 December 2023) and onwards.		
33	EARNINGS PER SHARE - BASIC & DILUTED		
	(Loss) / profit for the year	(427,940)	788,978
		(Number of Shares)	
	Weighted average number of ordinary shares	1,008,238,648	1,008,238,648
		(Rupees)	
	Basic (loss) / earnings per share	(0.424)	0.783
33.1	Diluted (loss) / earnings per share		
	(Loss) / Profit for the year	(427,940)	788,978
		(Number of Shares)	
	Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)	1,008,238,648	1,008,238,648
		(Rupees)	
	Diluted (loss) / earnings per share	(0.424)	0.783
34	CASH AND CASH EQUIVALENTS		
	Cash and balances with treasury banks	6,169,111	7,839,066
	Balances with other banks	1,023,414	1,070,975
		7,192,525	8,910,041

Note

6
7



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

(Rupees in '000)						
2022						
Liabilities		Equity				
Sub-ordinated loan	Other liabilities	Share Capital	Reserves	Un-appropriated profit	Total	
Balance as at January 01,	4,999,000	7,050,550	10,082,387	2,195,149	3,622,890	27,949,976
Changes from Financing cash flows						
Issuance of Subordinated loan	-	-	-	-	-	-
Contribution from shareholder	-	-	-	-	-	-
Principal repayment of debt securities	(2,000)	-	-	-	-	(2,000)
Payment of lease liability against right-of-use-assets	-	(315,394)	-	-	-	(315,394)
Dividend Paid	-	-	-	(592,529)	-	(592,529)
Total changes from financing cash flows	(2,000)	(315,394)	-	-	(592,529)	(909,923)
Liability related						
Changes in Other liabilities						
- Cash based	-	(33,856)	-	-	-	(33,856)
- Dividend payable	-	28,251	-	-	(28,251)	-
- Non cash based	-	1,118,148	-	-	-	1,118,148
Total liability related other changes	-	1,112,543	-	-	(28,251)	1,084,292
Mark-up payment on debt securities	-	(532,298)	-	-	-	(532,298)
Total equity related other changes	-	-	-	(214,500)	(412,063)	(626,563)
Balance as at December 31	4,997,000	7,315,401	10,082,387	1,980,649	2,590,047	26,965,484

(Rupees in '000)						
2021						
Liabilities		Equity				
Sub-ordinated loan	Other liabilities	Share Capital	Reserves	Un-appropriated profit	Total	
Balance as at January 01	-	5,698,436	10,082,387	1,486,699	3,747,887	21,015,409
Changes from Financing cash flows						
Issuance of Subordinated loan	5,000,000	-	-	-	-	5,000,000
Contribution from shareholder	-	-	-	1,540,500	-	1,540,500
Principal repayment of debt securities	(1,000)	-	-	-	-	(1,000)
Payment of lease liability against Right-of-use-assets	-	(248,264)	-	-	-	(248,264)
Dividend paid	-	-	-	(740,302)	-	(740,302)
Total changes from financing cash flows	4,999,000	(248,264)	-	1,540,500	(740,302)	5,550,934
Liability related						
Changes in Other liabilities						
- Cash based	-	898,270	-	-	-	898,270
- Dividend payable	-	15,877	-	-	(15,877)	-
- Non cash based	-	913,080	-	-	-	913,080
Total liability related other changes	-	1,827,227	-	-	(15,877)	1,811,350
Mark-up payment on debt securities	-	(226,849)	-	-	-	(226,849)
Total equity related other changes	-	-	-	(832,050)	631,182	(200,868)
Balance as at December 31	4,999,000	7,050,550	10,082,387	2,195,149	3,622,890	27,949,976

35 STAFF STRENGTH

Permanent
Contractual

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

(Numbers)	
2022	2021
679	670
189	187
868	857

35.1 In addition to the above, 142 (2021: 133) employees of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than guarding and janitorial services.

36 DEFINED CONTRIBUTION PLAN

The Bank operates a contributory provident fund plan for 753 employees (2021: 747 employees). Both employer and employees contributes 8.33% (2021: 8.33%) of the basic salaries to the fund every month. The expense charged in respect of this benefit and disclosed in note 28 to these financial statements.

37 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

	(Rupees in '000)					
	2022					
	Chairman	Executive Directors (other than CEO)	Non Executive Directors	President/ CEO*	Key Management Personnel	Other Material Risk Takers / Controllers
Fees and allowances etc.	6,240	-	37,920	-	-	-
Managerial remuneration						
i) Fixed	-	-	-	29,925	78,012	162,220
ii) Cash Bonus / Awards	-	-	-	64,000	93,500	70,325
iii) Incentive Payment	-	-	-	-	-	807
Contribution to defined contribution plan	-	-	-	2,284	6,498	13,411
Rent and house maintenance	-	-	-	12,341	35,106	72,999
Utilities	-	-	-	2,742	7,801	16,222
Medical	-	-	-	2,742	7,801	16,222
Conveyance / Fuel	-	-	-	520	10,430	34,107
Leave fare assistance	-	-	-	1,954	-	-
Car allowance	-	-	-	1,127	29,612	53,028
One Time Payment (Inflation allowance)	-	-	-	-	3,830	9,965
Ex-Gratia **	-	-	-	66,340	-	-
Total	6,240	-	37,920	183,975	272,590	449,306
Number of Persons	1	-	8	2	12	62

*Mr. Shahid Sattar completed his term as President & CEO on July 31, 2022 and Mr. Ahmad Tariq Azam was appointed as Acting President & CEO of the Bank with effect from August 01, 2022.

** Ex-Gratia paid to the outgoing CEO

	(Rupees in '000)					
	2021					
	Chairman	Executive Directors (other than CEO)	Non Executive Directors	President/ CEO	Key Management Personnel	Other Material Risk Takers / Controllers
Fees and allowances etc.	6,240	-	36,000	-	-	-
Managerial remuneration						
i) Fixed	-	-	-	35,269	76,853	158,185
ii) Cash Bonus / Awards	-	-	-	57,500	75,250	60,684
iii) Incentive Payment	-	-	-	-	-	-
Contribution to defined contribution plan	-	-	-	2,938	6,402	12,295
Rent and house maintenance	-	-	-	15,871	34,584	70,928
Utilities	-	-	-	3,527	7,685	15,762
Medical	-	-	-	3,527	7,685	15,762
Conveyance / Fuel	-	-	-	-	6,384	21,953
Leave fare assistance	-	-	-	2,939	-	-
Car allowance	-	-	-	-	31,762	53,050
Total	6,240	-	36,000	121,571	246,605	408,619
Number of Persons	1	-	9	1	12	82



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

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

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

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

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

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

(Rupees in '000)								
2022								
Sr. No.	Name of Director	Meeting fees paid						Total Amount Paid
		For Board Meetings	Annual General Meeting	For Board Committee Meetings				
				IT Committee	Nomination & Remuneration Committee	Audit Committee	Risk Committee	
1	Dr. Shujaat Nadeem	2,880	-	1,440	1,920	-	-	6,240
2	Mr. Ali Muhammad Mahoon	480	-	-	-	-	-	480
3	Mr. Aiman Gusti	2,880	-	1,440	-	1,440	-	5,760
4	Mr. Tariq Javed	2,400	-	1,440	-	-	-	3,840
5	Mr. Timour Pasha	2,880	-	-	-	-	1,440	4,320
6	Hafiz Muhammad Yousuf	3,360	-	-	1,920	1,920	-	7,200
7	Mr. Hussein Eid	2,880	-	-	2,400	1,440	-	6,720
8	Ms Zeeba Ansar	3,360	-	-	-	-	1,920	5,280
9	Mr. Humayun Murad	2,880	-	-	-	-	1,440	4,320
Total Amount Paid		24,000	-	4,320	6,240	4,800	4,800	44,160

(Rupees in '000)								
2021								
Sr. No.	Name of Director	Meeting fees paid						Total Amount Paid
		For Board Meetings	Annual General Meeting	For Board Committee Meetings				
				IT Committee	Nomination & Remuneration Committee	Audit Committee	Risk Committee	
1	Dr. Shujaat Nadeem	2,400	-	2,400	1,440	-	-	6,240
2	Mr. Humayun Murad	2,400	-	-	960	-	1,920	5,280
3	Mr. Arjumand Minai	1,440	-	-	-	960	-	2,400
4	Mr. Aiman Gusti	2,400	-	2,400	-	1,920	960	7,680
5	Mr. Tariq Javed	2,400	-	2,400	-	-	-	4,800
6	Mr. Timour Pasha	2,400	-	-	-	-	1,920	4,320
7	Hafiz Mohammad Yousaf	2,400	-	1,440	1,440	1,920	-	7,200
8	Mr. Hussein Eid	960	-	-	-	960	-	1,920
9	Ms. Zeeba Ansar	960	-	-	-	-	960	1,920
10	Ms. Ranya Nashar	-	-	-	480	-	-	480
Total Amount Paid		17,760	-	8,640	4,320	5,760	5,760	42,240

38 FAIR VALUE MEASUREMENTS

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

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

38.1 Fair value of financial assets

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

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

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

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

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

(Rupees in '000)				
2022				
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	72,763,052	-	72,763,052
Shares	1,237,592	-	-	1,237,592
Non-Government Debt Securities	-	828,242	-	828,242
Financial assets - disclosed but not measured at fair value				
Investments - Federal Government Securities	-	1,830,946	-	1,830,946
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	64,799,813	-	64,799,813
Forward sale of foreign exchange	-	59,683,721	-	59,683,721
Forward purchase of government securities	-	-	-	-
Forward sale of government securities	-	-	-	-

(Rupees in '000)				
2021				
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments:				
Federal Government Securities	-	88,323,008	-	88,323,008
Shares	1,345,333	-	-	1,345,333
Non-Government Debt Securities	-	1,248,675	-	1,248,675
Financial assets - disclosed but not measured at fair value				
Investments - Federal Government Securities	-	2,935,066	-	2,935,066
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	83,574,137	-	83,574,137
Forward sale of foreign exchange	-	79,364,018	-	79,364,018
Forward purchase of government securities	-	492,275	-	492,275
Forward sale of government securities	-	-	-	-



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

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

(c) Financial instruments in level 3

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

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

Items	Valuation techniques and input used
Pakistan Investment Bonds / Market Treasury Bills	The fair value of Market Treasury Bills and Pakistan Investment Bonds are derived using PKRV rates. Floating rate Pakistan Investment Bonds are revalued using PKFRV rates.
Fully Paid-up Listed ordinary shares	Fair value of investment in listed equity securities are valued on the basis of available closing quoted market prices.
Forward foreign exchange contracts	The fair value has been determined by interpolating the mid rates announced by the State Bank of Pakistan.
Non government debt securities	Investments in non-government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP).

39 SEGMENT INFORMATION

39.1 The segment analysis with respect to business activities is as follows:

	(Rupees in '000)					
	2022					
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff*	Total
Profit and loss account						
Net mark-up / return / interest income	3,874,257	2,239,391	(4,907,817)	3,590,609	(62,680)	4,733,760
Inter segment revenue	(2,690,672)	(2,431,674)	7,282,326	(2,969,682)	809,702	-
Non mark-up / return / interest income	257,050	(106,828)	308,221	251,221	(465,558)	244,106
Total income	1,440,635	(299,111)	2,682,730	872,148	281,464	4,977,866
Segment direct expenses	(221,127)	(176,652)	(1,439,001)	(166,648)	(2,055,249)	(4,058,677)
Inter segment expense allocation	(441,710)	(209,720)	(984,950)	(418,869)	2,055,249	-
Total expenses	(662,837)	(386,372)	(2,423,951)	(585,517)	-	(4,058,677)
Provisions	(149,998)	23,929	(43,641)	(655,114)	(1,020,253)	(1,845,077)
(Loss) / Profit before tax	627,800	(661,554)	215,138	(368,483)	(738,789)	(925,888)
Statement of Financial Position						
Cash and bank balances	-	5,708,751	1,483,774	-	-	7,192,525
Investments	-	76,904,147	-	-	-	76,904,147
Net inter segment lending	-	-	69,648,272	-	10,284,773	79,933,045
Lendings to financial institutions	-	7,354,279	-	-	-	7,354,279
Advances - performing	40,983,492	168,933	4,686,301	27,425,533	839,094	74,103,353
Advances - non-performing	-	-	51,418	293,380	6,417	351,215
Others	1,071,817	4,405,548	417,287	987,833	6,286,255	13,168,740
Net inter segment lending	-	-	-	-	-	(79,933,045)
Total Assets	42,055,309	94,541,658	76,287,052	28,706,746	17,416,539	179,074,259
Borrowings	9,094,733	32,789,455	-	3,942,114	-	45,826,302
Deposits and other accounts	25,102,795	1,112,768	74,247,292	4,780,909	-	105,243,764
Subordinated debt	-	4,997,000	-	-	-	4,997,000
Net inter segment borrowing	6,667,858	53,537,983	-	19,727,204	-	79,933,045
Others	1,189,923	2,104,452	2,039,760	256,519	2,763,456	8,354,110
Total liabilities	42,055,309	94,541,658	76,287,052	28,706,746	2,763,456	244,354,221
Equity	-	-	-	-	14,653,083	14,653,083
Net inter segment borrowing	-	-	-	-	-	(79,933,045)
Total equity and liabilities	42,055,309	94,541,658	76,287,052	28,706,746	17,416,539	179,074,259
Contingencies and commitments	10,002,796	125,283,534	-	5,115,704	2,410,841	142,812,875

*Senoff segment represents certain assets and liabilities which are not allocated to other business segments.



	(Rupees in '000)					
	2021					
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff*	Total
Profit and loss account						
Net mark-up / return / interest income	2,520,489	2,485,247	(2,426,696)	1,805,509	(78,404)	4,306,145
Inter segment revenue - net	(1,809,501)	(1,846,660)	3,964,655	(1,172,832)	864,338	-
Non mark-up / return / interest income	204,605	1,046,010	167,257	211,102	(157,979)	1,470,995
Total income	915,593	1,684,597	1,705,216	843,779	627,955	5,777,140
Segment direct expenses	(178,218)	(212,632)	(1,255,359)	(137,767)	(1,640,275)	(3,424,251)
Inter segment expense allocation	(350,707)	(167,390)	(784,313)	(337,865)	1,640,275	-
Total expenses	(528,925)	(380,022)	(2,039,672)	(475,632)	-	(3,424,251)
Provisions	(972,822)	96,630	(71,408)	(282,328)	181,135	(1,048,793)
(Loss) / Profit before tax	(586,154)	1,401,205	(405,864)	85,819	809,090	1,304,096
Statement of Financial Position						
Cash and bank balances	-	7,487,123	1,422,918	-	-	8,910,041
Investments	-	93,975,403	-	-	-	93,975,403
Net inter segment lending	-	-	58,039,938	-	12,230,691	70,270,629
Lendings to financial institutions	-	5,907,587	-	-	-	5,907,587
Advances - performing	43,786,054	1,109,823	4,107,989	30,199,816	1,373,249	80,576,931
Advances - non-performing	-	-	71,993	521,227	7,025	600,245
Others	696,474	3,657,970	429,792	537,463	5,847,610	11,169,309
Net inter segment lending	-	-	-	-	-	(70,270,629)
Total Assets	44,482,528	112,137,906	64,072,630	31,258,506	19,458,575	201,139,516
Borrowings	8,370,291	79,971,399	-	4,677,519	-	93,019,209
Deposits and other accounts	9,239,224	680,548	62,790,179	6,557,321	-	79,267,272
Subordinated Debt	-	4,999,000	-	-	-	4,999,000
Net inter segment borrowing	25,986,579	24,493,170	-	19,790,880	-	70,270,629
Others	886,434	1,993,789	1,282,451	232,786	3,558,149	7,953,609
Total liabilities	44,482,528	112,137,906	64,072,630	31,258,506	3,558,149	255,509,719
Equity	-	-	-	-	15,900,426	15,900,426
Net inter segment borrowing	-	-	-	-	-	(70,270,629)
Total equity and liabilities	44,482,528	112,137,906	64,072,630	31,258,506	19,458,575	201,139,516
Contingencies and commitments	9,758,779	164,500,671	227,356	7,104,637	2,211,029	183,802,472

39.2 Segment details with respect to geographical locations

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

40 TRUST ACTIVITIES

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

	(Rupees in '000)								
	2022	2021	2022			2021			
Category	Number of IPS Accounts		Securities Held (Face Value)				Market Treasury Bills	Pakistan Investment Bonds (Fixed and Floating)	Total
			Market Treasury Bills	Pakistan Investment Bonds (Fixed and Floating)	Total				
Corporate	10	9	150,000	-	150,000	-	-	-	
Insurance Companies		1	-	-	-	-	-	-	
Employee Funds	22	22	-	567,800	567,800	-	562,600	562,600	
Others	65	40	43,000	403,300	446,300	20,000	285,400	305,400	
	97	72	193,000	971,100	1,164,100	20,000	848,000	868,000	

41 RELATED PARTY TRANSACTIONS

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

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

Contributions to the contributory provident fund scheme are made in accordance with the terms of the contribution plan. Remuneration to the Chief Executive Officer, directors and key management personnel are disclosed in note 37 to these financial statements and are determined in accordance with the terms of their appointment.

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

41.1 Details of transactions with related parties are given below:

	(Rupees in '000)							
	2022				2021			
	Parent	Directors	Key Management personnel	Other related parties	Parent	Directors	Key Management personnel	Other related parties
Balances with other banks								
In current accounts	47,903	-	-	-	91,857	-	-	-
Advances								
Opening balance	-	-	200,450	-	-	-	165,648	-
Addition during the year	-	-	117,169	-	-	-	80,863	-
Repaid during the year	-	-	(91,398)	-	-	-	(46,061)	-
Closing balance	-	-	226,221	-	-	-	200,450	-
Other Assets								
Other receivable	1,847	-	-	-	1,593	-	-	-
Mark to market gain on forward foreign exchange contracts	20,817	-	-	-	-	-	-	-
	22,664	-	-	-	1,593	-	-	-
Other Liabilities								
Mark-up payable	-	88	222	699	-	62	101	382
Mark to market loss on foreign exchange contracts	70,757	-	-	-	-	-	-	-
	70,757	88	222	699	-	62	101	382
Deposits and other accounts								
Opening balance	655,306	25,057	31,168	32,484	90,749	34,597	22,424	25,312
Received during the year	500,438	308,739	694,575	1,127,025	40,391,171	511,984	490,297	759,535
Withdrawn during the year	(77,323)	(327,541)	(707,768)	(1,128,926)	(39,826,614)	(521,524)	(481,553)	(752,363)
Closing balance	1,078,421	6,255	17,975	30,583	655,306	25,057	31,168	32,484
Contingencies and Commitments								
Forward foreign exchange contracts (Notional) - outstanding	4,065,845	-	-	-	-	-	-	-
Guarantees	-	-	-	-	3,053,684	-	-	-
	4,065,845	-	-	-	3,053,684	-	-	-
Income								
Mark-up / return / interest earned	-	-	11,009	-	-	-	9,328	-
Expense								
Mark-up / return / interest paid	-	774	1,663	6,265	-	138	216	799
Remuneration and benefits	-	-	459,430	-	-	-	365,420	-
Directors fee	-	44,160	-	-	-	42,240	-	-
Operating expenses	-	-	-	-	-	-	-	750
Insurance premium paid	-	-	1,493	-	-	-	1,303	-
Insurance claims settled	-	-	1,854	-	-	-	522	-
	-	44,934	464,440	6,265	-	42,378	367,461	1,549

41.2 Forex transactions during the year - Saudi National Bank

CURRENCY	(Currency in '000)			
	2022			
	READY / SPOT / TOM		FORWARD	
	Buy	Sell	Buy	Sell
USD	21	-	-	-
PKR	-	4,821	-	-

Forex deals outstanding as at the year - Saudi National Bank

CURRENCY	(Currency in '000)			
	2022			
	READY / SPOT / TOM		FORWARD	
	Buy	Sell	Buy	Sell
EUR	-	-	-	8,500
USD	-	-	8,854	-

Forex transactions during the year - Saudi National Bank

CURRENCY	(Currency in '000)			
	2021			
	READY / SPOT / TOM		FORWARD	
	Buy	Sell	Buy	Sell
AED	33,869	735	-	-
CHF	182	-	-	-
EUR	26,545	13,000	500	14,600
GBP	10,350	17,078	38,500	7,800
JPY	34,115	-	-	-
USD	65,288	54,484	28,325	53,952

Forex deals outstanding as at the year - Samba Financial Group

CURRENCY	(Currency in '000)			
	2021			
	READY / SPOT / TOM		FORWARD	
	Buy	Sell	Buy	Sell
GBP	-	-	-	-
USD	-	-	-	-

42 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Rupees in '000)	
	2022	2021
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	10,082,387	10,082,387
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	13,319,713	15,308,179
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	13,319,713	15,308,179
Eligible Tier 2 Capital	4,940,196	5,194,770
Total Eligible Capital (Tier 1 + Tier 2)	18,259,909	20,502,949
Risk Weighted Assets (RWAs):		
Credit Risk	81,783,956	83,436,422
Market Risk	5,661,337	9,187,601
Operational Risk	10,104,223	8,911,765
Total	97,549,516	101,535,788
Common Equity Tier 1 Capital Adequacy ratio	13.65%	15.08%
Tier 1 Capital Adequacy Ratio	13.65%	15.08%
Total Capital Adequacy Ratio	18.72%	20.19%

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

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

The Banks are required to maintain Minimum Capital Requirement (MCR) as prescribed by the State Bank of Pakistan through its BSD Circular No. 7 dated April 15, 2009 which required the minimum paid up capital (net of accumulated losses) to be raised to Rs 10 billion by the year ended December 31, 2013. As at December 31, 2022 the Bank's Paid up Capital is Rs 10.082 billion. In addition, the Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 11.5 percent of their risk weighted exposure. The Bank's CAR as at December 31, 2022 is 18.72 percent (2021: 20.19 percent) of its risk weighted exposure.

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

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

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



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

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

	(Rupees in '000)	
	2022	2021
Leverage Ratio (LR):		
Eligible Tier-1 Capital	13,319,713	15,308,179
Total Exposures	209,634,698	217,066,371
Leverage Ratio	6.35%	7.05%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	40,733,917	46,359,075
Total Net Cash Outflow	21,318,101	18,299,161
Liquidity Coverage Ratio	191%	253%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	124,148,450	134,966,980
Total Required Stable Funding	60,512,541	70,328,798
Net Stable Funding Ratio	205%	192%

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

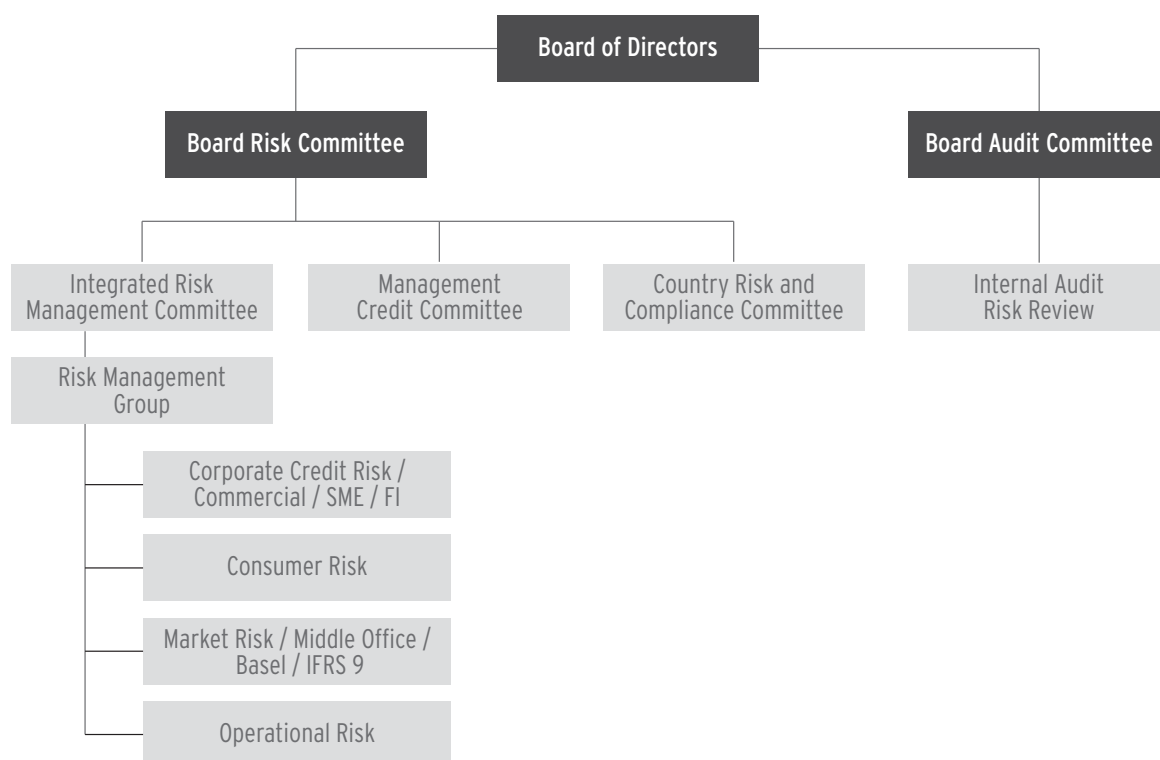
43 RISK MANAGEMENT

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

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

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

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



43.1 Credit Risk

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

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

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

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

- Oversee the Risk Management functions and ensure appropriate supervision and governance.
- Approval of risk rating methodologies and changes therein.
- Developing and maintaining highest standards of credit quality.
- Managing and ensuring that the overall credit risk exposures of the bank do not breach the pre-defined limits.
- Frequent reviewing, monitoring and evaluating the quality of credit portfolio.

The loan portfolio, which includes loans to individuals, corporate customers and commercial loans is significantly collateralized by mortgage / hypothecation charges on fixed and current assets including property land, plant and equipment.

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

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

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

A Remedial Asset Committee comprising remedial and risk managers and President & CEO, under the initiative of the Institutional Remedial Management Department, conducts regular reviews of the Corporate, Commercial and SME credit classified portfolio and also recommends recovery / work-out plans, waivers and write-offs.

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

Particulars of bank's significant on-balance sheet and off-balance sheet credit risk in various sectors are analysed as follows:

43.1.1 Lendings to financial institutions

Credit risk by public / private sector

(Rupees in '000)					
Gross lendings		Non-performing lendings		Provision held	
2022	2021	2022	2021	2022	2021
Public / Government	6,470,140	3,927,549	-	-	-
Private	884,139	1,980,038	-	-	-
	7,354,279	5,907,587	-	-	-

43.1.2 Investment in debt securities

Credit risk by industry sector

(Rupees in '000)					
Gross investments		Non-performing investments		Provision held	
2022	2021	2022	2021	2022	2021
Federal Government Securities	75,709,696	92,087,463	-	-	-
Financial	500,000	500,000	-	-	-
Textile	285,714	428,571	-	-	-
Oil marketing and refinery	62,500	312,500	-	-	-
Chemical and pharmaceuticals	-	25,000	-	-	-
	76,557,910	93,353,534	-	-	-

Credit risk by public / private sector

(Rupees in '000)					
Gross investments		Non-performing investments		Provision held	
2022	2021	2022	2021	2022	2021
Public / Government	75,709,696	92,087,463	-	-	-
Private	848,214	1,266,071	-	-	-
	76,557,910	93,353,534	-	-	-

43.1.3 Advances

Credit risk by industry sector

	(Rupees in '000)					
	Gross advances		Non-performing advances		Provision held	
	2022	2021	2022	2021	2022	2021
Manufacturing	22,332,442	25,490,216	1,398,851	1,115,883	1,137,475	800,910
Textile	18,100,069	16,532,020	734,569	665,389	731,384	661,684
Chemical and pharmaceuticals	5,655,711	6,145,030	49,998	-	12,500	-
Power (electricity), gas, water, sanitary	3,272,842	4,750,712	533,161	580,761	533,161	580,761
Sugar	3,234,635	4,182,579	18,591	18,591	18,591	18,591
Services	2,583,293	6,144,826	2,716	2,178	1,845	1,635
Construction	2,347,505	2,235,421	375,727	275,000	325,240	68,750
Electronics and electrical appliances	2,047,563	1,151,218	36,499	36,499	36,499	36,499
Cement	1,753,313	1,559,761	-	-	-	-
Transport, storage and communication	1,358,193	2,934,913	302,071	-	148,749	-
Wholesale and retail trade	1,009,052	1,121,046	-	-	-	-
Footwear and leather garments	460,111	475,193	2,706	2,706	1,806	1,806
Financial	168,935	1,109,823	-	-	-	-
Paper and allied	54,479	285,102	54,479	-	14,581	-
Agriculture, forestry, hunting and fishing	-	44,992	-	-	-	-
Automobile and transportation equipment	-	462,193	-	-	-	-
Exports / Imports	-	1,477,332	-	-	-	-
Oil and gas	-	972,882	-	972,882	-	972,882
Technology	-	663,048	-	-	-	-
Individuals	7,324,874	6,361,349	681,749	672,616	630,030	600,329
Others	8,825,526	1,156,051	1,069,680	140,501	2,482,114	334,684
	80,528,543	85,255,707	5,260,797	4,483,006	6,073,975	4,078,531

Credit risk by public / private sector

	(Rupees in '000)					
	Gross advances		Non-performing advances		Provision held	
	2022	2021	2022	2021	2022	2021
Public / Government	-	-	-	-	-	-
Private	80,528,543	85,255,707	5,260,797	4,483,006	6,073,975	4,078,531
	80,528,543	85,255,707	5,260,797	4,483,006	6,073,975	4,078,531

43.1.4 Contingencies and Commitments

Credit risk by industry sector

	(Rupees in '000)	
	2022	2021
Financial	124,659,210	163,070,612
Individuals	3,381,466	3,383,035
Chemical, lubricants and pharmaceuticals	2,215,300	2,560,384
Textile	2,126,735	3,100,089
Construction	1,564,786	692,074
Manufacturing	1,064,755	1,626,085
Insurance	1,026,431	976,514
Power (electricity), gas, water and sanitary	905,201	89,953
Technology	817,584	1,721
Electronics and electrical appliances	693,326	1,039,881
Oil Marketing and Refinery	604,514	1,170,016
Services	456,800	1,800,739
Cement	447,687	400,000
Paper and allied	293,080	222,278
Automobile and transportation equipment	296,836	23,256
Wholesale and retail trade	231,391	204,411
Transport, storage and communication	162,574	160,008
Automobile and transportation services	59,142	132,561
Agriculture, forestry, hunting and fishing	26,080	208,228
Others	1,779,978	2,940,627
	142,812,875	183,802,472
Credit risk by public / private sector		
Public / Governmen	289,371	-
Private	142,523,504	183,802,472
	142,812,875	183,802,472



43.1.5 Concentration of Advances

43.1.5.1 The Bank's top 10 exposures on the basis of total (funded and non-funded exposures), aggregated to Rs.11,627.151 million (2021: Rs.13,906.743 million) and are as following:

Funded
Non Funded
Total Exposure

(Rupees in '000)	
2022	2021
9,412,424	9,463,777
2,214,727	4,442,966
11,627,151	13,906,743

43.1.5.2 The sanctioned limits against these top 10 exposures aggregated to Rs. 13,644.214 million (2021: Rs.15,075.64 million).

43.1.5.3 The exposure as disclosed above is performing and thereby no provision has been maintained.

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

43.1.6 Advances - Province / Region - wise Disbursement and Utilisation

(Rupees in '000)							
2022							
Province / region	Disburse-ments	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	82,831,817	79,950,692	-	-	-	2,881,125	-
Sindh	76,936,358	307,109	76,584,225	140	3,039	40,587	1,258
KPK including FATA	51,334	-	-	51,334	-	-	-
Balochistan	-	-	-	-	-	-	-
Islamabad	1,505,177	-	-	-	-	1,505,177	-
AJK including Gilgit-Baltistan	-	-	-	-	-	-	-
Total	161,324,686	80,257,801	76,584,225	51,474	3,039	4,426,889	1,258

(Rupees in '000)							
2021							
Province / region	Disburse-ments	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	88,608,244	85,368,546	-	-	-	3,239,698	-
Sindh	57,412,459	355,065	57,016,363	100	7,680	32,251	1,000
KPK including FATA	36,582	-	-	36,582	-	-	-
Balochistan	-	-	-	-	-	-	-
Islamabad	1,731,372	-	-	-	-	1,731,372	-
AJK including Gilgit-Baltistan	-	-	-	-	-	-	-
Total	147,788,657	85,723,611	57,016,363	36,682	7,680	5,003,321	1,000

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

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

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

43.2 Market Risk

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

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

Price Risk

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

Liquidity Risk

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

Differentiation between Trading and Banking Book

Trading Book

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

Banking Book

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

43.2.2 Market Risk Management

43.2.3 Objectives

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

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

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

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

43.2.4 Price Risk Management

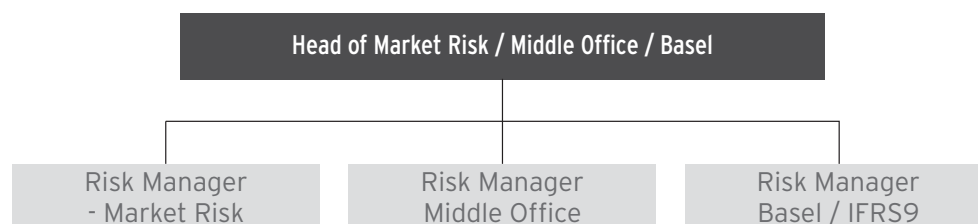
Trading Book is controlled through:

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

Banking Book is controlled through:

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

43.2.5 Structure and Organisation of the market risk management



43.2.6 Market Risk Management Function

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

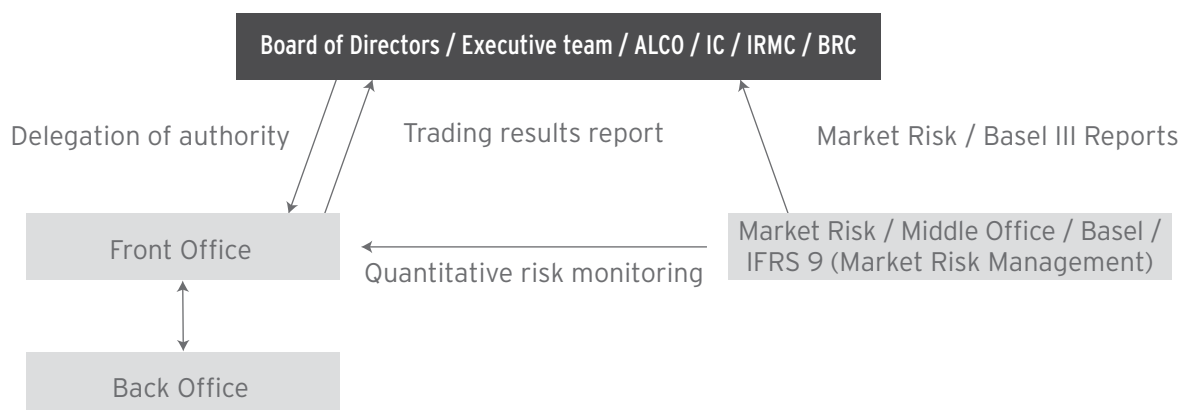
43.2.7 Scope and nature of Risk Reporting

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

43.2.8 Market Risk Management System

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

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



43.2.9. Market Risk Measurement Model

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

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

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

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

43.2.10. Balance sheet split by trading and banking books

	(Rupees in '000)					
	2022			2021		
	Banking Book	Trading Book	Total	Banking Book	Trading Book	Total
Cash and balances with treasury banks	6,169,111	-	6,169,111	7,839,066	-	7,839,066
Balances with other banks	1,023,414	-	1,023,414	1,070,975	-	1,070,975
Lendings to financial institutions	7,354,279	-	7,354,279	5,907,587	-	5,907,587
Investments	2,075,261	74,828,886	76,904,147	4,307,062	89,668,341	93,975,403
Advances	74,454,568	-	74,454,568	81,177,176	-	81,177,176
Fixed assets	3,131,840	-	3,131,840	2,981,656	-	2,981,656
Intangible assets	616,036	-	616,036	592,247	-	592,247
Deferred tax assets	2,121,039	-	2,121,039	1,218,277	-	1,218,277
Other assets	7,299,825	-	7,299,825	6,377,129	-	6,377,129
	104,245,373	74,828,886	179,074,259	111,471,175	89,668,341	201,139,516

43.2.11 Foreign Exchange Risk

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

	(Rupees in '000)			
	2022			
	Assets	Liabilities	Off-balance sheet items	exposure
Pakistan Rupee	172,531,393	(151,773,947)	(5,099,197)	15,658,249
United States Dollar	5,593,593	(11,732,390)	5,336,075	(802,722)
Great Britain Pound Sterling	528,323	(567,810)	-	(39,487)
Euro	316,591	(63,101)	(236,878)	16,612
Japanese Yen	14,837	-	-	14,837
Other currencies	89,522	(283,928)	-	(194,406)
	179,074,259	(164,421,176)	-	14,653,083



	(Rupees in '000)			
	2021			
	Assets	Liabilities	Off-balance sheet items	exposure
Pakistan Rupee	195,414,955	(174,886,403)	(840,423)	19,688,129
United States Dollar	4,032,969	(9,349,101)	-	(5,316,132)
Great Britain Pound Sterling	658,296	(674,425)	410,654	394,525
Euro	550,863	(60,208)	-	490,655
Japanese Yen	30,107	-	429,769	459,876
Other currencies	452,326	(268,953)	-	183,373
	201,139,516	(185,239,090)	-	15,900,426

	(Rupees in '000)			
	2022		2021	
	Banking Book	Trading Book	Banking Book	Trading Book
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	(8,027)	-	(2,532)	-
- Other comprehensive income	-	-	-	-

43.2.12 Equity position Risk

Equity position risk in Trading Book arises due to changes in prices of individual stocks or levels of equity indices. Currently, the Bank's equity investments comprises of Available for Sale (AFS) and Held for Trading (HFT). The AFS portfolio is maintained with a medium-term view of capital gains and dividend income.

	(Rupees in '000)			
	2022		2021	
	Banking Book	Trading Book	Banking Book	Trading Book
Impact of 5% change in equity prices on				
- Profit and loss account	-	7,355	-	-
- Other comprehensive income	-	54,524	-	67,267

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

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

	(Rupees in '000)			
	2022		2021	
	Banking Book	Trading Book	Banking Book	Trading Book
Impact of 1% change in interest rates on				
- Profit and loss account	617,554	-	575,593	-
- Other comprehensive income	-	(2,205,754)	-	(2,722,160)

43.2.14 Mismatch of Interest Rate Sensitive Assets and Liabilities

Bank's interest rate sensitivity position based on the earlier of contractual repricing or maturity date is as follows:

(Rupees in '000)												
2022												
Effective yield/ interest rate %	Total	Exposed to yield / interest rate risk									Non-interest bearing financial instruments	
		Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years		
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	6,169,111	-	-	-	-	-	-	-	-	-	-	6,169,111
Balances with other banks	14.50% 1,023,414	-	-	-	-	-	-	-	-	-	-	1,023,414
Lending to financial institutions	10.63% 7,354,279	2,531,750	4,822,529	-	-	-	-	-	-	-	-	-
Investments	12.51% 76,904,147	20,292,993	30,548,037	22,750,265	-	759,424	1,005,125	310,712	-	-	-	1,237,591
Advances	12.94% 74,454,568	14,343,127	33,258,521	11,112,778	1,359,627	983,397	1,805,994	5,672,143	5,155,225	763,756	-	-
Other assets	7,299,825	-	-	-	-	-	-	-	-	-	-	7,299,825
	173,205,344	37,167,870	68,629,087	33,863,043	1,359,627	1,742,821	2,811,119	5,982,855	5,155,225	763,756	15,729,941	
Liabilities												
Bills payable	1,038,709	-	-	-	-	-	-	-	-	-	-	1,038,709
Borrowings	12.08% 45,826,302	22,701,480	11,513,200	3,773,600	8,352	64,258	422,852	3,296,725	4,023,499	-	-	22,336
Deposits and other accounts	8.26% 105,243,764	9,371,943	6,416,441	45,725,077	17,835,477	45,000	22,500	821	-	-	-	25,826,505
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	4,997,000	-	-	-	-	-	-	-	4,997,000	-	-	-
Other liabilities	7,315,401	-	-	-	-	-	-	-	-	-	-	7,315,401
	164,421,176	32,073,423	17,929,641	49,498,677	17,843,829	109,258	445,352	3,297,546	9,020,499	-	-	34,202,951
On-balance sheet gap	8,784,168	5,094,447	50,699,446	(15,635,634)	(16,484,202)	1,633,563	2,365,767	2,685,309	(3,865,274)	763,756	(18,473,010)	
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions	7,855,756	-	-	-	-	-	-	-	-	-	-	7,855,756
Commitments in respect of:												
- forward foreign exchange contracts	124,483,534	-	-	-	-	-	-	-	-	-	-	124,483,534
- forward government securities transactions	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap	132,339,290	-	-	-	-	-	-	-	-	-	-	132,339,290
Total Yield / Interest Risk Sensitivity Gap		5,094,447	50,699,446	(15,635,634)	(16,484,202)	1,633,563	2,365,767	2,685,309	(3,865,274)	763,756	113,866,280	
Cumulative Yield / Interest Risk Sensitivity Gap		5,094,447	55,793,893	40,158,259	23,674,057	25,307,620	27,673,387	30,358,696	26,493,422	27,257,178	141,123,458	



(Rupees in '000)												
2021												
Effective yield/ interest rate %	Total	Exposed to yield / interest rate risk									Non-interest bearing financial instruments	
		Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years		
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	7,839,066	-	-	-	-	-	-	-	-	-	-	7,839,066
Balances with other banks	8.25% 1,070,975	-	-	-	-	-	-	-	-	-	-	1,070,975
Lending to financial institutions	7.17% 5,907,587	4,980,038	927,549	-	-	-	-	-	-	-	-	-
Investments	8.41% 93,975,403	18,467,805	29,406,253	23,260,280	3,152,378	6,782,664	7,960,767	3,587,861	12,057	-	-	1,345,338
Advances	8.60% 81,177,176	9,096,285	39,394,074	14,841,660	4,583,046	862,715	1,159,913	5,592,847	5,214,673	431,963	-	-
Other assets	6,377,129	-	-	-	-	-	-	-	-	-	-	6,377,129
	196,347,336	32,544,128	69,727,876	38,101,940	7,735,424	7,645,379	9,120,680	9,180,708	5,226,730	431,963	-	16,632,508
Liabilities												
Bills payable	903,059	-	-	-	-	-	-	-	-	-	-	903,059
Borrowings	7.30% 93,019,209	20,712,789	62,276,574	1,544,500	1,417,688	46,106	105,324	3,013,216	3,880,676	-	-	22,336
Deposits and other accounts	7.13% 79,267,272	6,483,964	6,551,599	26,134,927	16,970,457	32,153	45,870	821	-	-	-	23,047,481
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	4,999,000	-	-	-	-	-	-	-	4,999,000	-	-	-
Other liabilities	7,050,550	-	-	-	-	-	-	-	-	-	-	7,050,550
	185,239,090	27,196,753	68,828,173	27,679,427	18,388,145	78,259	151,194	3,014,037	8,879,676	-	-	31,023,426
On-balance sheet gap	11,108,246	5,347,375	899,703	10,422,513	(10,652,721)	7,567,120	8,969,486	6,166,671	(3,652,946)	431,963	-	(14,390,918)
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions	10,911,755	-	-	-	-	-	-	-	-	-	-	10,911,755
Commitments in respect of:												
- forward foreign exchange contracts	162,938,155	-	-	-	-	-	-	-	-	-	-	162,938,155
- forward government securities transactions	492,275	-	-	-	-	-	-	-	-	-	-	492,275
Off-balance sheet gap	174,342,185	-	-	-	-	-	-	-	-	-	-	174,342,185
Total Yield / Interest Risk Sensitivity Gap		5,347,375	899,703	10,422,513	(10,652,721)	7,567,120	8,969,486	6,166,671	(3,652,946)	431,963	-	159,951,267
Cumulative Yield / Interest Risk Sensitivity Gap		5,347,375	6,247,078	16,669,591	6,016,870	13,583,990	22,553,476	28,720,147	25,067,201	25,499,164	-	185,450,431

Reconciliation to total assets	December 31, 2022	December 31, 2021
Total assets as per balance sheet	179,074,259	20,139,516
Less: Non financial assets		
Fixed assets	3,131,840	2,981,656
Intangible assets	616,036	592,247
Deferred tax assets - net	2,121,039	1,218,277
	5,868,915	4,792,180
Total financial assets	173,205,344	196,347,336

43.3 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, errors or mistakes or frauds committed by people, inadequate systems and from external events. The Bank has an Operational Risk Framework duly approved by the Board which is reviewed after every three years. The Bank has a well developed Operational Risk System as defined under the Operational Risk Framework, which is aligned to international best practices. The Bank is using Key Risk Indicators, Risk & Control Self - Assessment, capturing operational risk incidents and conducting Quality Assurance Reviews as tools for identification, monitoring, measuring and management of operational risk. Key Risk Indicators and operational loss incidents are captured in the Operational Risk System.

A sound internal governance structure enhances the effectiveness of the Bank's Operational Risk Management and is accomplished at the enterprise level through formal oversight by the Board, the Chief Risk Officer, the Operational Risk Head and Risk Management committees.

The Bank has set up an Operational Risk Management Department (ORMD), housed within the Risk Management Group which is entrusted with managing controls and processes in an efficient and effective manner. The Operational Risk Management Department (ORMD) oversees the processes for sound Operational Risk Management and also serves as an escalation point for critical Operational Risk matters within the Bank. The ORMD reports Operational Risk activities to the Board Risk Committee, Country Risk and Compliance Committee (CRCC) and Bank's Integrated Risk Management Committee (IRMC) that reviews all risk areas of the Bank, on a holistic basis. The main activities of ORMD include:

- Operational Risk Management
- Fraud Risk Management
- Quality Assurance Reviews
- Whistle Blowing Unit

With respect to Basel III for Operational Risk, the Bank currently uses the Basic Indicator Approach (BIA) for determining the Operational charge for MCR calculation purposes.

43.3.1 Green Banking

Green Banking Guidelines, issued by the State Bank of Pakistan, support the initiative to improve the understanding and implementation of environmental protection laws in the country, by incorporating the concept in the banking system. To comply with the guidelines, the Bank has established a Green Banking Office housed under Operational Risk Management. In light of these regulatory guidelines and being a responsible corporate citizen, SBL's Green Banking Policy has been developed and rolled out for implementation in 2019.

Main components of the Green Banking-GB Policy are Environmental Risk Management, Green Business Facilitation and Own Impact Reduction.

The Bank has designed an EnvRM system to incorporate procedures for evaluation and management of environmental risks in current as well as future decision making process for financing / investments. GB Policy requires each non-consumer credit portfolio obligor to be reviewed on the basis of Environmental Due Diligence (EnvDD), as part of EnvRM regime by assigning Environmental Risk Rating, as part of the credit approval process.

The Bank has an approved Green Asset side product under the SME PPM pertaining to financing solar power solutions, based on SBP concessionary re-financing scheme.

Regular trainings and awareness sessions are also conducted for staff members to ensure understanding of the GB Policy, the importance of environmental protection and the effective role that the Bank can play in this important area. Accordingly, various Environmental Days, in line with global practices, are observed to support conservation of the environment, raise environmental awareness amongst staff and to highlight critical environmental issues.

In addition to the above, institution wide Operational Risk, Fraud Risk, Green Banking and Whistle Blow awareness is being undertaken through regular communications and trainings.

43.4 Information and Cyber Security

Information and Cyber Security in all aspects remains a critical area of importance to safeguard Bank's critical information assets. To strengthen the Information Security controls for Bank's information assets, SBL has taken defense-in-depth approach wherein multiple layers of controls encompassing technical, administrative and physical security controls have been deployed. SBL is PCI DSS compliant and conducts robust Penetration Testing and Vulnerability Scanning to identify any gap and implements recommended countermeasure(s). All applications and any technology enhancements are reviewed by IS function through a detailed Information Security Risk Assessment process. SBL IS Department has established Security Operations Center (SOC) to monitor and tackle any emerging or active cyber threat / attack. The Bank's staff are also regularly trained on Information and Cyber Security aspects through a comprehensive security awareness program using different methodologies of delivery.



Business Continuity Management Program is aligned with industry best practices and regulatory guidelines, which is periodically reviewed and tested to ensure the readiness and effectiveness of alternate sites' arrangements during uncertain situations. BCM awareness training sessions and testing drills are also conducted for critical staff members to ensure that they are fully aware of their key roles and responsibilities in case of any disastrous situation.

43.5 Liquidity Risk

Liquidity Risk is the potential for loss to an institution arising from either its inability to meet its obligations or to fund increase in assets as they fall due without incurring unacceptable cost or losses.

Liquidity risk is being monitored through the following:

(a) Gap Analysis: Market Access Report (MAR)

Market Access Report is a key tool in monitoring the current liquidity position of the Bank and it measures the 'gaps' over various time horizons, based on a business-as-usual assumption that the asset levels remain constant. MAR quantifies the daily and cumulative gap in a business-as-usual environment. The gap for any given tenor bucket represents the borrowings from, or placements to, the markets (internal or external), required to replace maturing liabilities or assets. MAR Limits establish a boundary for how much incremental funding is appropriate, relative to the size of statement of financial position and market capacity.

(b) Stress Scenario

Stress test is intended to quantify the likely impact of an event on the balance sheet and the net potential cumulative gap over a 3-month period, and to ascertain what incremental funding may be required under the defined stress scenario. The scenario is proposed by the Market Risk Management at a minimum on an annual basis, endorsed by the treasurer, and approved by the Board of Directors.

(c) Scope and nature of Risk Reporting

- It is the policy of the Bank that the comprehensive set of liquidity risk data, generated through the businesses' risk-taking activities, is identified and communicated throughout the applicable business, treasury, and senior management.
- Market Risk is responsible to construct and maintain an independent liquidity risk-reporting framework that effectively, consistently and meaningfully communicates risks and risk appetite.
- Treasurer is responsible to ensure the completeness and integrity of the liquidity risk data, and that the data can be effectively reported into the independent risk systems.
- ALCO, the Treasurer and the market risk managers are responsible for assisting in the quality control process by reviewing the reports for reasonableness, consistency and completeness.

(d) Mitigating Liquidity risk and processes for continuous monitoring

The following tools are being used in order to monitor the liquidity risk:

- Market Access Report (MAR)
- Stress Scenario
- Liquidity Ratios
- Significant Funding Sources (large funds providers)
- Contingency Funding Plans

43.5.1 Maturities of Assets and Liabilities - based on contractual maturity of the assets and liabilities of the Bank

(Rupees in '000)

		2022											
Total	Upto 1 day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
Assets													
Cash and balances with treasury banks	6,169,111	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	1,023,414	-	-	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	7,354,279	2,531,750	-	-	-	4,822,529	-	-	-	-	-	-	-
Investments	76,904,147	-	233,628	-	-	481,437	-	10,226,833	2,363,075	5,810,545	10,986,784	38,499,767	8,302,078
Advances	74,454,568	1,691,858	2,832,497	6,531,816	6,042,524	9,079,808	15,125,785	4,350,847	3,461,244	1,327,604	3,746,189	9,735,580	6,570,775
Fixed assets	3,131,840	-	-	610	1,106	1,106	10,426	13,012	13,012	99,059	149,296	476,361	2,367,852
Intangible assets	616,036	-	-	117	218	218	2,051	2,560	2,560	19,485	29,367	93,701	465,759
Deferred tax assets	2,121,039	-	-	-	-	-	-	-	387,154	1,335,684	-	225,137	173,064
Other assets	7,299,825	-	-	6,609,075	-	4,990	45,207	-	131,336	407,646	13,405	88,166	-
	179,074,259	4,223,608	3,066,125	13,141,618	6,043,848	14,390,088	15,183,469	14,593,252	6,358,381	9,000,023	14,925,041	49,118,712	17,879,528
Liabilities													
Bills payable	1,038,709	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	45,826,302	22,530,669	30,781	-	95,000	11,418,200	3,773,600	-	8,352	64,258	422,852	3,319,061	4,023,499
Deposits and other accounts	105,243,764	4,312,558	6,088,605	10,136,987	9,540,666	6,950,872	22,359,100	8,445,424	13,634,294	5,128,142	5,105,642	10,167,105	-
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	4,997,000	-	-	-	-	-	-	-	-	-	-	-	4,997,000
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	7,315,401	-	-	2,592,771	-	1,746,482	115,080	-	387,106	15,955	205,320	1,362,972	889,715
	164,421,176	26,843,227	6,119,386	12,729,758	9,635,666	20,115,554	26,247,780	8,445,424	14,029,752	5,208,355	5,733,814	14,849,138	9,910,214
Net assets	14,653,083	6,597,458	(3,053,261)	411,860	(3,591,818)	(5,725,466)	(11,064,311)	6,147,828	(7,671,371)	3,791,668	9,191,227	34,269,574	7,969,314
Share capital	10,082,387	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	2,729,919	-	-	-	-	-	-	-	-	-	-	-	-
Unappropriated profit	2,590,047	-	-	-	-	-	-	-	-	-	-	-	-
(Deficit) / Surplus on revaluation of assets	(749,270)	-	-	-	-	-	-	-	-	-	-	-	-
	14,653,083	-	-	-	-	-	-	-	-	-	-	-	-



(Rupees in '000)

2021

	Total	Upto 1 day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
Assets														
Cash and balances with treasury banks	7839,066	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	1,070,975	-	-	-	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	5,907,587	-	4,980,038	-	-	-	927,549	-	-	-	-	-	-	-
Investments	93,975,403	-	-	-	1,290,692	-	-	25,196	3,152,378	1,345,338	22,647,161	8,616,562	9,470,261	47,427,815
Advances	81,177,176	1,837,434	2,077,777	3,027,033	47,668,842	9,517,971	8,734,557	18,598,774	4,354,423	5,977,128	2,887,431	1,646,679	10,960,255	6,790,872
Fixed assets	2,981,656	-	-	-	579	1,053	1,053	9,926	12,388	12,388	94,309	142,137	453,518	2,254,305
Intangible assets	592,247	-	-	-	114	209	209	1,972	2,461	2,461	18,733	28,233	90,082	447,773
Deferred tax assets	1,218,277	-	-	-	-	-	-	-	-	346,110	557,218	-	178,067	136,882
Other assets	6,377,129	-	-	-	6,152,389	-	4,609	41,758	-	82,816	8,677	12,382	74,498	-
	201,139,516	10,747,475	7,057,815	3,027,033	12,210,616	9,519,233	9,661,977	18,677,626	7,521,650	7,766,241	26,213,529	10,445,993	21,226,681	57,057,647
Liabilities														
Bills payable	903,059	903,059	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	93,019,209	-	9,264,842	491,546	10,956,401	41,556,474	20,720,100	1,544,500	-	1,417,688	46,106	105,324	3,035,553	3,880,675
Deposits and other accounts	79,267,272	2,495,152	3,911,845	4,785,821	6,116,353	6,858,557	7,178,497	11,520,393	10,127,260	9,913,825	4,102,334	4,116,051	8,141,184	-
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	4,999,000	-	-	-	-	-	-	-	-	-	-	-	-	4,999,000
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	7,050,550	-	-	-	2,579,435	-	1,737,499	130,043	-	392,236	46,176	209,829	1,117,980	837,352
	185,239,090	3,398,211	13,176,687	5,277,367	19,652,189	48,415,031	29,636,096	13,194,936	10,127,260	11,723,749	4,194,616	4,431,204	12,294,717	9,717,027
Net assets														
	15,900,426	7,349,264	(6,118,872)	(2,250,334)	(7,441,573)	(38,895,798)	(19,968,119)	5,482,690	(2,605,610)	(3,957,058)	22,018,913	6,014,789	8,931,964	47,340,620
Share capital	10,082,387													
Reserves	2,729,919													
Unappropriated profit	3,622,890													
(Deficit) / Surplus on revaluation of assets	(534,770)													
	15,900,426													

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

(Rupees in '000)										
2022										
Total	Upto 1 Month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 years	
Assets										
Cash and balances with treasury banks	6,169,111	2,718,815	813,520	884,832	841,286	227,733	226,919	456,006	-	-
Balances with other banks	1,023,414	1,023,414	-	-	-	-	-	-	-	-
Lending to financial institutions	7,354,279	2,531,750	4,822,529	-	-	-	-	-	-	-
Investments	76,904,147	233,629	481,437	-	12,589,907	5,810,545	10,986,784	38,499,767	8,302,078	-
Advances	74,454,568	15,014,212	15,122,332	15,125,785	7,812,091	1,327,604	3,746,189	9,735,580	5,803,795	766,980
Fixed assets	3,131,840	609	2,212	10,426	26,025	99,059	149,296	476,361	410,924	1,956,928
Intangible assets	616,036	119	435	2,051	5,119	19,485	29,367	93,701	80,829	384,930
Deferred tax assets	2,121,039	-	-	-	387,154	1,335,684	-	225,137	-	173,064
Other assets	7,299,825	6,609,075	4,990	45,207	131,336	407,646	13,405	88,166	-	-
	179,074,259	28,131,623	21,247,455	16,068,301	21,792,918	9,227,756	15,151,960	49,574,718	14,597,626	3,281,902
Liabilities										
Bills payable	1,038,709	1,038,709	-	-	-	-	-	-	-	-
Borrowings	45,826,302	22,701,480	11,513,200	3,773,600	8,352	64,258	422,852	3,319,061	4,023,499	-
Deposits and other accounts	105,243,764	23,912,519	16,491,538	22,359,100	22,079,718	5,128,142	5,105,642	10,167,105	-	-
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-
Subordinated debt	4,997,000	-	-	-	-	-	-	-	4,997,000	-
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Other liabilities	7,315,401	2,592,771	1,746,482	115,080	387,106	15,955	205,320	1,362,972	889,715	-
	164,421,176	50,245,479	29,751,220	26,247,780	22,475,176	5,208,355	5,733,814	14,849,138	9,910,214	-
Net assets	14,653,083	(22,113,856)	(8,503,765)	(10,179,479)	(682,258)	4,019,401	9,418,146	34,725,580	4,687,412	3,281,902
Share capital	10,082,387									
Reserves	2,729,919									
Unappropriated / Unremitted profit	2,590,047									
(Deficit) / Surplus on revaluation of assets	(749,270)									
	14,653,083									



(Rupees in '000)

2021

Assets

	Total	Upto 1 Month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 years
Cash and balances with treasury banks	7,839,066	3,106,838	1,143,089	812,594	1,287,732	368,649	369,412	750,752	-	-
Balances with other banks	1,070,975	1,070,975	-	-	-	-	-	-	-	-
Lending to financial institutions	5,907,587	4,980,038	927,549	-	-	-	-	-	-	-
Investments	93,975,403	1,290,692	-	25,196	4,497,716	22,647,161	8,616,562	9,470,261	47,427,815	-
Advances	81,177,176	11,709,086	18,252,528	18,598,774	10,331,551	2,887,431	1,646,679	10,960,255	6,357,215	433,657
Fixed assets	2,981,656	578	2,106	9,926	24,777	94,309	142,137	453,518	391,219	1,863,086
Intangible assets	592,247	115	418	1,972	4,921	18,733	28,233	90,082	77,708	370,065
Deferred tax assets	1,218,277	-	-	-	346,110	557,218	-	178,067	-	136,882
Other assets	6,377,129	6,152,389	4,609	41,758	82,816	8,677	12,382	74,498	-	-
	201,139,516	28,310,711	20,330,299	19,490,220	16,575,623	26,582,178	10,815,405	21,977,433	54,253,957	2,803,690

Liabilities

Bills payable	903,059	903,059	-	-	-	-	-	-	-	-
Borrowings	93,019,209	20,712,788	62,276,574	1,544,500	1,417,688	46,106	105,324	3,035,553	3,880,676	-
Deposits and other accounts	79,267,272	17,309,171	14,037,054	11,520,393	20,041,085	4,102,334	4,116,051	8,141,184	-	-
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-
Subordinated debt	4,999,000	-	-	-	-	-	-	-	4,999,000	-
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Other liabilities	7,050,550	2,579,435	1,737,499	130,043	392,236	46,176	209,829	1,117,980	837,352	-
	185,239,090	41,504,453	78,051,127	13,194,936	21,851,009	4,194,616	4,431,204	12,294,717	9,717,028	-

Net assets

	15,900,426	(13,193,742)	(5,720,828)	6,295,284	(5,275,386)	22,387,562	6,384,201	9,682,716	44,536,929	2,803,690
--	------------	--------------	-------------	-----------	-------------	------------	-----------	-----------	------------	-----------

Share capital	10,082,387
Reserves	2,729,919
Unappropriated / Unremitted profit	3,622,890
(Deficit) / Surplus on revaluation of assets	(534,770)
	<u>15,900,426</u>

43.5.2.1 This includes maturity analysis of lease liabilities based on contractual maturities which is shown below:

(Rupees in '000)

	Total	Upto one 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
Liabilities										
Lease liability against right-of-use assets										
2022	1,501,455	-	-	416	-	15,955	205,320	390,049	889,715	-
2021	1,266,506	-	-	15,969	7,120	46,176	209,829	150,060	837,352	-

44 EVENTS AFTER THE REPORTING DATE

The Board of Directors of the Bank in its meeting held on February 27, 2023 has proposed Nil dividend of Rs. Nil per share, i.e. Nil % per share (2021: 0.6 per share, i.e. 6% per share) for the year ended December 31, 2022. This appropriation will be approved in the forthcoming Annual General Meeting. The financial statements of the Bank for the year ended December 31, 2022 do not include the effect of this appropriation which will be accounted for in the financial statements for the year ending December 31, 2023.

45 DATE OF AUTHORISATION AND OTHERS

45.1 These financial statements were approved and authorised for issue on February 27, 2023 by the Board of Directors of the Bank.

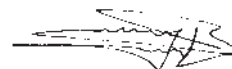
45.2 Figures have been rounded off to the nearest thousand rupees.



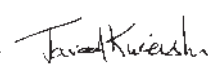
Chief Financial Officer



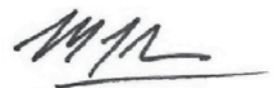
President & Chief Executive Officer



Director



Director



Chairman



STATEMENT SHOWING WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF OF RUPEES FIVE HUNDRED THOUSAND OR ABOVE PROVIDED

DURING THE YEAR ENDED DECEMBER 31, 2022

ANNEXURE - I

S.No.	Name and address of the borrower	Name of the individuals / partners / directors with CNIC	Father's / Husband's name	Outstanding liabilities at the beginning of the year			During the year			Total (9+10+11)	
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Principal written off	Interest / Mark-up written off / waived	Other financial relief provided		
1	2	3	4	5	6	7	8	9	10	11	12
				(Rupees in '000)							
1	Genertech Pakistan Ltd. 1st Floor, K-1, Block Commercial Zone, Model Town, Lahore.	1. Mr. Jahangir Elahi CNIC # 35202-2561094-5 2 - Mr. Amir Jahangir CNIC # 35202-0676798-7 3. Mr. Tanveer Elahi CNIC # 35200-5522225-3 4. Shahrukh Elahi CNIC # 35200-1962823-7 5. Sheikh Muhammad Ashraf CNIC # 35202-9135980-9 6. Mr. Tariq Latif CNIC # 35201-8390613-3 7. Mr. Ashfaq Nadeem CNIC # 35202-5269188-9	1- Ehsan Elahi 2. Jahangir Elahi 3. Ehsan Elahi 4. Tanvir Elahi 5. Nasir ud Din 6. Abdul Latif 7. Muhammad Bashir	47,601	28,798	-	76,399	35,931	28,798	67,145	131,874
2.	World Garments Pakistan (Pvt) Ltd. Usmanabad Jaranwala Road, Faisalabad.	1. Abdul Razzaq CNIC # 33102-1775807-5 2. Raiz Ahmad CNIC # 33100-4046153-7	1. Ulfat Ali 2. Ulfat Ali	1,676	-	65	1,741	1,276	-	65	1,341
3.	Mian Gadeer Ahmed	Mian Gadeer Ahmed CNIC # 35201-9593212-1	Main Siraj Uddin	8,822	3,392	-	12,214	-	3,266	-	3,266
4.	Abdul Farooq	Abdul Farooq CNIC # 35202-2912484-5	Nazar Muhammad	577	802	-	1,379	-	802	-	802
TOTAL				58,676	32,992	65	91,733	37,207	32,866	67,210	137,263

11.3 Disposal of fixed assets

ANNEXURE - II

Details of disposal of fixed assets to executives and other persons are given below:

Description	Cost	Accumulated depreciation	Book Value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers / issuers
(Rupees in '000)							
Owned Vehicles							
Mercedes-Benz E-200 Sedan RHD	15,765	9,364	6,400	6,400	-	As per policy	Shahid Sattar (Ex CEO)
Toyota Fortuner-(LEB-15-2474)	5,045	3,392	1,653	4,909	3,256	Bidding	Muhammad Fahad Iqbal
	20,810	12,756	8,053	11,309	3,256		
Furniture and fixtures							
Sale of furniture from warehouse Islamabad	262	262	-	22	22	Bidding	Insaaf Computer & Scrape dealer
Sale of furniture from warehouse Karachi	124	124	-	-	-	Bidding	M/s Faheem Enterprises Pak International SF Trading
Sale of furniture from warehouse Karachi	293	293	-	227	227	Bidding	M/s Pakistan International SF General Trading
Sale of furniture from south region Karachi	74	74	-	-	-	Bidding	Tayyab Traders Corporation
Sale of furniture from north region Islamabad	392	363	29	41	12	Bidding	Bismillah Inam Ghar Satti Auctions
	1,145	1,116	29	290	261		
Electrical, office and computer equipment / intangibles							
Electrical Items - Kemari warehouse Karachi	8,959	8,914	45	232	186	Auction	Tayyab Traders Corporation
ATM Machines at Central - Lahore	12,590	12,590	-	180	180	Bidding	Farhan & Company
ATM Machines at South - Karachi	10,907	10,907	-	183	183	Bidding	Tayyab Traders Corporation
Sale of Old/Redundant office Items in Warehouse Islamabad	1,078	1,078	-	179	179	Bidding	Insaaf computer & Scrape Dealer
Aircondition - Shahrah-e-Faisal branch Karachi	88	88	-	20	20	Received Quotation	Tayyab Traders Corporation
Electrical Items - Central Region	27,429	27,429	-	75	75	Received Quotation	Aslam Old Scrape Dealer
Old IT UPS Items trade Off with new UPS	9,925	9,925	-	-	-	Trade Off	MZ Enterprise
Insurance Claimed from IGI	1,384	1,203	181	388	207	Insurance Claim	IGI General Insurance Limited
Electrical Items - North Region	49,644	49,640	4	105	101	Bidding	Insaaf computer & Scrape Dealer
Mobile Phones of ET Members	3,606	3,606	-	-	-	As per Policy	Executive Team Members
Mobile Phone of Syed Arif Raza (Head of Global Markets)	175	146	29	29	-	As per Policy	As per Policy
Electrical Items - Kemari warehouse Karachi	9,431	9,431	-	111	111	Bidding	M/s Faheem Enterprises Pak International SF Trading
IT Fixed Assets Write-Off from FAR by ITD	2,509	2,509	-	-	-	Write-Off	Write-Off from FAR as per Management Approval
ATM Machines - Kemari warehouse Karachi	29,267	28,379	888	986	97	Trade Off	NCR Corporation
Airconditions - South Branches Karachi	679	675	4	72	68	Bidding	Tayyab Traders Corporation
Electrical and office equipment - South Region	3,761	3,728	33	150	117	Bidding	Tayyab Traders Corporation
Computer and electrical equipment - South Region	2,302	2,302	-	88	88	Bidding	Bismillah Inam Ghar Satti Auctions
	173,734	172,550	1,184	2,798	1,612		
Right of use of assets Lease termination	57,717	(1,443)	56,274	57,601	1,326		
2022	253,406	184,979	65,540	71,998	6,455		
2021	216,105	90,421	125,684	155,196	29,513		

Assets sold to Related Parties

During the year no assets were sold to the chief executive, directors, executives or to a shareholder holding not less than ten percent of the voting shares of the Bank other than disclosed above.

Pattern of Shareholding

As At December 31, 2022

Number of Shareholders	Shareholding		Total Shares
	From	To	
1,470	1	100	64,552
1,835	101	500	485,722
736	501	1,000	536,602
694	1,001	5,000	1,526,689
113	5,001	10,000	790,084
53	10,001	15,000	639,847
22	15,001	20,000	391,707
19	20,001	25,000	423,377
16	25,001	30,000	443,053
6	30,001	35,000	195,542
4	35,001	40,000	148,961
8	40,001	45,000	343,022
6	45,001	50,000	291,189
5	50,001	55,000	263,281
6	55,001	60,000	345,075
2	60,001	65,000	127,606
1	65,001	70,000	65,048
1	70,001	75,000	75,000
2	75,001	80,000	154,526
2	80,001	85,000	163,000
1	85,001	90,000	89,701
2	90,001	95,000	181,142
3	95,001	100,000	298,040
4	100,001	105,000	410,157
2	105,001	110,000	218,000
2	110,001	115,000	225,532
1	115,001	120,000	120,000
2	120,001	125,000	248,000
2	125,001	130,000	259,462
1	135,001	140,000	135,188
1	140,001	145,000	144,500
1	145,001	150,000	148,157
1	150,001	155,000	154,500
1	170,001	175,000	173,848
1	175,001	180,000	175,915
1	190,001	195,000	191,476
2	195,001	200,000	396,858
1	200,001	205,000	203,818
1	210,001	215,000	211,437
1	220,001	225,000	225,000
2	230,001	235,000	463,220
2	235,001	240,000	470,663
1	245,001	250,000	250,000
1	250,001	255,000	253,843
1	270,001	275,000	275,000
1	280,001	285,000	281,916
1	295,001	300,000	295,664
1	300,001	305,000	300,100
2	305,001	310,000	614,379
2	425,001	430,000	855,616
2	475,001	480,000	955,271
1	560,001	565,000	563,832
1	580,001	585,000	581,500
1	595,001	600,000	600,000
1	620,001	625,000	622,532
1	710,001	715,000	711,500
1	940,001	945,000	941,599
1	955,001	960,000	956,500
1	995,001	1,000,000	1,000,000
1	1,000,001	1,005,000	1,000,500
1	1,140,001	1,145,000	1,142,000
1	1,200,001	1,205,000	1,205,000
1	1,385,001	1,390,000	1,385,804
1	1,425,001	1,430,000	1,429,500
1	1,650,001	1,655,000	1,652,306
1	1,690,001	1,695,000	1,690,620
1	2,350,001	2,355,000	2,353,784
1	2,635,001	2,640,000	2,635,899
1	2,760,001	2,765,000	2,764,113
1	4,265,001	4,270,000	4,266,000
1	8,935,001	8,940,000	8,936,420
1	9,945,001	9,950,000	9,949,500
1	12,485,001	12,490,000	12,487,500
1	20,785,001	20,790,000	20,788,998
1	23,995,001	24,000,000	24,000,000
1	35,830,001	35,835,000	35,832,424
1	852,040,001	852,045,000	852,040,531
5,074			1,008,238,648



Category of Shareholding

As At December 31, 2022

S. No.	Shareholding	Number of Shareholders	Number of Shares	%
1	Directors, Chief Executive Officer, and their spouse and minor children	3	1,002,000	0.10
2	Associated Companies, Undertakings and related Parties	1	852,040,531	84.51
3	NIT and ICP	2	25,297	0.00
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	21	28,489	0.00
5	Insurance Companies	5	2,637,190	0.00
6	Modarabas and Mutual Funds	18	1,673,953	0.17
7	Share holders holding 10%	1	852,040,531	84.51
8	General Public :			
	a. local	4,922	103,279,859	10.24
	b. Foreign	1	196	0.00
9	Others	121	47,551,133	4.72
Total (excluding shareholders holding 10%)		5,074	1,008,238,648	100.00

Additional Disclosure on Board of Directors under Revised Guidelines on Remuneration Practices

S. No.	Name of Directors	Date of Joining the Board	Status of Director (Executive, Non-Executive, Independent)	Member of Board Committee	Other Directorships
1	Mr. Mustafa Ilyas	21-Oct-22	Chairman / Non-Executive Director	• Board Nomination & Remuneration Committee • Board IT Committee	None
2	Mr. Ahmad Tariq Azam	1-Aug-22	Acting President & CEO / Executive Director	• Board Risk Committee	None
3	Mr. Ali Muhammad Mahoon	21-Oct-22	Non-Executive Director	• Board Risk Committee • Board IT Committee	None
4	Mr. Nasser Sulaiman Al-Fraih	21-Oct-22	Non-Executive Director	None	BRC Member • Saudi National Bank (SNB) Capital
5	Mr. Hussein Eid	21-May-21	Non-Executive Director	• Board Audit Committee • Board Nomination and Remuneration Committee	None
6	Mr. Timour Pasha	27-Mar-19	Non-Executive Director	• Board Risk Committee	None
7	Hafiz Mohammad Yousaf	20-Aug-19	Independent Director	• Board Audit Committee • Board IT Committee • Board Nomination & Remuneration Committee	Director • Kot Addu Power Company Limited - Pakistan • Pakistan Security Printing Corporation - Pakistan • Security Papers Limited - Pakistan
8	Mr. Javed Kureishi	13-Dec-22	Independent Director	• Board Audit Committee • Board IT Committee	Owner • Bishopville Pro Chairman • Sindh Infrastructure Development Company Limited Director • Javedan Corporation Limited • Tricon Boston Consulting Corporation Pvt. Ltd. • Fauji Foods Limited • Pakistan Corporate Restructuring Company • Pakistan Stock Exchange Limited • Power Cement Limited • ZCD AAY Publication Pvt. Limited
9	Ms. Zeeba Ansar	16-Jun-21	Independent Director	• Board Risk Committee	Director • Cherat Cement Company Limited - Pakistan • Gul Ahmed Textile Mills Limited - Pakistan



Information as required under Code of Corporate Governance

AS AT DECEMBER 31, 2022

Shareholders' category	Number of shares held	%
i. Associated Companies, Undertakings and Related Parties		
THE SAUDI NATIONAL BANK	852,040,531	84.51
ii. Mutual Funds		
M/S. ASIAN STOCKS FUND LIMITED	99	0.00
M/S. SAFEWAY FUND LIMITED	263	0.00
CDC - TRUSTEE AKD OPPORTUNITY FUND	275,000	0.03
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1,385,804	0.14
iii. Directors, CEO and Their Spouse(s) and minor children		
SOHAIL ANSAR /ZEEBA ANSAR	1,000	0.00
HAFIZ MOHAMMAD YOUSAF	1,000,500	0.10
JAVED KUREISHI	500	0.00
iv. Executives*	75,014	0.01
v. Public Sector Companies and Corporations	2,635,899	0.26
vi. Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds	665,099	0.07
vii. NIT & ICP	25,297	0.00
viii. General Public		
a. Local	103,204,845	10.24
b. Foreign	196	0.00
ix. Others	46,928,601	4.65
	<u>1,008,238,648</u>	<u>100.00</u>
x. Shareholders Holding five percent or more Voting Rights in the Listed Company		
THE SAUDI NATIONAL BANK	852,040,531	84.51
SHUJAAT NADEEM	59,832,424	5.93

During the year, Mr. Javed Kureishi, Independent Director, purchased five hundred qualifying shares of the bank. Furthermore, the spouse of the executive namely Mr. Khalid Zafar individually purchased twenty thousand shares of the Bank.

*Executives of the Bank








Employees from the carde of Vice President ("VP") and above are determined as "Executive".










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Samba Bank Limited

Form of Proxy

20th Annual General Meeting

I / We, _____ of _____ being member(s) of Samba Bank Limited holding _____ ordinary shares hereby appoint _____ of _____ or failing him / her _____ of _____ who is / are also member(s) of Samba Bank Limited as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the Annual General Meeting of the Bank to be held at 11:00 a.m. on Wednesday, the 29th March 2023, at Serena Hotel, Islamabad and at any adjournment thereof.

As witness my / our hand / seal this _____ day of _____ 2023.

Signed by the said _____

in the presence of 1. _____

2. _____

Folio / CDC Account No.

Please affix here Revenue Stamp of Rs. 5/-

Important:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Bank, 1st Floor 19-Saleem Plaza, Blue Area, Jinnah Avenue, Islamabad, not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he himself is a member of the Bank, except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Bank, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders / Corporate Entities:

In addition to the above the following requirements have to be met:

- i) The proxy form shall be witnessed by the persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iii) The proxy shall produce his original CNIC or original passport at the time of the meeting.
- iv) In case of corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the company.

AFFIX
CORRECT
POSTAGE

The Company Secretary

Samba Bank Limited

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



سامبا بینک لمیٹڈ

پراکسی فارم

بیسواں سالانہ اجلاس عام

میں / ہم _____ کے _____ بطور سامبا بینک لمیٹڈ ممبر / ممبران
عمومی شیئر کیلئے _____ کو متعین کرتا ہے / کرتی ہے / کرتے ہیں
یا _____ کو مسترد کرتے ہیں۔

جو کہ / جو بھی سامبا بینک لمیٹڈ کے ممبر ہیں اور بطور میرے / ہمارے پراکسی میں میرے / ہمارے نہ آنے کی وجہ سے شرکت کریں گے اور میرے لیے / ہمارے لیے ووٹ ڈالیں گے
اور میری / ہماری جانب سے بینک کے سالانہ اجلاس عام میں شرکت کریں گے جو 11:00 بجے صبح، بروز بدھ 29 مارچ 2023، بمقام ہوٹل سیرینا، اسلام آباد میں
منعقد کیا جا رہا ہے اور التوا کی صورت میں کہیں بھی منعقد کیا جائے۔

بطور گواہی میرے / ہمارے ہاتھ / یہ میرے _____ کے دن _____ 2023۔

بھیجنے والے کے دستخط :

ان افراد کی موجودگی میں :

1. _____

2. _____

فیو / سی ڈی سی اکاؤنٹ نمبر

برائے مہربانی یہاں 5 روپے والی
ریونیو مہر لگائیں

اہم اطلاع:

- 1- یہ پراکسی فارم، حسب ضابطہ مکمل اور دستخط شدہ اور بینک کے رجسٹرڈ آفس، پہلی منزل، 19 سلیم پلازہ، بلیو ایریا، جناح ایونیو، اسلام آباد کم از کم اجلاس سے
48 گھنٹے پہلے سے وصول کردہ ہو۔
- 2- کوئی بھی شخص تب تک بطور پراکسی کام کر سکتا ہے جب تک کہ وہ بذات خود بینک کا ممبر ہو، علاوہ اُس کے جس کو کارپوریشن نے خود ممبر نہ ہوتے ہوئے بھی مقرر کیا ہو۔
- 3- اگر کسی ممبر نے ایک سے زائد پراکسی مقرر کی ہو یا بینک کے کسی ممبر کی جانب سے ایک سے زائد دستاویز جمع کروائی گئی ہوں، ایسی تمام پراکسی تجاویز نا اہل ہوں گی۔

برائے سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریٹ کے افراد:

اوپر بتائی گئی اضافی تفصیلات کے ساتھ درج ذیل دستاویز بھی ضروری ہیں

- i پراکسی فارم ان افراد سے تصدیق شدہ ہوں جن کے نام، پتے اور کمپیوٹرائیزڈ شناختی کارڈ نمبرز فارم پر درج ہوں۔
- ii پراکسی کی یا بینیفیشل اونرز کمپیوٹرائیزڈ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ منسلک کریں۔
- iii اجلاس کے وقت پراکسی کو اپنا اصل کمپیوٹرائیزڈ شناختی کارڈ یا اصل پاسپورٹ دکھانا ہوگا۔
- iv کارپوریٹ کے تجویز کردہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی نمونے کے طور پر دی گئی دستخط کے ساتھ (پہلے جمع نہ کروانے کی صورت میں)
کمپنی کے فراہم کردہ پراکسی فارم کے ساتھ جمع کروانی ہوگی۔

ڈاک ٹکٹ
چسپاں
گریں

کمپنی سیکریٹری

سامبا بینک لمیٹڈ

پہلی منزل، ۱۹ سلیم پلازہ،
بلیو ایریا، جناح ایونیو،
اسلام آباد۔

Samba Bank Limited

ANNUAL GENERAL MEETING

At 11:00 a.m. March 29, 2023

Serena Hotel, Islamabad.

ADMISSION SLIP

Name _____

Folio No. (Non CDC) _____ Signature _____

CDC A/c. No. _____ Signature _____

No. of Shares held _____

Verified by: FAMCO Associates (Pvt.) Limited

Note:

- i) The signature of the shareholder must tally with the specimen signature on the Company's record.
- ii) Shareholders are requested to show the admission slip at the time of entrance in the meeting premises.

This Admission Slip is Not Transferable

سامبا بینک لمیٹڈ

سالانہ اجلاس عام
مورخہ ۲۹ مارچ، ۲۰۲۳، صبح ۱۱:۰۰ بجے
بمقام ہوٹل سیرینا، اسلام آباد۔

داخلہ سلیپ

نام _____

فولیو نمبر (نان سی ڈی سی) _____ دستخط _____

سی ڈی سی اکاؤنٹ نمبر _____ دستخط _____

موجود حصص کی تعداد _____

تصدیق کنندہ: فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ

نوٹ:

- i- حصص یافتگان کے دستخط، کمپنی کے ریکارڈ میں موجود دستخط کے نمونے سے لازماً مشابہت رکھتے ہوں۔
- ii- حصص یافتگان سے درخواست ہے کہ اجلاس میں شرکت کے لیے داخلے کے وقت یہ سلیپ دکھائیں۔

یہ داخلہ سلیپ قابل منتقل نہیں ہے

