

Samba Bank Limited

ANNUAL  
REPORT | 2023

Samba Bank Limited

0800-SAMBA (72622) | [www.samba.com.pk](http://www.samba.com.pk)



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 service and innovative solutions through its people and technology, yielding superior returns and demonstrating responsible corporate citizenship.

# MISSION

To become the most admired bank by:

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

# CORE VALUES

## Equal Opportunity

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

## Teamwork

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

## Respect & Dignity

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

## Meritocracy

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

## Integrity

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

INFORMATION

#### Board of Directors

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

#### Board Audit Committee

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

#### Board Risk Committee

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

#### Board Nominations & Remuneration Committee

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

#### Board IT Committee\*\*

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

#### President & Chief Executive Officer

Mr. Ahmad Tariq Azam

#### Deputy Chief Executive Officer

Mr. Rashid Jahangir

#### Company Secretary

Syed Zia-ul-Husnain Shamsi

#### Chief Financial Officer\*\*\*\*

Mr. Basit Hamanyun

#### Auditors

KPMG Taseer Hadi & Co.  
Chartered Accountants

#### Legal Advisors

Mohsin Tayebaly & Co.  
Advocates & Legal Consultants

#### Head Office

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

#### Registered Office

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

#### Share Registrar\*\*\*

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

#### Website

[www.samba.com.pk](http://www.samba.com.pk)

#### Helpline

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

#### Credit Rating

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

\* Appointed w.e.f. October 30<sup>th</sup>, 2023  
\*\* Re-constituted w.e.f. December 22<sup>nd</sup>, 2023  
\*\*\* w.e.f. January 1<sup>st</sup>, 2024  
\*\*\*\* w.e.f. February 4<sup>th</sup>, 2024

# BRANCH NETWORK

## OUR BRANCH NETWORK

Currently, SBL has a network of 47 branches located in 15 major cities across the country

### Karachi

I.I. Chundrigar Road  
Clifton, Park Towers  
Rashid Minhas Road  
Hyderi  
S.M.C.H.S.  
Bahria Complex I  
DHA Phase VI  
DHA Phase VIII  
Shahra-e-Faisal  
Gulshan-e-Iqbal  
Bahadurabad  
Khayaban-e-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-II  
F-7  
DHA Phase II

### Jhelum

Jhelum Cantt.

### Nowshera

Rashakai

### Multan

Nusrat Road  
Mouza Gith Barabar (DHA)

### Faisalabad

Liaquat Road  
Susan Road

### Rawalpindi

Murree Road  
Bahria Town  
Wah Cantt.

### Sialkot

Paris Road

### Gwadar

Airport Road

### Quetta

M.A. Jinnah Road

### Peshawar

Islamia Road

### AJK - Bagh

Bagh

### Gujranwala

G.T. Road

### Sahiwal

Sahiwal

## 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 focused on providing external audit services to listed companies. He then specialized 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. 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.



**Ms. Kholood Khalid Al-Khelaiwi**  
Director

Ms. Kholood K. Al-Khelaiwi is a career banker having spent more than 20 years with the Saudi National Bank, KSA (formerly National Commercial Bank), Capital Markets Authority, KSA, Samba Financial Group, KSA Mizuho Saudi Arabia Company, KSA. Presently, she is the Executive Vice President/Head, Trading, Global Markets of Saudi National Bank ("SNB"), KSA, since 2021. Prior to her existing position, she was Head, Structured Solutions, Treasury for almost eight years at SNB.

Before joining SNB, Ms. Kholood served Capital Market Authority, KSA for two years as Senior Officer-Authorization/Inspection, Market Institutions, prior to that, she worked at Mizuho Saudi Arabia Company, KSA, for almost two years where her role was as Advisory Head. Earlier, she was associated with Samba Financial Group, KSA, for around six years, where she worked as Manager, Structured Finance Products and Sales, Treasury. She started her career at the National Company for Cooperative Insurance, KSA, where she held the position of Account Executive-Takaful.

Ms. Kholood K. Al-Khelaiwi possesses an extensive understanding of Treasury Operations (Global Markets) investment, regulatory, risk management, and financial reporting areas. She has done various certification courses relevant to her areas of expertise.

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



**Mr. Timour Pasha**  
Director

Mr. Timour Pasha is a Senior Corporate Banking Professional with over 31 years of banking experience. Over 14 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 held several roles both within Business and Risk chains till 2008. In 2009, he joined Samba Financial Group (SFG).

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



**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 Abdul Aziz University, KSA.

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

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

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



**Hafiz Mohammad Yousaf, FCA**  
Director

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

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

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

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

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





**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. Javed Kureishi**  
Director

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

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

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



**Mr. Ahmad Tariq Azam**  
President and  
Chief Executive Officer

Mr. Ahmad Tariq Azam joined Samba Bank Limited 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.

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. Javed Kureishi**  
**Mr. Ahmad Tariq Azam**

The Board Risk Committee-BRC oversees the risk management function, including credit, market, liquidity, operational, environmental and information security risks. In addition, Compliance risks are also reviewed, as presented by the Compliance Function. BRC provides appropriate supervision and governance of these risks within the Bank. Additionally, business segments' related Product Programs are also approved by the BRC. 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

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

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

In its compensation supervisory role, the BNRC is tasked:

- 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
- Reviewing directors' nominations for suitability with regard to the Bank's needs and regulatory requirements
- Reviewing and recommending to the Board selection and appointment of President & CEO.
- 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:

- Periodically review and evaluate the Remuneration and other Human Resource Management Policies to ensure their adequacy and effectiveness.
- 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.
- Review and recommend annual fixed and variable compensation pools for approval by the Board of Directors.
- Review and approve the Management Structure/Organogram for the Senior Management of the Bank.

### BOARD IT COMMITTEE (BITC)

#### Constitution

**Mr. Javed Kureishi**  
**Mr. Mustafa Ilyas**  
**Hafiz Mohammad Yousaf**  
**Ms. Kholood K. Al-Khelaiwi**

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

## CHAIRMAN'S MESSAGE



On behalf of the Board of Directors, I am pleased to present Samba Bank Limited's annual report for the year ended 31 December, 2023. As the Chairman, I am dedicated to upholding the utmost standards of integrity, transparency, and accountability across all facets of our operations, with a primary focus on our clients and workforce. My objective is to ensure the delivery of value to all our stakeholders.

The year 2023 posed numerous challenges for the banking sector, both domestically and globally. Amidst subdued global growth, central banks worldwide responded to high inflation caused by supply chain disruptions by increasing interest rates. Locally, the PKR devaluation, energy pass-through, and floods-induced supply shock exacerbated inflation. The State Bank of Pakistan responded to these pressures by raising the benchmark discount rate by 600 basis points in 2023.

In navigating these economically challenging conditions, the Bank implemented strategic measures to safeguard its earning assets, fortifying its balance sheet through prudent provisioning against risk assets. Despite these challenges, these measures resulted in profit before tax of PKR 2,193 million.

### Digital Initiatives

In 2023 the bank introduced several new products and services that reflected the Samba's digital vision. The bank launched the Roshan Digital Account (RDA) Business Account. Fast track business account opening facility backed by cutting edge technology to help cater to day-to-day business banking needs in Pakistan for NRPs. The Bank also developed a Mobile App and Online Portal enabling our customers to digitally apply for deposit accounts. Backed by the State Bank of Pakistan, over the counter service for RAAST person to person payment was introduced. To give a superior customer experience for Samba Bank Mobile Banking users, the Bank launched the generate and share Account QR and has enabled customers to execute person to person payments by scanning RAAST QR. The Bank also launched a discount campaign for its Debit Card customers for the first time.

### Wholesale Banking Group

During the year, the Wholesale Banking Group (WBG) focused on maintaining robust customer engagement amidst the ongoing macroeconomic volatility. With the exception of a few obligors, the entire asset portfolio remained regular. Few high-quality new asset bookings were also undertaken on selective basis to replace scheduled repayments in the loan portfolio.

Significant improvement in assets yields was achieved through higher yields mainly due to high interest rate environment. Net Interest income of WBG for 2023 increased to PKR 3,504 million (2022: PKR 1,804 million), representing YoY growth of 94%. This growth was achieved on back of higher yields and significant growth segment's deposits book. Non-interest income of the segment closed at PKR 480 million (2022: PKR 512 million), representing YoY decline of 6% due to lower trade volumes.

In 2024, the segment will strive to sustain momentum in deposit volumes, which exceeded PKR 46 billion during 2023 (2022: PKR 25.1 billion) to supplement its loan book. WBG will also focus on achieving settlement with its delinquent obligors thereby bringing down its loan portfolio infection rate.

In 2023, Cash Management (CMG) emerged as a key driver of cross-selling initiatives for CIBG, culminating in a notable milestone as CMG volumes soared to PKR 304 billion benchmark as compared to PKR 200 billion in 2022. This feat was realized through the acquisition of fresh mandates, enhancement of relationships with our existing clientele, and the successful integration of innovative digital products into our offerings.

### Retail & Consumer Banking Group

During 2023, the Retail Banking Group (RBG) continued its consistent year-on-year growth in current and low-cost deposits, complemented by its Hajj & Umrah business and Payroll accounts solicitation. Effective management of liability business and cost rationalizations allowed the business to achieve exceptional profitability and a robust balance sheet during the year 2023.

Net Interest income of RBG for 2023 increased to PKR 3,055 million (2022: PKR 2,375 million), representing YoY growth of 29%. This increase in top line income resulted in segment's net income of PKR 1,624 (2022: PKR 1,200 million) for 2023.

RBG maintained a strategic focus on the growth of its Consumer Asset portfolio, demonstrating consistent profitability across all product lines. The emphasis on maintaining portfolio infections at acceptable levels vis-à-vis new relationship onboarding remained a key aspect of our operational strategy. Looking ahead to 2024, our primary objectives include a convenience-driven & straight-through/digital loan solicitation and approval mode to cautiously expand this portfolio, supported by our state of the art digital banking platform.

In 2023, the retail business executed a well-planned strategy to establish an efficient digital service model, resulting in over 90% of individual customer transactions being handled through our bank's digital channels. Additionally, 50% of all individual onboarding was facilitated through the digital onboarding platform mandated by the State Bank of Pakistan. In 2024 our plan includes launching an enhanced digital onboarding and personal banking platform. An all new e-KYC spectrum will be available to our staff, expediting customer onboarding and due diligence in alignment with regulatory guidelines.

### Global Markets/Treasury (GM)

The macro-economic challenges of the country intensified in 2023, with USD/PKR and interest rates reaching unprecedented levels, the markets experienced significant strain in the first half of the calendar year. Pakistan's currency, debt and capital markets exhibited a substantial optimism in later half of 2023 with the signing of a Stand-By Arrangement (SBA) between Pakistan and the International Monetary Fund (IMF).

Despite this challenging economic landscape, our Global Markets business navigated through these complexities resulting in foreign exchange (FX) income of PKR 1,144 million (2022: PKR 1,051) demonstrating an 8.6% growth on bank level. The adept and strategic restructuring of the Equity portfolio played a pivotal role in transforming an initial revaluation deficit of PKR 423 million into a notable revaluation gain of PKR 309 million significantly outpacing the benchmark index. Overall total revenues of GM closed at PKR 1,171 million (2022: Loss of PKR 299 million).

### Performance of the Board of Directors

I wish to extend my appreciation to the Board of Directors for their significant contributions to the progress and continued success of Samba Bank. During 2023, the board consistently exemplified elevated standards of business and professional conduct while overseeing the bank's operations. Their role extended to setting strategic objectives and providing the leadership necessary to translate those objectives into actionable initiatives, aligning seamlessly with the bank's vision, mission and core values.

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

### Acknowledgement

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

Mustafa Ilyas  
Chairman

# EXECUTIVE TEAM



**Ahmad Tariq Azam**  
President & Chief Executive Officer



**Rashid Jahangir**  
Deputy Chief Executive Officer



**Samina Hamid Khan**  
Chief Risk Officer



**Talal Javed**  
Group Head  
Consumer Banking



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



**Syed Ghazanfar Agha**  
Group Head Compliance



**Imran Kazim**  
Group Head Operations, Technology & Admin



**Syed Kamran Masood**  
Chief Credit Officer



**Sitwat Rasool Qadri**  
Chief Internal Auditor

**Farrukh Haider**  
Group Head Global Markets & FIs/Treasurer



**Syed Ali Raza**  
Chief Lending Officer

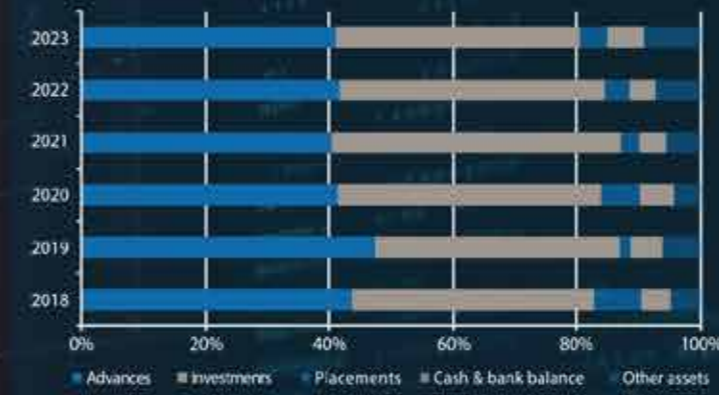


**Basit Hamanyun**  
Chief Financial Officer

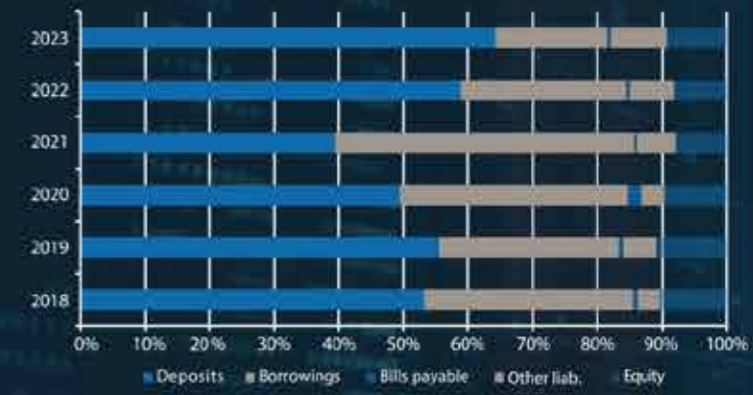
# PERFORMANCE HIGHLIGHTS



Assets:



Liabilities & Equity



ASSETS:

	2018	2019	2020	2021	2022	2023
Advances	44%	47%	41%	40%	42%	41%
Investments	39%	40%	43%	47%	43%	39%
Placements	8%	2%	6%	3%	4%	5%
Cash & bank balances	5%	5%	5%	4%	4%	6%
Other assets	5%	6%	4%	6%	7%	9%

LIABILITIES & EQUITY:

	2018	2019	2020	2021	2022	2023
Deposits	53%	55%	49%	39%	59%	64%
Borrowings	32%	28%	35%	46%	26%	17%
Bills payable	1%	1%	2%	0%	1%	1%
Other liabilities	3%	5%	4%	6%	7%	9%
Equity	10%	11%	10%	8%	8%	9%



## SNB AWARDS 2023



Every year, SNB receives numerous prestigious awards and titles from regional and international media, industry bodies, and banking institutions, in recognition of its efforts and achievements in various fields of banking and financial services, in addition to other awards that increasingly recognize the bank's endeavors in the field of social responsibility.

- **Certificate of Excellence in Basic Procurement**  
- SNB is the first Saudi bank to receive this certificate from CIPS
- **Best Mortgage Program in the KSA 2022 Award**  
- During Restatex 2023 for the Bank's leading role in the real estate finance sector and its support for the development of the housing sector
- **Outstanding Performance Award**  
- Kafalah Program honors SNB during Biban 23 Forum
- **Entertainment Sector Award**  
- Kafalah Program honors SNB during Biban 23 Forum
- **The Best Islamic Trade Finance Bank in 2023**  
- GTR

# DIRECTOR'S REPORT

## Economic Highlights

In 2023, Pakistan economy confronted major challenges that included subdued economic growth, macroeconomic volatility, high inflationary pressures and geopolitical unrest. These challenges resulted in major currency devaluation, high inflation that clocked around 30% and policy rates increased to 22% during the year.

On the external front, current account posted a deficit of USD 831 million during the first half FY 24 (July 2023 - Dec 2023) as against a deficit of USD 3,629 million for FY 23. Reduction in current account is mainly on account of contraction in imports which decreased by 10% and increase in exports by 5%. During the month of December 2023 current account posted a surplus of USD 397 million, which is evident of the central bank's proactive management of its external front challenges.

## Bank's Operating Results and Financial Review

The year under review stands as a testament to our unwavering commitment to excellence as we proudly announce highest ever financial results in the history of our institution.

Rupees in million

	2023	2022
Operating profit	4,480	919
Provisions	2,286	1,845
Profit/(loss) before taxation	2,193	(926)
Taxation charge/(Reversal)	958	(498)
Profit/(loss) after taxation	1,235	(428)
Earnings/(loss) per share - PKR	1.22	(0.42)

During the period under review, Net Interest Income increased by 71% over comparative period of last year. This increase is in line with hike in policy rate from 16% in December 2022 to 22% in December 2023. FX income, registered a growth of 9% over the corresponding period and closed at Rs. 1,144 million, however, that was overshadowed by capital loss of Rs. 400 million incurred on disposal of certain fixed rate bonds and equity investments. Despite overall inflation of around 30% and significant currency devaluation, the operating expenses of the Bank for the year ended December 31, 2023 remained well under control and increased by 18% over comparative period.

The bank is continuously right sizing its earning assets mix vis-à-vis credit risk. In the wake of rising interest rate scenario, the momentum has shifted towards mobilization of low cost deposits and gradual reduction in borrowings. The bank has strategically reduced its balance sheet size, which primarily represents a reduction of Rs. 6,492 million in investments and Rs. 1,018 million in Loans and Advances. On the liabilities side, the interbank borrowings decreased by Rs. 14,845 million. The Bank was able to mobilize customer deposits which continued the growth momentum and increased by Rs. 9,488 million (9%). Despite increase in policy rate by 600bps, overall cost of deposits of the bank only increased by 300bps.

## Credit Rating

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

## Statement of Internal Controls

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

## 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, Liquidity, Operational, Fraud, Environmental, Cyber Security risks and AML/CPF/CFT 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 2023, 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, 2023 (2022: 84.51%);
- Vision and Mission statement monitoring the effectiveness of the company's governance practices and overall corporate strategy for the Bank is prepared, adopted and reviewed as and when deemed appropriate by the Board;
- A formal code of conduct is in place that promotes ethical culture in the Bank and prevents conflict of interest in their capacity as member of the Board, senior management and other employees. The Board takes appropriate steps to disseminate code of conduct throughout the Bank along with supporting policies and procedures;
- Adequate systems and controls are in place for identification and redress of grievances arising from unethical practices;
- Proper books of account of the Bank have been maintained;
- The financial statements prepared by the management of the Bank fairly present its state of affairs, result of its operations, comprehensive income, cash flows, and changes in equity;
- Appropriate accounting policies have been consistently applied in the preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan and adopted by the State Bank of Pakistan, have been followed in preparation of the Bank's financial statements, and departures, if any, have been adequately disclosed;
- The system of internal controls is sound in design and has been effectively implemented and monitored on best efforts basis;
- There are no doubts about the Bank's ability to continue as a going concern;
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;
- A summary of key operating & financial data for last 6 years is included in Annual Report;
- A statement showing the Bank's shareholding pattern as of December 31, 2023 is annexed;
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as of December 31, 2023, 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 are 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;
- The Directors for whom Directors' Certification was required from an authorized institution pursuant to Section G-9 (8) of the Corporate Governance Regulatory Framework ("CGRF"), have completed their Director's Certification program;

- Directors Fee is paid in line with Board approved remuneration policy for the Board of Directors in this regard and in accordance with the Companies Act, 2017 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

Seven (7) Board meetings along with Twenty-Three (23) 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	Board IT Committee
Number of meetings held	7	6	10	6	1
Number of meetings attended:					
Mr. Mustafa Ilyas	6	-	-	6	1
Mr. Nasser Sulaiman Al-Fraih	6	-	-	-	-
Mr. Hussein Eid	6	6	-	6	-
Mr. Timour Pasha	7	-	9	-	-
Ms. Kholood Khalid Al-Khelaiwi*	-	-	-	-	-
Mr. Ali Muhammad Mahoon**	3	-	1	-	1
Hafiz Mohammad Yousaf	6	6	-	6	1
Mr. Javed Kureishi	7	6	8	-	1
Ms. Zeeba Ansar	7	-	10	2	-
Mr. Ahmad Tariq Azam	6	-	10	-	-

\* Appointed on October 30, 2023

\*\* Resigned on May 31, 2023

## Share Acquisition by Directors and Executives

The Pattern of shareholding and additional information regarding the pattern of shareholding is annexed separately. Furthermore, the spouse of the executive namely Mr. Khalid Zafar individually purchased and sold five hundred shares of the Bank.

## Statement under Revised Guidelines on Remuneration Practices

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



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

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

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

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

## Auditors

The retiring external auditors Messrs. KPMG Taseer Hadi & 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 2023 is disclosed in Note 28.4 of the annexed financial statements.

## Events After B/S 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

IMF stand-by program has supported significant progress in stabilizing the economy following currency devaluation and inflation shocks in FY 2023. There are now tentative signs of activity picking up and external pressure easing. This momentum requires strict adherence to fiscal targets while protecting social spending, a market-determined exchange rate to absorb external shocks, political stability and progress on structural reforms to improve the fiscal framework. After the completion of its first review of the program, IMF executive board allowed for immediate disbursement of around \$700 million bringing total disbursements to about \$1.9 billion.

## Acknowledgment

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

On behalf of the Board of Directors,



**Ahmad Tariq Azam**

President and Chief Executive Officer

February 27, 2024

Karachi.



**Mr. Javed Kureishi**

Director



☆ ڈائریکٹرز کے پروفائل اور دیگر اداروں میں ان کی بلورڈائریکٹرز حیثیت کے بارے میں معلومات اس سالانہ رپورٹ کے علیحدہ سیکشن میں فراہم کی گئی ہیں۔

☆ بورڈ کی کمیٹیوں کی بناوٹ اور ان کے کام کے طریقہ کار (گورننس ریفورمز) کا خلاصہ اس سالانہ رپورٹ کے علیحدہ سیکشن میں فراہم کیا گیا ہے۔

☆ ایسے تمام ڈائریکٹرز جن سے کارپوریٹ گورننس ریلویری فریم ورک (سی سی آر ایف) کے سیکشن جی۔9 (8) کے تحت ڈائریکٹرز سلیکشن مینڈیٹس مطلوب تھا انہوں نے ڈائریکٹرز سلیکشن کے اپنے پروگرام کی تکمیل کی ہے۔

☆ ڈائریکٹرز کی فیس کی ادا ہونے کی صورت میں بورڈ کی منظور شدہ ریویژن (معاوضوں) پالیسی کے تحت کی جاتی ہے۔ اور بینک اس بارے میں سیکٹرز ایکٹ 2017 اور کوڈ آف کارپوریٹ گورننس (سی سی جی) کے تحت ایک باضابطہ پالیسی کی تکمیل کے آخری مراحل میں ہے۔

☆ سی سی جی کی مطلوبیات کے مطابق بینک آزاد اور غیر انتظامی ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتا ہے۔ فی الوقت بینک کا بورڈ آف ڈائریکٹرز جن میں 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 کارکردگی میں بھرپور کردار ادا کر رہے ہیں۔ بورڈ اس امر کو یقینی بناتا ہے کہ بینک اپنی کارکردگی کے تمام شعبوں میں کارپوریٹ گورننس کے بہترین معیار کا امتثال کرے اور مضبوط داخلی انضباط کے نظام کا حامل ہو۔ بورڈ معاشرتی اور ماحولیاتی عوامل کی بنیاد پر بینک کی اپنی پائیدار حکمت عملی کے بارے میں ذمہ داریوں کا مکمل ادراک رکھتا ہے اور اس بارے میں رہنما اصول بھی مرتب کرتا ہے تاکہ ان تمام معاملات پر مدد برائی کے جاری عمل کو یقینی بنایا جاسکے۔

## بورڈ کے اجلاس:

اس زیر نظر حصے میں بورڈ کے سات (7) اجلاس اور اس کے ساتھ بورڈ کی ذیلی کمیٹیوں کے تیس (23) اجلاس منعقد ہوئے۔ بورڈ ان ڈائریکٹرز کو حاضری سے متعلق عطا کرتا ہے جنہوں نے اجلاس میں شرکت نہیں کی۔ منعقد شدہ اجلاس کی تعداد اور ان میں ہر ڈائریکٹر کی شرکت کچھ اس طرح سے ہے:

بورڈ کے اجلاس	آڈٹ کمیٹی کے اجلاس	رسک کمیٹی کے اجلاس	نامزدگی اور معاوضہ کمیٹی کے اجلاس	بورڈ آئی ٹی کمیٹی کے اجلاس
منعقد شدہ اجلاس کی تعداد	6	10	6	1
اجلاس میں شرکت کی تعداد:				
جناب مصطفیٰ الیاس	-	-	6	1
جناب نصر سلیمان الفریح	-	-	-	-
جناب حسین سعید	6	-	6	-
جناب تیمور پاشا	7	-	-	-
محترمہ خلود خالد الخلیل وی*	-	-	-	-
جناب علی محمد ماہون**	3	-	1	1

☆ حسب ضرورت اور صوابدیکہ کے تحت تیار، اختیار اور ان کا تجزیہ کیا گیا ہے۔

☆ طرز عمل کے باضابطہ قوانین موجود ہیں جن سے بینک میں اخلاقی تہذیب و تمدن کے فروغ اور معاملات کے نگرانی سے بچا جانے جو بلورڈ اور ان کے ارکان، سیکرٹریٹ اور دیگر ملازمین کی حیثیت سے توقع پذیر ہو سکتے ہوں۔ بورڈ بینک میں اخلاقی تہذیب کے طرز عمل کے فروغ کے لیے متعلقہ ضابطے اور طریقہ کار کے ساتھ مناسب اقدامات جاری رکھتا ہے۔

☆ غیر اخلاقی ضابطہ عمل سے پیدا ہونے والی کسی بھی شکایت کی نشاندہی اور اس کے ازالے کے لیے مناسب سسٹمز (نظام) اور کنٹرولز (انضباط) موجود ہیں۔

☆ بینک کی جانب سے حسابات کیلئے نہایت مناسب کھاتے بنائے گئے ہیں۔

☆ بینک کی جانب سے تیار کردہ مالیاتی گوشوارے اس کے معاملات کی واضح تصویر (معتدلاتہ جائزہ)، اس کی کارکردگی کے نتائج، مجموعی آمدنی، نقد بہاؤ (کیٹس فلوز) اور سرمایہ (ایکویٹی) کی تبدیلی پیش کرتے ہیں۔

☆ موزوں حساب داری کی حکمت عملیوں کو کھاتوں کی تیاری کیلئے مسلسل طور پر جاری رکھا جاتا ہے۔ حساب داری کے انداز معقول اور محتاط رائے پر استوار کئے جاتے ہیں۔

☆ بین الاقوامی حساب داری کے معیار (انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز) کے پاکستان میں اطلاق کی حد تک معاملات کو ان مالیاتی گوشواروں کی تیاری کے دوران مد نظر رکھا گیا ہے۔ تاہم ان سے معمولی صرف نظر، اگر کوئی ہو تو، اس کو نہایت وضاحت کے ساتھ بیان کیا گیا ہے۔

☆ اندرونی انضباط کا نظام اپنے خود خالی میں مضبوط اور مستحکم ہے اور نہایت خوش اسلوبی سے نافذ کیا اور جانچا جاتا ہے۔

☆ بینک اپنی کارکردگی جاری رکھنے کی صلاحیت کے حوالے سے کسی بھی شک و شبہ سے بالاتر ہے۔

☆ کارپوریٹ گورننس کے بہترین ضابطہ عمل، جیسا کہ متعلقہ قوانین میں درج ہیں، سے کوئی قابل ذکر گروائی نہیں کی گئی۔

☆ پچھلے 6 سال کی اہم کارکردگی اور مالیاتی مواد (ڈیٹا) کا خلاصہ سالانہ رپورٹ میں شامل ہے۔

☆ 31 دسمبر 2023 کو بینک کے حصص یافتگان کی ترتیب کے نمونے پر مشتمل گوشوارہ منسلک ہے۔

☆ پرنٹ شدہ مالیاتی گوشواروں کے مطابق سالانہ 31 دسمبر 2023 تک کوئی بھی قانونی ادائیگی، ٹیکس کی مد میں یا ذمی دہی۔ لیوی (عائد شدہ) یا کوئی اور شرح واجب الادا نہیں سوائے ان کے جن کی وضاحت مالیاتی گوشواروں میں کردی گئی ہے۔

☆ کوڈ آف کارپوریٹ گورننس کے تحت بنیاد منسلک ہے۔

☆ بینک کے مالیاتی گوشواروں کو بینک کے آڈیٹرز میسرز کے پی ایم جی (KPMG) ٹیم ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے بغیر کسی اعتراض کے آڈٹ کیا ہے۔

حافظ محمد یوسف	6	6	-	6	1
جناب جاوید قریشی	7	6	8	-	1
محترم ذریعہ انصاری	7	-	10	2	-
جناب احمد طارق اعظم	6	-	10	-	-

\*30 اکتوبر 2023ء کو تقریر ہوئیں۔

\*\*31 مئی 2023ء کو مستعفی ہوئے۔

## ڈائریکٹرز اور ایگزیکٹو کے حصص کا حصول

حصص کی ملکیت کی ترتیب اور اس سے متعلقہ اضافی معلومات علیحدہ سے منسلک ہیں۔ علاوہ ازیں، بینک کے ایک ایگزیکٹو جناب خالد ظفر کی زوجہ نے انفرادی طور پر بینک کے پانچ سو حصص کی خرید و فروخت کی۔

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

اسٹیٹ بینک آف پاکستان کی فراہم کردہ انتظام اور شاہدہ کے طریقہ کار کے بارے میں رہنمائی اور اظہار کے اصولوں کی روشنی میں بینک نے ایک پالیسی ترتیب اور نافذ کی جو خاص طور پر ان ملازمین سے تعلق رکھتی ہیں جو خدمات کو اختیار یا اس کی نگرانی کے عمل کے ذمہ دار ہیں، مثلاً، میٹریل رسک ٹیکرز (ایم آر ٹیز) اور میٹریل رسک کنٹرولرز (ایم آر سیز) (MRTs) (Material Risk and Material Risk Controllers (MRCs))۔ اس پالیسی کے بنیادی مقاصد میں خدمات کے تدارک کے لیے موزوں اور مضبوط انتظام کا فروغ، بطور امدت کارکردگی کی حوصلہ افزائی و تعاون اور اعلیٰ قابلیت کے حامل ملازمین کی دلچسپی، کام کو جاری اور متحرک رکھنے، جیسے عموماً شامل ہیں۔

یہ پالیسی، جس میں جانچے کا طریقہ کار شامل ہے، ایم آر ٹیز اور ایم آر سیز (MRTs & MRCs) کی درجہ بندی کرتی ہے جن کے اہداف کا تعین، کارکردگی کی جانچ اور ان کے کام کی نجا آوری کو پرکھنے کے طریقہ کار کو ایک متوازن سکور کارڈ (score card) کی سوچ کے محور پر اخذ کیا گیا ہے، جس کا تعلق مالیاتی کارکردگی کے جائزے اور بینک میں مجموعی طور پر اس سے بڑے خدمات کی بنیاد پر ہوتا ہے۔ ایم آر ٹی ایم آر سی کی شمولیت کے معیار اصولوں میں دونوں پہلوؤں کو مد نظر رکھا جاتا ہے، معیاری پہلوؤں میں پریڈیکٹ اور سی ای او (CEO) اور بورڈ کی کمیٹیوں کو براہ راست جوابدہ، نائز ریٹینجمنٹ کمیٹیوں کے ممبران اور تمام اہم شعبہ جات کے سربراہان، جو کاروبار، اسکے خدمات اور ان پر قابو پانے اور اس کے ساتھ ساتھ مقصدی معیار کے پہلوؤں میں تمام اہم خدمات کا احاطہ کیا گیا ہو، مثلاً کریڈٹ رسک، آپریٹنگ رسک، لیکویڈیٹی رسک اور مالیاتی اخراجات کی منظوری کا کام اہم اہداف اور اختیارات وغیرہ کے لیے ضروری اقدامات کرتے ہیں۔ تمام ایم آر ٹیز اور ایم آر سیز کی کارکردگی کی جانچ خدمات کی مطابقت کے متوازن سکور کارڈ میں مالیاتی اور غیر مالیاتی معیاری اور اس کے ساتھ ساتھ خدمات کی مطابقت کے عوامل، جو خدمات اور ان کی حلقوں میں ہم آہنگی قائم کرتے ہوں، کے ذریعے کی جاتی ہے۔ سکور کارڈ میں موجود ہر شعبہ میں مختلف عوامل / موزوں شیڈ مارک اور اہداف کی بنیاد پر کارکردگی کی جانچ کے لیے کے پی آئی (KPIs) شامل ہیں۔

تمام ایم آر ٹیز اور ایم آر سیز کی کارکردگی کی جانچ خدمات کی مطابقت کے متوازن سکور کارڈ میں مالیاتی اور غیر مالیاتی معیاری اور اس کے ساتھ ساتھ خدمات کی مطابقت کے عوامل، جو خدمات اور ان کی حلقوں میں ہم آہنگی قائم کرتے ہوں، کے ذریعے کی جاتی ہے۔ سکور کارڈ میں موجود ہر شعبہ میں مختلف عوامل / موزوں شیڈ مارک اور اہداف کی بنیاد پر کارکردگی کی جانچ کے لیے کے پی آئی (KPIs) شامل ہیں۔

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

- 1- معین معاوضہ - جس میں ملازمین کو ماہانہ بنیاد پر کل تنخواہ، گریڈ اور عہدہ کی بناء پر معین الاؤنس اور فوائض شامل ہیں اور؛
- ب- حتمی معاوضہ - جس میں کارکردگی کی بنیاد پر سالانہ ایوارڈ یا فوائض کے شکل میں معاوضوں کی ادائیگی شامل ہے۔

معین معاوضوں کی ترکیب ایک انفرادی ملازم کے کام اور عہدہ، پیشہ وارانہ قابلیت، سناریائی، تعلیم، ذمہ داری، کام کی پیچیدگی، داخلی مارکیٹ کے حالات وغیرہ پر منحصر ہوتی ہے۔ جبکہ حتمی معاوضوں میں بینک کے گروپ کے کاروبار پورٹ فولیو، شعبہ کے اور انفرادی کارکردگی کے جائزے کو ادائیگیوں کے تعین کے لیے استعمال کیا جاتا ہے۔

تمام اہل ایم آر ٹیز اور ایم آر سیز کی حتمی معاوضوں کا ایک مخصوص حصہ کو ملازمین اور دیگر اسٹیک ہولڈرز (stake holders) کے مفاد میں ایک مخصوص مدت (تین سال) کے لیے موخر کیا جائے گا اور اس کا تعلق ان کی طویل مدت مسلک کارکردگی سے جوڑا جائے گا۔ موخر رقم کے حصے کا تعین، جس کی حد 20 فیصد سے 30 فیصد ہے، متعلقہ ایم آر ٹی اور ایم آر سی کی درجہ بندی کی بنیاد پر ہوگا۔ جس میں پریڈیکٹ اور سی ای او، سینئر انتظامیہ اور دیگر ایم آر ٹیز اور ایم آر سیز شامل ہیں۔ موخر شدہ معاوضے، اعلان شدہ متعلقہ سال سے اگلے تین سال کی مدت کے ملکیتی تناسب میں رکھے جائیں گے اور ملازمین کو مطلوبہ تناسب میں سالانہ قسطوں میں ادا کئے جائیں گے۔ چند مخصوص شفاف خدمات، روپے اور چال چلن یا کارکردگی کے نتائج کے باعث غیر حاصل شدہ معاوضوں میں کمی یا انکی منسوخی کے سدباب کے لیے ضروری اخراجات (پروویژنز) کا اندراج کیا جانا چاہیے۔ ایم آر سیز کا معاوضے کا تعین ان کے زیر نگرانی کاروباری بخش کے مطابق آزادانہ طور پر کیا جاتا ہے جو کنٹرول فنکشنز کے امور انجام دے رہے ہیں، جن میں رسک مینجمنٹ، کریڈٹ، تعلیم، اندرونی آڈٹ، مالیاتی کنٹرول، لیگل وغیرہ شامل ہیں۔ کوئی ضمانت شدہ بونس کی اجازت نہیں ہے۔

ضوابطی مطلوبات کے معین مطابق بینک کے پاس غیر انتظامی ڈائریکٹرز پر مشتمل اور ایک آزاد ڈائریکٹری سربراہی میں ایک بورڈ نوٹیشن اینڈ رومینیشن کمیٹی (بی این آر سی) Board Nomination & Remuneration Committee (BNRC) موجود ہے۔ اگرچہ بورڈ آف ڈائریکٹرز پورے بینک پر محیط معاوضوں کی ادائیگیوں کے نظام کے نفاذ کے تجربے، منظوری اور نگرانی کے مجموعی طور پر ذمہ دار ہیں تاہم بی این آر سی (BNRC) بینک کے معاوضوں کی ادائیگی کے مجموعی حدود خال اور دیگر کچھ کی ذمہ دار ہے۔ بی این آر سی (BNRC) بورڈ کی منظوری کے لیے سینئر انتظامیہ کے لیے سالانہ کارکردگی کے ایوارڈ کو منظور / تجویز بھی کرتی ہے۔

## آڈیٹرز

بینک کے بیرونی (ایگزیکٹو) ریٹائر ہونے والے آڈیٹرز میسرز کے پی ایم جی (KPMG) ٹیٹھ ہادی اینڈ کینی چارٹرزڈ اکاؤنٹنٹس نے اہلیت کی بناء پر اپنی دوبارہ تقرری کی پیشکش کی ہے۔ بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی کی تجویز پر میسرز کے پی ایم جی (KPMG) ٹیٹھ ہادی اینڈ کینی چارٹرزڈ اکاؤنٹنٹس (جو کے پی ایم جی (KPMG) انٹرنیشنل کی ممبر فرم ہے) کو اگلے سال کے تقریر کیلئے تجویز کرتا ہے جس کی فیس مشاورتی طور پر طے کی جائے گی۔ سال 2023ء کے لیے آڈیٹرز کے معاوضوں کا ڈاکو مالیاتی گوشواروں کے ساتھ منسلک نوٹ نمبر 28.4 میں کیا گیا ہے۔

## میرا نیہ (پینلس شیٹ) کی تاریخ کے بعد کے واقعات

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

## مستقبل کی پیش بینی

مالی سال 2023ء میں کرنسی کی قدر میں فرسودگی اور افراط زر کے چھکوں کے بعد، آئی ایم ایف کے اسٹیٹ ہائی پروگرام نے معیشت کی بحالی میں نمایاں مدد اور تعاون فراہم کیا۔ اب معاشی سرگرمی کی بحالی اور بیرونی دباؤ میں آسانی کے متوقع اشاریے دیکھے جا رہے ہیں۔ یہ تحریک، اس امر کی متقاضی ہے کہ غیر ترقیاتی اخراجات کو محفوظ بنانے، بیرونی دباؤ کو برداشت کرنے کے لیے مارکیٹ پر منحصر شرح تبادلہ، سیاسی استحکام اور مالیاتی فریم ورک کی بہتری کے لیے ڈھانچہ جاتی اصلاحات کی پیش رفت برقرار رکھتے ہوئے مالیاتی اہداف کی کڑی پاسداری کی جائے۔ آئی ایم ایف کے ایگزیکٹو بورڈ نے اپنے پروگرام کے پہلے تجربے کی تکمیل کے بعد 700 ملین امریکی ڈالرز کی فوری تقسیم کرتے ہوئے مجموعی طور پر فراہم شدہ سرمائے کا حجم 1.9 بلین امریکی ڈالرز کی سطح پر پہنچا دیا۔

### اظہار تشکر

ہم اپنے صارفین اور کاروباری شراکت داران اور حصص یافتگان کے ان کے اعتماد اور غلوں پر نہایت مشکور ہیں۔ بورڈ آف ڈائریکٹرز اور بینک کی انتظامیہ، بینک دولت پاکستان، سٹیجیورٹی ایجنسی کمیشن آف پاکستان، ایف بی آر اور دیگر ضوابطی اداروں کی رہنمائی پر ان کے شکر گزار ہیں۔ اس کے علاوہ ہم اپنے بینک کے تمام ملازمین کی تبدیلی سے حوصلہ افزائی کرتے ہیں جن کی لگن، عزم اور محنت ورک نے بینک کو ایک کامیاب ادارے میں تبدیل کر دیا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

*Tavakul Khatun*  
جاوید قریشی  
ڈائریکٹر

*Amjad Ali*  
احمد طارق اعظم  
پریزیڈنٹ اور چیف ایگزیکٹو آفیسر  
27 فروری 2024  
کراچی

## Six Years' Performance Highlights

December 31	Rs. in Millions					
	2023	2022	2021	2020	2019	2018
<b>Statement of Financial Position</b>						
<b>Assets</b>						
Advances - gross	80,712	80,529	85,256	68,573	64,043	55,892
Investments - gross	70,503	76,922	94,188	68,199	51,510	48,139
Lending to financial institutions	8,192	7,354	5,908	9,936	2,274	9,449
Cash and balances with treasury and other banks	10,504	7,193	8,910	8,743	6,698	5,651
Fixed assets	2,958	3,132	2,982	1,939	1,897	1,065
Intangible assets	597	616	592	142	133	121
Deferred tax asset - net	2,503	2,121	1,218	365	327	701
Other assets - gross	10,278	7,457	6,537	4,508	5,774	4,338
<b>Total assets - gross of provisions</b>	<b>186,248</b>	<b>185,323</b>	<b>205,591</b>	<b>162,404</b>	<b>132,657</b>	<b>125,355</b>
Provision against advances - specific and general	(7,276)	(6,074)	(4,079)	(2,938)	(2,687)	(2,300)
Provision for diminution in the value of investments	(91)	(18)	(213)	(309)	(232)	(118)
Provision held against bad and doubtful other assets	(147)	(157)	(161)	(161)	(161)	(173)
<b>Total assets - net of provisions</b>	<b>178,734</b>	<b>179,074</b>	<b>201,139</b>	<b>158,996</b>	<b>129,577</b>	<b>122,765</b>
<b>Liabilities</b>						
Customer deposits and other accounts	114,732	105,244	79,267	78,426	71,882	65,225
Borrowings	30,982	45,826	93,019	56,197	36,114	39,781
Bills payable	975	1,039	903	3,358	783	877
Subordinated debt	4,995	4,997	4,999	-	-	-
Other liabilities	10,687	7,315	7,051	5,698	6,618	4,098
<b>Total liabilities</b>	<b>162,371</b>	<b>164,421</b>	<b>185,239</b>	<b>143,679</b>	<b>115,398</b>	<b>109,981</b>
<b>Net assets</b>	<b>16,363</b>	<b>14,653</b>	<b>15,900</b>	<b>15,317</b>	<b>14,179</b>	<b>12,784</b>
Share capital	10,082	10,082	10,082	10,082	10,082	10,082
Advance against proposed issue of shares	-	-	-	-	-	-
Reserves	2,977	2,730	2,730	1,032	829	692
Unappropriated profit/(accumulated losses)	3,578	2,590	3,623	3,748	2,939	2,389
<b>Equity</b>	<b>16,638</b>	<b>15,402</b>	<b>16,435</b>	<b>14,862</b>	<b>13,850</b>	<b>13,164</b>
(Deficit)/surplus on revaluation of assets - net of tax	(274)	(749)	(535)	455	329	(380)
	<b>16,363</b>	<b>14,653</b>	<b>15,900</b>	<b>15,317</b>	<b>14,179</b>	<b>12,784</b>
<b>Profit &amp; Loss Account</b>						
Mark-up/return/interest earned	28,705	22,545	13,983	13,575	12,791	7,556
Mark-up/return/interest expensed	(20,604)	(17,811)	(9,676)	(9,876)	(9,272)	(4,847)
<b>Net mark-up/interest income</b>	<b>8,101</b>	<b>4,734</b>	<b>4,306</b>	<b>3,699</b>	<b>3,519</b>	<b>2,708</b>
Fee, commission, brokerage and Income from dealing in foreign currencies	1,523	1,462	859	809	764	508
Dividend income and gain on sales of securities - net	(339)	(1,231)	581	523	83	258
Other income and unrealized (loss)/gain on revaluation of investments	25	13	31	10	(0)	5
<b>Non mark-up/interest income</b>	<b>1,208</b>	<b>244</b>	<b>1,471</b>	<b>1,341</b>	<b>846</b>	<b>772</b>
<b>Revenue</b>	<b>9,310</b>	<b>4,978</b>	<b>5,777</b>	<b>5,040</b>	<b>4,365</b>	<b>3,480</b>
Non mark-up/interest expenses	(4,830)	(4,059)	(3,424)	(3,018)	(2,763)	(2,303)
(Charge)/reversal/recovery of provision/against write-offs	(2,286)	(1,845)	(1,049)	(354)	(502)	(68)
<b>Profit/(Loss) before taxation</b>	<b>2,193</b>	<b>(926)</b>	<b>1,304</b>	<b>1,668</b>	<b>1,100</b>	<b>1,110</b>
Taxation	(958)	498	(515)	(657)	(414)	(427)
<b>Profit/(Loss) after taxation</b>	<b>1,235</b>	<b>(428)</b>	<b>789</b>	<b>1,012</b>	<b>686</b>	<b>683</b>
<b>Other Information</b>						
Return on equity (RoE)	8.4%	-2.8%	5.2%	6.6%	5.2%	5.4%
Return on assets (RoA)	0.7%	-0.2%	0.4%	0.7%	0.6%	0.6%
Profit before tax to revenue ratio	23.6%	-18.6%	22.6%	33.1%	25.2%	31.9%
Advances to deposits ratio (ADR) *	54.0%	58.4%	85.9%	70.9%	78.3%	76.1%
Efficiency ratio (cost to revenue)	51.9%	81.5%	59.3%	59.9%	63.3%	66.2%
Earning Per Share (EPS)	1.23	(0.42)	0.78	1.00	0.68	0.68
Market value per share - rupees	10.59	6.50	12.45	7.50	8.00	8.04
Number of employees	957	1,010	990	939	905	837
Number of branches	47	47	44	40	40	37

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

## Statement of Internal Controls

Management of the Bank is responsible for establishing and maintaining adequate controls for providing reasonable assurance on effective and efficient operations, internal financial controls and compliance with laws and regulations. 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 assurance against risk of 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 Bank has formed various sub-committees for continuous oversight over the controls environment. Further, the Bank has clearly defined roles for certain control functions such as Audit & Risk Review (ARR), Compliance, Operations Risk Management Department (ORMD) and Finance in its Internal Controls Policy. ARR periodically carries out audits of branches and departments to monitor compliance with the Bank's control and processing standards and regulatory requirements. Likewise, the Compliance department assists the senior management in effectively managing the regulatory compliance. The ORMD function within the Risk Management Group carries out quality assurance reviews of processes and transactions of branch banking operations, to monitor compliance with the procedures and policies. Risk & Controls Self-Assessment (RCSA) regime has been implemented throughout the Bank, whereby each business/function, under the guidance of their respective Group Head, ORMD, ICFR Unit and Compliance, 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 & external auditors and regulators, especially for improvements in internal control systems and processes, and takes timely action to implement their recommendations.

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

The Board of Directors is ultimately responsible for the 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  
February 27, 2024  
Karachi

## Complaint Handling Mechanism

At Samba Bank we take pride in our commitment in providing world class services to our valued customers, guided by the principles set forth by the State Bank of Pakistan (SBP) for fair treatment of customers along with a robust Consumer Grievance Handling Mechanism.

Our commitment to fair treatment of customer is embedded in every facet of our operations, ensuring that customers are treated with respect, integrity, and transparency. We prioritize ethical banking practices to build trust and confidence in our relationships with our internal and external customers.

Consumer Grievances Handling Mechanism :-

Recognizing the importance of an effective grievance handling mechanism, we have implemented a comprehensive system aligned with standards defined by SBP. Our dedicated team is committed to addressing customer concerns and complaints promptly and impartially. We believe in turning challenges into opportunities for improvement, and our grievance handling mechanism is designed to achieve just that. Samba Bank follows the appended principles as defined by SBP:

1. Instill a Culture that recognizes the importance of complaints
2. Every complainant is treated fairly with impartiality and transparency
3. Complaints must be resolved within shortest possible time in accordance with the defined Turnaround Time (TAT) set by the State Bank of Pakistan (SBP)
4. Complaint handling mechanism of the bank should be visible and accessible to all customers and non-Samba customers as well.
5. The complaint handling should be comprehensive and integrated to core business
6. The complaint handling function should be subject to adequate monitoring

Below is a snapshot of the complaints received/resolved by SambaCare during 2023.

- 4407 customer complaints/grievance addressed/resolved
- Overall the average complaint resolution time was about 4 working days
  - The average resolution time for minor (3 working days) nature of complaints was 2 working days
  - The average resolution time for minor (7 working days) nature of complaints was 4 working days
  - The average resolution time for major (15 working days) nature of complaints was 4 working days
  - The average resolution time for fraud related (30 working days) nature of complaints was 8 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 2023 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 2023.

**Karachi**  
**Date: 6<sup>th</sup> March 2024**  
**UDIN: CR202310096yctqrKdex**

**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**

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

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

1. Total number of Directors including the President & CEO are 9 as per the following;
  - a. Male: 7
  - b. Female: 2
2. The composition of the Board is as follows:

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

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Bank;
4. The Bank has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the bank along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Bank. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Bank;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and the Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording, and circulating minutes of meetings of the Board;
8. The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and the Regulations;
9. All Directors, along with the Company Secretary, have completed the Director's Certification from authorized institution pursuant to Section G-9 (8) of the Corporate Governance Regulatory Framework ("CGRF");

10. The Board has approved the appointment of Chief Financial Officer. Head of internal audit and Company Secretary including their remuneration and terms and conditions of employment and compiled with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below: -
- a) Board Audit Committee ("BAC") \***  
(i) Hafiz Mohammad Yousaf (Chairman)  
(ii) Mr. Hussein Eid (Member)  
(iii) Mr. Javed Kureishi (Member)
- b) Board Risk Committee ("BRC") \*\***  
(i) Mr. Timour Pasha (Chairman)  
(ii) Mr. Javed Kureishi (Member)  
(iii) Ms. Zeeba Ansar (Member)  
(iv) Mr. Ahmad Tariq Azam (Member)
- c) Board Nomination & Remuneration Committee ("BNRC") \*\*\***  
(i) Ms. Zeeba Ansar (Chairperson)  
(ii) Mr. Mustafa Ilyas (Member)  
(iii) Mr. Hussein Eid (Member)  
(iv) Hafiz Mohammad Yousaf (Member)
- d) Board IT Committee ("BITC") \*\*\*\***  
(i) Mr. Javed Kureishi (Chairman)  
(ii) Mr. Mustafa Ilyas (Member)  
(iii) Hafiz Mohammad Yousaf (Member)  
(iv) Ms. Kholood Khalid Al-Khelaiwi (Member)

\* Reconstituted w.e.f. January 12, 2023

\*\* Reconstituted w.e.f. June 13, 2023

\*\*\* Reconstituted w.e.f. August 25, 2023

\*\*\*\* Reconstituted w.e.f. January 22, 2024

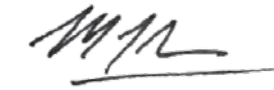
13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance;
14. The frequency of meetings of the committees was as per following: -
- a) Audit Committee: 6 meetings were held during the financial year ended December 31, 2023.
- b) Board Nomination & Remuneration Committee: 6 meetings were held during the financial year ended December 31, 2023.
- c) Board Risk Committee: 10 meetings were held during the financial year ended December 31, 2023.
- d) Board IT Committee: 1 meeting was held during the financial year ended December 31, 2023.
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, the 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 compiled with.



**Mr. Ahmed Tariq Azam**  
President & CEO

February 27, 2024



**Mr. Mustafa Ilyas**  
Chairman



# Notice Of The 21<sup>st</sup> (Twenty-First) Annual General Meeting

Notice is hereby given that the 21<sup>st</sup> (Twenty-First) Annual General Meeting of Samba Bank Limited (the "Bank") will be held on Thursday, March 28, 2024, at 12:00 noon ("PST") in Serena Hotel Islamabad - Pakistan to transact the following business:

## Ordinary Business

1. To confirm the minutes of the 20<sup>th</sup> Annual General Meeting held on Wednesday, March 29, 2023.
2. To receive, consider and adopt the Annual Audited Accounts of the Bank for the year ended December 31, 2023, together with the Reports of the Directors and Auditors thereon.
3. To appoint Auditors and to fix their remuneration for the 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.

## Special Business

4. To consider and approve the circulation of the Annual Audited Financial Statements (including balance sheet, profit and loss account, Auditor's report and Directors' report and other reports contained therein) to the Members of the Bank through QR enabled code and weblink, as allowed by the Securities and Exchange Commission of Pakistan under S.R.O. 389(I)/2023 dated 21 March 2023.

A statement of Material Facts under section 134(3) of the Companies Act, 2017 pertaining to the special business to be considered at the AGM is annexed.

## Any Other Business

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

March 7, 2024  
Karachi

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

## NOTES:

1. Share Transfer Books of the Bank will remain closed from 21-03-2024 to 28-03-2024 (both days inclusive). Transfer received in order at the Bank's Registrar, M/s. FAMCO Share Registration Services (Pvt.) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi, up to the close of business on 20-03-2024 will be considered in time and to be entitled to attend and vote.
2. Copies of the minutes of the 20<sup>th</sup> Annual General Meeting dated March 29, 2023, 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 20<sup>th</sup> AGM meeting may send his/her request via email at zia.shamsi@samba.com.pk.

## A. UPDATION OF SHAREHOLDER ADDRESSES & OTHER PARTICULARS:

Members holding shares in physical form are requested to promptly notify Share Registrar of the Company of any change in their addresses or any other particulars. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service. Further, to comply with requirements of section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all CDC and non-CDC shareholders are requested to have their email address and cell phone numbers incorporated/updated in their physical folio or CDC account.

## B. REQUIREMENTS FOR ATTENDING THE ANNUAL GENERAL MEETING:

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

## C. 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 20, 2024, 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 at 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.

## D. REQUIREMENTS FOR APPOINTING PROXIES:

- a. A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the meeting as are available to a member. A proxy must be a member of the Bank, provided that a corporation may appoint as its proxy a person who is not a member but is duly authorized by the corporation.
- b. Form of proxy, to be valid must be properly filled-in/executed and received at the registered office of the Company not later than 48 hours before the time of the meeting excluding holidays.

- c. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- d. Copies of CNIC or the valid passport of the beneficial owners and the proxy shall be furnished along with the proxy form.
- e. The proxy shall produce his original CNIC or original valid passport at the time of the Meeting.
- f. In case of a corporate entity, the Board of Directors' resolution/Power of Attorney with the specimen signature appointing a proxy shall be submitted.

#### E. CIRCULATION OF ANNUAL AUDITED ACCOUNTS VIA EMAIL/CD:

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan ("SECP") through its SRO 787(I)/2014, dated September 8, 2014, and SRO 470(I)/2016 dated May 31, 2016, have allowed the companies to circulate its Annual Audited Accounts along with 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](http://www.samba.com.pk)) and send it to the Company address.

#### F. PLACEMENT OF FINANCIAL ACCOUNTS IN WEBSITE:

The audited financial statements of the Bank for the year ended December 31, 2023 have been made available on the Bank's website [www.samba.com.pk](http://www.samba.com.pk).

#### G. SUBMISSION OF CNIC (MANDATORY):

- (i) Shareholders who have not yet submitted a copy of their valid CNIC or valid Passport to the Bank, are once again reminded to send the same latest by March 20, 2024. The CNIC number/NTN details are mandatory and are also required for checking the tax status as per the Active Taxpayers List (ATL) issued by the Federal Board of Revenue ("FBR") from time to time.
- (ii) Individual Shareholders (including all joint holders) holding physical share certificates of the Bank are 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.
- (iii) 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.

#### H. PROVISION OF IBAN FOR THE PAYMENT OF CASH DIVIDEND ELECTRONICALLY (MANDATORY):

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

#### I. POSTAL BALLOT

Pursuant to the Companies (Postal Ballot) Regulations, 2018, Members will be allowed to exercise their right to vote through postal ballot that is voting by post or electronic mode, in accordance with the requirements and procedure contained in the aforesaid regulations.

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

#### J. 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 sub-account 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.

#### K. REGISTRATION IN CCDR WEB PORTAL OF CDC:

Central Depository Company (CDC) has developed a Centralized Cash Dividend Registrar ("CCDR"), on its e-Service's web portal, which contains details pertaining to cash dividends paid, unpaid or withheld by listed companies. CCDR 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 register themselves on CDC's e-services Portal <https://eservices.cdcaccess.com.pk> to access the above facility.

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

An updated list of unclaimed dividends/shares of the Bank, which have remained unclaimed or unpaid for 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](http://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 Bank's Share Registrar for receipt of dividends/shares.

#### M. PROXY FORM

Proxy form is enclosed and also available on the Bank's website, [www.samba.com.pk](http://www.samba.com.pk)

#### STATEMENT OF THE MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting of the Bank to be held on Thursday March 28, 2024.

#### ITEM (4) OF THE AGENDA:

##### Circulation of Annual Audited Financial Statements through QR enabled code and weblink:

The Securities and Exchange Commission of Pakistan under S.R.O 389(I)/2023 dated 21 March 2023 has allowed listed companies to circulate the annual balance sheet and profit and loss account, auditor's report and directors' report, etc. ("annual audited financial statements") to its members through QR enabled code and weblink. Considering technological advancements and old technology becoming obsolete, the circulation of annual financial statements through CD/DVD/USB may be discontinued.

The Company shall circulate the Annual Audited Financial Statements through email in case email address has been provided by the Member to the Company. Further, the Company shall supply the hard copies of the Annual Audited Financial Statements to the Members, on demand, free of cost upon receipt of the Standard Request Form, available on the website of the Company.

Accordingly, it is proposed to pass the following resolution as an ordinary resolution:

**RESOLVED THAT** under and pursuant to S.R.O 389(I)/2023 dated 21 March 2023 issued by the Securities and Exchange Commission of Pakistan, the circulation of annual audited financial statements (including annual balance sheet and profit and loss account, auditor's report and directors' report, and other reports contained therein) to members through QR enabled code and weblink, be and is hereby approved.

None of the Directors of the Bank have any direct or indirect interest, except to the extent of their respective shareholding/directorship, in the above said special business.

## نوٹس:

۱۔ بینک کی شیئرز اسٹریٹجی 2024ء سے 28 مارچ 2024ء (شامل دونوں ایام) تک بند رہیں گی۔ جو ٹرانسفر پر ترتیب 20 مارچ 2024ء کے روزگار و باری اختتام تک بینک کے رجسٹرار میسرز ٹیکو شیئرز رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کے دفتر بمقام F-8، نزد ہوٹل فاران، نرسری بلاک-6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی، پر موصول ہونگے، وہ اجلاس میں شرکت کرنے اور ووٹ دینے کے اہل ہونگے۔

۲۔ کمپنیز ایکٹ 2017ء کے سیکشن 152 کے تحت ممبران کے معائنے کے لئے مورخہ 29 مارچ 2023ء کو منظور شدہ بیسویں (20) سالانہ اجلاس عام کے منٹس کی نقول دستیاب ہیں۔ وہ اراکین جو ویڈیو لنک کے ذریعے میٹنگ میں شامل ہوں گے، اگر وہ بیسویں سالانہ اجلاس عام کے منٹس کا معائنہ کرنے کے خواہشمند ہیں تو zia.shamsi@samba.com.pk پر ای میل کے ذریعے اپنی درخواست بھیج سکتے ہیں۔

## الف۔ حصص یافتگان کے پتے اور دیگر تفصیلات کی تبدیلی

ممبران جو فزیکل شیئرز رکھتے ہیں، ان سے درخواست کی جاتی ہے کہ وہ اپنے پتوں یا دیگر تفصیلات میں تبدیلی کی صورت میں بینک کے شیئرز رجسٹرار کو فوری مطلع کریں۔ ایسے حصص یافتگان جو الیکٹرانک شیئرز رکھتے ہیں وہ اپنے پتے میں تبدیلی کے حوالے سے اپنے شراکت داروں یا سی ڈی سی انویسٹرا کا ڈسٹ سروسز کو مطلع کریں۔ مزید یہ کہ کمپنیز ایکٹ 2017ء کے سیکشن 119 (عمومی شراکتہ اور فارمز) ریگولیشنز، 2018ء کی روک تھام کی بیرونی کرتے ہوئے تمام سی ڈی سی اور نان سی ڈی سی حصص یافتگان سے درخواست کی جاتی ہے کہ وہ اپنے ای میل ایڈریس اور فون نمبرز اپنے فزیکل فیلو یا سی ڈی سی اکاؤنٹ میں اپ ڈیٹ کریں۔

## ب۔ سالانہ اجلاس عام میں شرکت کی شرائط

(۱) انفرادی حوالے سے، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات سینٹرل ڈپازٹری کھنی آف پاکستان لمیٹڈ ("CDC") ضوابط کے مطابق اپ لوڈ کی گئی ہیں وہ سالانہ اجلاس عام میں شرکت کے وقت اپنا اصل کپیڈ رازڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کروائیں گے۔

(۲) کارپوریٹ ادارے کی صورت میں پرائیویٹ فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد اور پاور آف اٹارنی مع نامزد کردہ فرد کے دستخط کے نمونے سالانہ اجلاس عام کے وقت پیش کرنا ہوں گے، اگر بینک کو پہلے فراہم نہیں کئے گئے ہیں۔

## ج۔ سالانہ اجلاس عام میں الیکٹرانک ذرائع سے شرکت کے قواعد:

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

تمام اہل حصص یافتگان جن کے نام بینک کی بکس میں 20 مارچ 2024ء کے روزگار و باری دن کے اختتام تک موجود ہوں اور وہ سالانہ اجلاس عام میں ویڈیو لنک کے ذریعے شرکت کے خواہشمند ہوں تو ان سے درخواست کی جاتی ہے کہ وہ کمپنی میکر ٹیری آفس میں مندرجہ ذیل کو آنکف فوری طور پر یا کم از کم سالانہ اجلاس عام کے وقت سے 48 گھنٹے قبل ای میل agm@samba.com.pk کے ذریعے رجسٹر ہو جائیں:

## نوٹس برائے اکیسواں سالانہ اجلاس عام

نوٹس بڈا کے ذریعے آگاہ کیا جاتا ہے کہ سامبا بینک لمیٹڈ (بینک) کا اکیسواں (21) سالانہ اجلاس عام 28 مارچ 2024ء بروز جمعرات پاکستانی وقت کے مطابق دوپہر بارہ (12:00) بجے، بمقام سیرینا ہوٹل اسلام آباد، پاکستان میں حسب ذیل امور کی انجام دہی کے لئے منعقد کیا جا رہا ہے۔

## عمومی امور

۱۔ 29 مارچ 2023ء بروز بدھ کو منظور شدہ بیسویں (20) سالانہ اجلاس عام کے منٹس کی تائید و منظوری۔

۲۔ بینک کے سالانہ آڈٹ شدہ اکاؤنٹس بشمول ڈائریکٹرز اور آڈیٹرز کی رپورٹس برائے اختتام سال 31 دسمبر 2023ء کو موصول، ان 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 معاوضہ طے کرنا۔ ریٹائر ہونے والے آڈیٹرز، میسرز کے پی ایم بی اور تاشیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے اہلیت کی بنیاد پر دوبارہ تقرری کی پیشکش کی ہے۔

## خصوصی امور

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") کی جانب سے 2023/ (1) 389 S.R.O. مورخہ 21 مارچ 2023ء کی اجازت کے تحت لفظ کمپنیز کو اپنے سالانہ آڈٹ شدہ گوشوارے (شامل بیلنس شیٹ، منافع و نقصان کے اکاؤنٹ، آڈیٹرز اور ڈائریکٹرز کی رپورٹ اور دیگر رپورٹس) ممبران کو بذریعہ فعال QR کوڈ اور ویب لنک ترسیل کرنے پر غور اور اس کی منظوری دینا۔

کمپنیز ایکٹ 2017ء کے سیکشن (3) 134 کے تحت خصوصی امور سے متعلقہ بنیادی حقائق کی اسٹینڈنٹ منسک ہے، جو سالانہ اجلاس عام میں زیر غور لائے جائیں گے۔

## دیگر امور

چیئرمین کی منظوری سے دیگر امور کو زیر غور لانا۔

7 مارچ 2024ء  
کراچی

محکم پورڈ  
سید ضیاء الحسنین شمس  
کمپنی سیکریٹری

حصص یافتہ کا نام	سی این آئی سی نمبر	سی ڈی سی اکاؤنٹ نمبر/فولیو نمبر	سیل نمبر	ای میل ایڈریس

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

ممبران سالانہ جنرل میٹنگ (AGM) کے ایجنڈے سے متعلق اپنے تمبرے / مشورے zia.shamsi@samba.com.pk پر ای میل یا +92(307)-3278728 پر واٹس ایپ کے ذریعے بھی بھیج سکتے ہیں۔

## د۔ پراسیز کی تقرری کیلئے درکار شرائط:

- ایک رکن جو سالانہ اجلاس عام میں شرکت اور ووٹ دینے کا اہل ہے وہ کسی دوسرے رکن کو اپنا متبادل (پراسیز) مقرر کر سکتا ہے تاکہ وہ شخص اس رکن کی جگہ شرکت کر کے ووٹ دے سکے، تاہم نامزد کے لئے نامزد کے (پراسیز) کو اجلاس میں شرکت کرنے اور ووٹ دینے کے وہی حقوق حاصل ہوں گے جو رکن کیلئے ہیں۔ پراسیز کی لازمی طور پر بینک کا رکن ہو بشرطیکہ کہ کارپوریشن صرف ایسے شخص کو نامزد (پراسیز) بنائے جو پہلے سے رکن نہ ہو بلکہ کارپوریشن کی جانب سے مجاز کیا گیا ہو۔
- پراسیز کا نام لازمی طور پر باضابطہ پُر اور بینک کے رجسٹرڈ آفس میں سالانہ اجلاس عام کے انعقاد سے 48 گھنٹے قبل (تعمیلات کے علاوہ) موصول ہونا لازمی ہے۔
- پراسیز کا نام پر دو افراد کی گواہی ہونی لازمی ہے جن کے نام، پتے اور سی این آئی سی نمبر زبانی فارم پر درج ہوں گے۔
- کسی شخصیت اور متبادل (پراسیز) کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ نقل پر اس کا نام کے ساتھ مہیا کی جائے گی۔
- پراسیز کو اجلاس کے وقت اپنا اصل کمپیوٹر ڈیوائس یا کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
- کارپوریشن ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی بمع تقرر کے لئے پراسیز کے دستخط کے نمونے جمع کرانے ہوں گے۔

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

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") کی جانب سے 2014/ (1) SRO.787، مورخہ 8 ستمبر 2014ء اور 2016/ (1) SRO.470 مورخہ 31 مئی 2016ء کے ذریعے دی گئی ہدایات کے مطابق سلف کمپنیاں کو اپنے سالانہ آڈٹ شدہ گوشواروں کی رپورٹس ممبران کے رجسٹرڈ پتے پر سی ڈی / ای میل / سی ڈی یا دیگر الیکٹرانک ابلاغی ذریعے سے ارسال کرنے کی اجازت دی گئی ہے۔ جس کے تحت بینک نے اپنی سالانہ رپورٹ سی ڈی کے ذریعے حصص یافتگان کو ارسال کر دی ہے۔ ایسے تمام حصص یافتگان جو مالیاتی گوشواروں کی بارڈر کاپی حاصل کرنا چاہتے ہیں انہیں اسٹیٹ رجسٹرڈ درخواست فارم (جو کمپنی کی ویب سائٹ [www.samba.com.pk](http://www.samba.com.pk) پر بھی دستیاب ہے) پر کر کے اسے کمپنی کے پتے پر بھیجنا ہوگا۔

## س۔ ویب سائٹ میں مالیاتی اکاؤنٹس کی پلیسمنٹ:

31 دسمبر 2023ء کو ختم ہونے والے سال کے لئے بینک کے آڈٹ شدہ مالیاتی گوشوارہ جات بینک کی ویب سائٹ [www.samba.com.pk](http://www.samba.com.pk) پر دستیاب ہیں۔

## ک۔ سی این آئی سی (کمپیوٹرائزڈ قومی شناختی کارڈ) جمع کروانا (لازمی شق):

- ایسے تمام حصص یافتگان جنہوں نے ابھی تک اپنے فعال سی این آئی سی یا فعال پاسپورٹ کی نقل (بینک) کو جمع نہیں کروائی ہے، ان کو ایک مرتبہ پھر یاد دہانی کروائی جاتی ہے کہ وہ یہ دستاویز 20 مارچ 2024ء تک ارسال کر دیں۔ سی این آئی سی نمبر / این ٹی این کی تفصیلات لازمی ہیں اور یہ فیڈرل بورڈ آف ریونیو ("FBR") کی جانب سے وقتاً فوقتاً جاری کردہ ایکٹو ٹیکس دہندگان کی فہرست (ATL) میں حصص یافتہ کا ٹیکس اسٹیٹس چیک کرنے کے لئے بھی ضروری ہیں۔
- انفرادی حصص یافتگان (شمول تمام مشترکہ حصص یافتگان) جن کے پاس بینک کے سلف سٹریٹیکٹ موجود ہیں ان سے درخواست کی جاتی ہے کہ اگر نقل از اس فراہم نہیں کی گئی تو وہ اپنے فعال سی این آئی سی کی ایک نقل (بینک) یا اس کے رجسٹرڈ فوری جمع کرائیں۔ حصص یافتگان سی این آئی سی بھیجے وقت 6 اے کے طور پر اپنا متعلقہ فولیو نمبر ضرور تحریر کریں۔
- فعال سی این آئی سی کی نقل نہ ملنے کی صورت میں، بینک کمپیٹرا ایکٹ، 2017 کی دفعہ (3) 243 ("کمپنی ایکٹ") کے تحت ایسے حصص یافتگان کے ڈیوڈنڈ کی ادائیگی روکنے پر مجبور ہوگا۔

## ل۔ نقد ڈیوڈنڈ کی الیکٹرانک طور پر ادائیگی کے لئے IBAN کی فراہمی (لازمی شق):

- کمپیٹرا ایکٹ، 2017ء کے سیکشن 242 کے مطابق پبلک سلف کمپنی کے لئے لازم ہے کہ وہ اپنے اہل حصص یافتگان کو براہ راست ان کے نامزد کردہ بینک اکاؤنٹ میں صرف الیکٹرانک ذریعے سے نقد ڈیوڈنڈ ادا کرے۔
- لہذا تمام حصص یافتگان جنہوں نے اپنے بینک اکاؤنٹ کی تفصیلات فراہم نہیں کی ہیں ایک بار پھر اس نوٹس کے ذریعے ان سے درخواست کی جاتی ہے کہ اپنا درست اور مکمل 24 ہندسوں والا IBAN نمبر متعلقہ بینک کے نام، برانچ کے پتے، سی این آئی سی نمبر اور درست ای میل ایڈریس، الیکٹرانک حصص کے لئے سی ڈی کی تفصیلات شرکاء کو فراہم کر دیں اور فریکوئنٹ ٹیکس ہولڈنگ کی صورت میں ہمارے شیئرز رجسٹرار، میگزین کو شیئرز رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کے ذمہ دار کے طور پر فراہم کریں۔ اس کے ذریعے سے پچھلے پانچ ڈیوڈنڈ کی ادائیگی بھی ممکن ہو جائے گی۔
- برائے کرم نوٹ کر لیں کہ کمپیٹرا ایکٹ، 2017ء کے سیکشن (3) 243 کے مطابق، سلف کمپیٹرا حصص یافتگان کی جانب سے ضروری معلومات موصول نہ ہونے کی صورت میں ڈیوڈنڈ کی ادائیگی روکنے کی اجازت ہے۔
- حصص یافتگان کی سہولت کے لئے ای ڈیوڈنڈ میٹریٹ فارم بینک کی ویب سائٹ پر دستیاب ہے۔

## م۔ پوسٹل بیلٹ

کمپیٹرا (پوسٹل بیلٹ) ریگولیشنز، 2018ء کے تحت ممبران کو ڈاک یا الیکٹرانک ذرائع سے پوسٹل بیلٹ کے ذریعے اپنا حق رائے شماری استعمال کرنے کی اجازت دی ہے جس کی درکار ضروریات اور طریقہ کار کی وضاحت مذکورہ ضوابط میں کی گئی ہے۔

وہ حصص یافتگان جو ایکٹرا تک (ای۔ وونگ) کے ذریعے ووٹ دینے کے خواہشمند ہیں ان سے درخواست ہے کہ وہ کمپنی کے شیئر رجسٹرار اور پارٹیسپنٹ یا بروکر ای ڈی سی انویسٹرا کاؤنٹ سرویز کے ساتھ اپنا فعال ای میل اور فون نمبر اپنے فزیکل فولیو میں اپ ڈیٹ کر لیں جہاں ڈیجیٹل شیئر زان کے ذریعہ ملکتی ہیں۔

## ن۔ فزیکل شیئر ز کو بک انٹری صورت میں تبدیل کرنا:

کمپنیز ایکٹ 2017ء کا سیکشن 72 بر بموجب کمپنی سے بیان کردہ طریقے کے مطابق اپنے فزیکل حصص کو بک انٹری کی صورت میں تبدیل کرنے کا تقاضا کرتا ہے، جس کی مدت کمیشن کی جانب سے مطلع کردہ تاریخ یعنی 30 مئی 2017ء کے آغاز سے چار سال سے زیادہ نہیں ہونی چاہئے۔ چار سال کی اس مدت میں مزید دو سال کی توسیع کی جا سکتی ہے۔ تاہم، اس سلسلے میں، ایس ای سی پی نے اپنے 26 مارچ 2021ء کے خط کے ذریعے کمپنیوں کو مشورہ دیا ہے کہ وہ سیکشن 72 کی تعمیل کرتے ہوئے تمام حصص یافتگان کو اپنے حصص بک انٹری کی صورت میں تبدیل کروانے کی ترغیب دیں۔

درج بالا شرح کی روشنی میں، فزیکل حصص رکھنے والے حصص یافتگان سے درخواست کی جاتی ہے کہ وہ کسی بھی بروکر کے ساتھ ای ڈی سی انویسٹرا کاؤنٹ کو لیس یا ای ڈی سی کے ساتھ براہ راست انویسٹرا کاؤنٹ کو لیس اور اپنے فزیکل حصص جلد از جلد بک انٹری کی صورت میں تبدیل کروائیں، جس سے انہیں محفوظ تحویل اور ہر وقت حصص کی فروخت کے ساتھ ساتھ کئی اعتبار سے سہولت ملے گی۔

## و۔ (سی ڈی سی) کے سی ڈی آر ویب پورٹل میں رجسٹریشن:

سنٹرل ڈیپازٹری کمپنی (CDC) نے اپنی ای سر ویب پورٹل پر ایک سنٹرلائزڈ ڈیپازٹ رجسٹر ("CCDR") تیار کیا ہے، جس میں درج کمپنیوں کی طرف سے ادا کردہ، غیر ادا شدہ یا روکے گئے نقد منافع سے متعلق تفصیلات موجود ہوتی ہیں۔ سی ڈی آر ویب پورٹل کمپنیوں کی جانب سے حصص یافتگان کو ادا کیے گئے منافع کی حالیہ معلومات محفوظ رکھتا ہے اور اس کے ذریعے حصص یافتگان کو انکم ٹیکس / زکوٰۃ کی کوئی وغیرہ (اگر کوئی ہو) اور ان کے کھاتوں میں جمع کی گئی مجموعی رقم کی متعلقہ تفصیلات تک رسائی فراہم کی جاتی ہے۔

بینک کے حصص یافتگان سے درخواست ہے کہ وہ مندرجہ بالا سہولت تک رسائی حاصل کرنے کے لیے خود کو CDC کے ای۔ سرویز پورٹل <https://eservices.cdcaccess.com.pk> پر رجسٹر کروائیں۔

## ہ۔ کمپنیز ایکٹ 2017ء کے سیکشن 244 کے تحت غیر اعلانیہ ڈیویڈنڈ / حصص:

بینک کے غیر دعویٰ شدہ ڈیویڈنڈ ز اور حصص جو ادا ہونے کی تاریخ سے تین سال کی مدت تک غیر دعویٰ شدہ یا بلا ادا نگی رہے، ان کی ایک تازہ ترین فہرست بینک کی ویب سائٹ [www.samba.com.pk/samba/overviews/notices](http://www.samba.com.pk/samba/overviews/notices) پر دستیاب ہے۔

حصص یافتگان بینک کی ویب سائٹ پر دستیاب تعلیم فارم پر دعویٰ درج کر سکتے ہیں۔ ڈیویڈنڈ / حصص کی وصولی کے لئے تعلیم فارم کمپنی کے شیئر رجسٹرار کو جمع کرانے چاہیں۔

## ی۔ پراکسی فارم:

پراکسی فارم اس کے ساتھ منسلک ہے اور بینک کی ویب سائٹ [www.samba.com.pk](http://www.samba.com.pk) پر بھی دستیاب ہے۔

## کمپنیز ایکٹ 2017ء کے سیکشن (3) 134 کے تحت بنیادی حقائق کی اسٹیٹمنٹ

یہ اسٹیٹمنٹ خصوصی امور سے متعلق وضاحت کرتی ہے جو 28 مارچ 2024ء کو منظور ہونے والے سالانہ اجلاس عام میں انجام دیے جائیں گے۔

## ایجنڈے کا آئٹم (4):

### سالانہ آڈٹ شدہ مالیاتی گوشواروں کی بذریعہ فعال QR کوڈ اور ویب لنک ترسیل:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے 2023 / (1) 389 SRO، مورخہ 21 مارچ 2023ء کے تحت لسٹڈ کمپنیز کو پبلش شیٹ، نفع و نقصان کے اکاؤنٹ، آڈیٹرز اور ڈائریکٹرز کی رپورٹ (سالانہ آڈٹ شدہ گوشوارے) ممبران کو بذریعہ فعال QR کوڈ اور ویب لنک ترسیل کرنے کی اجازت دی ہے۔ پرانی ٹیکنالوجی کو منسوخ کرتے ہوئے جدید ٹیکنالوجی کے پیش نظر سالانہ مالیاتی گوشواروں کی ترسیل بذریعہ سی ڈی آر / ڈی وی ڈی / یو ایس بی منتقلی کی جا سکتی ہے۔

ممبر کی جانب سے کمپنی کو ای میل ایڈریس موصول ہونے کی صورت میں کمپنی سالانہ مالیاتی گوشوارے بذریعہ ای میل فراہم کرے گی۔ مزید یہ کہ کمپنی کی ویب سائٹ پر دستیاب اسٹیٹمنٹ رپورٹ درخواست فارم کی وصولی کے بعد ممبران کے مطالبے پر کمپنی بغیر کسی چارجز کے سالانہ مالیاتی گوشواروں کی ہارڈ کاپ بھی فراہم کرے گی۔

اس کے تحت، درج ذیل قرارداد کو عمومی قرارداد کی حیثیت سے منظوری کی تجویز دی جاتی ہے:

قرارداد یا کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے 2023 / (1) 389 SRO، مورخہ 21 مارچ 2023ء کی اجازت کے تحت لسٹڈ کمپنیز کو اپنے سالانہ آڈٹ شدہ گوشوارے (بشمول پبلش شیٹ، نفع و نقصان کے اکاؤنٹ، آڈیٹرز اور ڈائریکٹرز کی رپورٹ اور دیگر پورٹس) ممبران کو بذریعہ فعال QR کوڈ اور ویب لنک ترسیل کرنے کی منظوری دی جاتی ہے۔

بینک کے کسی بھی ڈائریکٹر کی مذکورہ خصوصی امور میں ان کے متعلقہ حصص / ڈائریکٹرشپ کے علاوہ براہ راست یا بالواسطہ کوئی بھی دلچسپی نہیں ہے۔

# FINANCIAL STATEMENTS

AUDITOR'S REPORT



STATEMENT OF  
FINANCIAL POSITION



INCOME  
STATEMENT



CASH FLOW STATEMENT



SHAREHOLDER'S  
EQUITY



# 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 2023 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 sixteen branches which have been audited by us and notes to the financial statements, including a material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and 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 2023 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended..

### Basis for Opinion

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

### Key Audit Matters

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

Following are the Key Audit Matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
1	<p><b>Provision against Advances</b></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. 2,213.16 million in the profit and loss account in the current year. As at 31 December 2023, the Bank holds a provision of Rs. 7,275.55 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"> <li>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.</li> </ul> <p>The testing of controls included testing of:</p> <ul style="list-style-type: none"> <li>automated (IT system based) controls over suspension of markup upon classification of borrower as non-performing;</li> <li>controls over monitoring of advances with higher risk of default and correct classification of non-performing advances on subjective criteria;</li> <li>controls over accurate computation and recording of provisions; and</li> <li>controls over the governance and approval process related to provisions, including continuous reassessment by the management.</li> </ul> <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"> <li>• 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;</li> <li>• 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;</li> <li>• 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</li> <li>• 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.</li> </ul>
2	<p><b>Valuation of Investments (Refer note 9.3 to the financial statements)</b></p> <p>The carrying value of investments held by the Bank amounted to Rs.70,412.39 million, which constitutes 39.4% of the Bank's total assets as at 31 December 2023.</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"> <li>• assessed the design and tested operating effectiveness of the relevant controls in place relating to valuation of investments;</li> <li>• 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;</li> <li>• obtained independent confirmations for verifying the existence of the investment portfolio as at 31 December 2023 and reconciled it with the books and records of the Bank. Where such confirmations were not available, alternate procedures were performed;</li> <li>• 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</li> <li>• considered the Bank's disclosures of investments, such as the fair value hierarchy, to the requirements of the accounting standards.</li> </ul>

#### 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 judgement and maintain professional skepticism throughout the audit. We also:

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

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

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

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

## Report on Other Legal and Regulatory Requirements

1. Based on our audit, we further report that in our opinion:
  - a) proper books of account have been kept by the Bank as required by the Companies Act, 2017 (XIX of 2017) and the returns referred above from the branches have been found adequate for the purpose of our audit;
  - b) the statement of financial position, the 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: 6<sup>th</sup> March, 2024**

**UDIN: AR202310096snDHT0xV8**

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**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**

# Statement of Financial Position

AS AT DECEMBER 31, 2023

	Note	(Rupees in '000)	
		2023	2022
<b>ASSETS</b>			
Cash and balances with treasury banks	6	9,465,856	6,169,111
Balances with other banks	7	1,038,476	1,023,414
Lendings to financial institutions	8	8,192,051	7,354,279
Investments	9	70,412,387	76,904,147
Advances	10	73,436,346	74,454,568
Fixed assets	11	2,958,280	3,131,840
Intangible assets	12	596,744	616,036
Deferred tax assets - net	13	2,503,022	2,121,039
Other assets	14	10,130,697	7,299,825
		<b>178,733,859</b>	<b>179,074,259</b>
<b>LIABILITIES</b>			
Bills payable	15	975,388	1,038,709
Borrowings	16	30,981,605	45,826,302
Deposits and other accounts	17	114,731,997	105,243,764
Liabilities against assets subject to finance lease		-	-
Subordinated debt	18	4,995,000	4,997,000
Deferred tax liabilities		-	-
Other liabilities	19	10,686,688	7,315,401
		<b>162,370,678</b>	<b>164,421,176</b>
<b>NET ASSETS</b>			
		<b>16,363,181</b>	<b>14,653,083</b>
<b>REPRESENTED BY:</b>			
Share capital	20	10,082,387	10,082,387
Reserves		2,976,978	2,729,919
Deficit on revaluation of assets	21	(274,468)	(749,270)
Unappropriated profit		3,578,284	2,590,047
		<b>16,363,181</b>	<b>14,653,083</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	22		

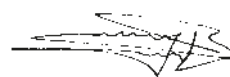
The annexed notes 1 to 45 and Annexures I and II form an integral part of these financial statements.



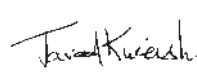
Chief Financial Officer



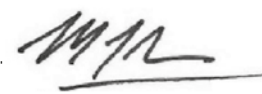
President & Chief Executive Officer



Director



Director



Chairman

# Profit and Loss Account

FOR THE YEAR ENDED DECEMBER 31, 2023

		(Rupees in '000)	
Note	2023	2022	
Mark-up / return / interest earned	23	28,705,206	22,545,096
Mark-up / return / interest expensed	24	20,604,024	17,811,336
Net mark-up / return / interest income		8,101,182	4,733,760
<b>Non mark-up / interest income</b>			
Fee and commission income	25	379,434	411,067
Dividend income		60,624	52,949
Foreign exchange income		1,143,636	1,050,922
Loss on securities	26	(399,968)	(1,283,594)
Other income	27	24,672	12,762
Total non mark-up / interest income		1,208,398	244,106
Total income		9,309,580	4,977,866
<b>Non mark-up / interest expenses</b>			
Operating expenses	28	4,764,920	4,046,350
Workers' Welfare Fund	29	65,000	8,800
Other charges	30	135	3,525
Total non mark-up / interest expenses		4,830,055	4,058,675
Profit before provisions		4,479,525	919,191
Provisions and write offs - net	31	(2,286,206)	(1,845,079)
Profit / (loss) before taxation		2,193,319	(925,888)
Taxation	32	(958,023)	497,948
Profit / (loss) after taxation		1,235,296	(427,940)
(Rupees)			
<b>Earnings / (loss) per share - basic and diluted</b>	33	1.225	(0.424)

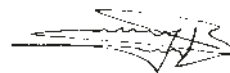
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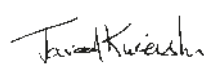
Chief Financial Officer



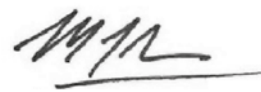
President & Chief Executive Officer



Director



Director



Chairman

# Statement of Comprehensive Income

FOR THE YEAR ENDED DECEMBER 31, 2023

	(Rupees in '000)	
	2023	2022
Profit / (loss) after taxation for the year	1,235,296	(427,940)
<b>Other comprehensive income / (loss)</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
<b>Movement in deficit on revaluation of investments - net of tax</b>	474,802	(214,500)
<b>Total comprehensive income / (loss) for the year</b>	<b>1,710,098</b>	<b>(642,440)</b>

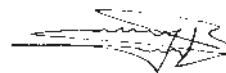
The annexed notes 1 to 45 and Annexures I and II form an integral part of these financial statements.



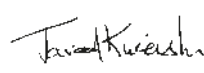
Chief Financial Officer



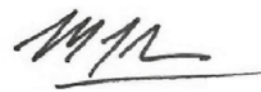
President & Chief Executive Officer



Director



Director




Chairman

# Cash Flow Statement

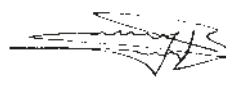
FOR THE YEAR ENDED DECEMBER 31, 2023

		(Rupees in '000)	
Note	2023	2022	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	2,193,319	(925,888)	
Profit / (loss) before taxation	(60,624)	(52,949)	
Less: dividend income	2,132,695	(978,837)	
<b>Adjustments:</b>			
Depreciation	523,321	428,930	11.2
Amortisation	98,329	75,578	12.2
Provision / (reversal) for diminution in the value of investments	73,041	(194,929)	31
Provision against loans and advances - net	2,213,156	2,032,725	31
Bad debts written off directly	-	7,283	
Fixed assets written-off	9	-	31
Other assets written-off	-	3,515	
Loss on sale of available for sale investments - net	432,228	1,291,233	
Interest expense on lease liability against right of use assets	188,489	153,535	24
Interest expensed on debt securities	1,089,404	673,540	24
Gain on sale of fixed assets - net	(10,038)	(6,455)	27
	4,607,939	4,464,955	
	6,740,634	3,486,118	
<b>(Increase) / decrease in operating assets</b>			
Lendings to financial institutions	(837,772)	(1,446,692)	
Held-for-trading securities	79,683	(216,228)	
Advances	(1,194,934)	4,682,600	
Other assets (excluding advance taxation)	(3,185,370)	(571,713)	
	(5,138,393)	2,447,967	
<b>Increase / (decrease) in operating liabilities</b>			
Bills payable	(63,321)	135,650	
Borrowings from financial institutions	(14,844,697)	(47,192,907)	
Deposits and other accounts	9,488,233	25,976,492	
Other liabilities (excluding advance taxation)	2,985,117	(33,856)	
	(2,434,668)	(21,114,621)	
	(832,427)	(15,180,536)	
Income tax paid	(995,273)	(625,833)	
Markup payment on debt securities	(969,144)	(532,298)	
Net cash flows used in operating activities	(2,796,844)	(16,338,667)	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investments in securities	6,683,145	15,753,343	
Dividend received	60,624	52,949	
Investments in fixed assets	(240,172)	(293,128)	
Proceeds from sale of fixed assets	6,536	17,910	
Net cash flows generated from investing activities	6,510,133	15,531,074	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Principal repayment of debt securities	(2,000)	(2,000)	
Dividend Paid	(31)	(592,529)	
Payments of lease liability against right of use assets	(399,451)	(315,394)	
Net cash flows used in financing activities	(401,482)	(909,923)	
<b>Increase / (decrease) in cash and cash equivalents during the year</b>			
Cash and cash equivalents at the beginning of the year	3,311,807	(1,717,516)	
	7,192,525	8,910,041	
<b>Cash and cash equivalents at the end of the year</b>	10,504,332	7,192,525	34

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, 2023

	(Rupees in '000)					
	Share capital	Capital reserve	Statutory reserve (a)	Deficit on revaluation of investments	Unappropriated profit	Total
<b>Balance as at January 01, 2022</b>	10,082,387	1,561,435	1,168,484	(534,770)	3,622,890	15,900,426
<b>Comprehensive loss for the year</b>						
Loss after taxation for the year ended December 31, 2022	-	-	-	-	(427,940)	(427,940)
<b>Other comprehensive loss</b>						
Movement in deficit on revaluation of investments - net of tax	-	-	-	(214,500)	-	(214,500)
Transfer to statutory reserve	-	-	-	(214,500)	(427,940)	(642,440)
<b>Transactions with owners recognized directly in equity</b>						
Cash dividend for the year ended December 31, 2021 (Rs. 0.6 per ordinary share)	-	-	-	-	(604,903)	(604,903)
<b>Balance as at December 31, 2022</b>	10,082,387	1,561,435	1,168,484	(749,270)	2,590,047	14,653,083
<b>Comprehensive income for the year</b>						
Profit after taxation for the year December 31, 2023	-	-	-	-	1,235,296	1,235,296
<b>Other comprehensive income</b>						
Movement in deficit on revaluation of investments - net of tax	-	-	-	474,802	-	474,802
Transfer to statutory reserve	-	-	247,059	474,802	1,235,296	1,710,098
<b>Balance as at December 31, 2023</b>	10,082,387	1,561,435	1,415,543	(274,468)	3,578,284	16,363,181

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

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

# Notes to and forming part of the Financial Statements

For The Year Ended December 31, 2023

## 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, 2022: 47 branches) inside Pakistan.

The Bank is a subsidiary of Saudi National Bank (formerly Samba Financial Group) of Kingdom of Saudi Arabia, the Parent entity, which holds 84.51% shares of the Bank as at December 31, 2023 (December 31, 2022: 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 utilized 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 The Bank has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. These amendments did not result in any changes to the accounting policies themselves and did not impact the accounting policy information disclosed in the financial statements.

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

Management reviewed the accounting policies and assessed that information disclosed in Note 5 material accounting policies is in line with the amendments.

### 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 2024:



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).

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 transaction 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.

Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

Lack of Exchangeability (amendments to IAS 21) clarify:

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

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

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

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

### **3.4.1 IFRS 9 Financial Instruments**

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

The SBP, vide its earlier BPRD Circular No. 3 of 2022 dated 05 July 2022 provided detailed instructions on implementation of IFRS 9 (the Application Instructions) for ensuring smooth and consistent implementation of the standard across banks. Furthermore, the SBP vide its

BPRD Circular No. 02 of 2023 dated 09 February 2023, had also shared the revised formats for the preparation of the annual / interim financial statements for Banks, which will be applicable for reporting periods beginning on or after 01 January 2024 as per BPRD Circular Letter No. 7 of 2023 dated 13 April 2023.

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

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

### **3.4.1.1 Classification and measurement**

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

#### **Equity Securities**

Under the IFRS 9, the Bank is expected to continue measuring equity securities at fair value.

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

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

Unquoted equity securities are also required to be measured at fair value under IFRS 9, however, SBP's Application instructions have allowed relaxation to banks till 31 December 2023 to carry these investments under the current prudential regulation regime at lower of cost or breakup value.

#### **Debt securities and Loans and advances**

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

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

### **3.4.1.2 Impairment**

The impairment requirements under IFRS 9, apply to financial assets measured at Amortized Cost and FVOCI (other than equity instruments), loans and receivables, and certain loan commitments and financial guarantee contracts. At initial recognition, an impairment allowance (or provision in the case of commitments and guarantees) is required for expected credit losses ('ECL') resulting from default events that are possible within the next 12 months ('12-month ECL'). In the event of a significant increase in credit risk (SICR), an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL is recognized are in 'stage 1'; financial assets that are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is an objective evidence of impairment, so are considered to be in default or otherwise credit impaired, are in 'stage 3'.

Under IFRS 9, the assessment of credit risk and the estimation of ECL should be unbiased and probability-weighted, and should incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL would take into account the time value of money.

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

PD: The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information.

LGD: It is an estimate of magnitude of loss sustained on any facility upon default by a customer. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor. It is the difference between contractual cash flows due and those that the Bank expects to receive, including any form of collateral.

EAD: the expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortization, pre-payments and forward-looking information where relevant.

For the purpose of calculation of ECL, the Bank has used 5 years data till 31 December 2023 and going forward, one more year's data shall be included until the Bank has at least 10 years data.

#### **Significant increase in credit risk (SICR)**

A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument when compared to that expected at the time of initial recognition. It is not assessed in the context of an increase in the ECL. The Bank uses a number of qualitative and quantitative measures and well documented rebuttable presumptions in assessing SICR. Quantitative measures relate to deterioration of Obligor Risk Ratings (ORR) or where principal and / or interest payments are 45 days or more past due. Qualitative factors include unavailability of financial information and pending litigations.

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

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

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

As required by the Application Instructions, financial assets may be reclassified out of stage 3 if they meet the requirements of Prudential Regulations (PR) issued by SBP. Financial assets in stage 2 may be reclassified to stage 1 if the conditions that led to a SICR no longer apply and cooling off period as defined in the Bank's ECL Policy has been completed.

#### **Presentation and disclosure**

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

The State Bank of Pakistan vide BPRD Circular No 02 of 2023 dated 9 February 2023 has issued revised formats for annual as well as interim financial statements of Banks for the accounting periods starting from 1 January 2024, which include the presentation and disclosures of adoption of IFRS 9 as applicable in Pakistan.

#### **3.4.1.3 Loan / financing related fee**

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

#### **3.4.1.4 Additional requirements and exceptions introduced by SBP Instructions**

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

**(i) Use of Fair Value Option for financial assets**

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

**(ii) Unquoted equity securities**

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

**(iii) Rebuttable presumptions about default and SICR**

IFRS 9 includes a rebuttable presumption that there is a SICR if credit exposure is more than 30 days past due. In order to bring consistency, SBP has allowed the backstop to the rebuttable presumption of days past due of credit portfolio against a specific credit facility and its stage allocation under IFRS 9 as mentioned in Annexure-C of BPRD Circular no 3 of 2022. However, banks are free to choose more stringent days past due criteria.

**(iv) Transfer out of stage 3**

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

**(v) Income recognition on impaired assets**

The Banks are advised to recognize income on impaired assets (loans classified under PRs i.e. OAEM and Stage 3 loans) on a receipt basis in accordance with the requirements of Prudential Regulations issued by SBP.

**(vi) Expected Credit Loss Model (ECL)**

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

**(vii) Impact of Provisions on Regulatory Capital**

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

**3.4.1.5 Impact**

The Bank will adopt IFRS 9 in its entirety effective 01 January 2024 with modified retrospective approach for restatement. The actual impact of adopting IFRS 9 on the Bank's financial statements in the year 2024 may not be accurately estimated because it will be dependent on the financial instruments that the Bank would hold during next year and economic conditions at that time as well as accounting elections and judgments that it will make in future. Nevertheless, the Bank has performed a preliminary assessment of the potential impact of adoption of IFRS 9 based on its statement of financial position as at 31 December 2023.

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

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

- A decrease of approximately Rs. 7.26 million (net of tax) related to impairment requirements.

**Impact on regulatory capital**

The SBP has permitted banks to adopt a transitional approach to phase in the initial impact of the ECL for stage 1 and 2 financial assets over a period of five years.

### **3.4.16 Governance, ownership and responsibilities**

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

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

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

The Bank's Finance Division will ensure preparation of disclosures and incorporation of the impacts on the financial statements of the Bank and shall ensure that all disclosures as required by the accounting standard and the SBP formats and guidelines are made.

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

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

### **3.5 Standards, interpretations and amendments to accounting and reporting 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, 2023. 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 recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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, amortization 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);
- 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 MATERIAL ACCOUNTING POLICY INFORMATION**

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

### **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 amortized 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 recognized as a separate asset in the financial statements. The difference between the contracted price and resale price is recognized over the period of the contract and recorded as income.

#### **(c) Bai Muajjal**

The securities sold under Bai Muajjal agreement are derecognized on the date of disposal. Payable against such sale is recognized 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 recognized 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 recognized at fair value which includes transaction costs associated with the investment. Investments classified as 'held for trading' are initially recognized 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 amortized cost using the effective interest rate method, less any impairment loss recognized 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 recognized 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 recognized directly in surplus on revaluation of securities in the statement of financial position is removed thereof and recognized in the profit and loss account. For investments classified as held to maturity, the impairment loss is recognized 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 standalone 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 presents 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:

- 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 amortized 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 and 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 utilized.

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 utilized.

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 mark-up / return on non-performing advances is held in suspense account.
- Premium or discount on acquisition of debt investments is capitalised and amortized 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) Wholesale banking**

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

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

###### **(ii) Global Markets**

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

###### **(iii) Retail banking**

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

##### **(b) Geographical segments**

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

#### **5.16 Earnings per share**

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

#### **5.17 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)	
		2023	2022
<b>In hand</b>			
Local currency		1,125,140	1,080,788
Foreign currencies		958,688	402,368
		<b>2,083,828</b>	1,483,156
<b>With State Bank of Pakistan in</b>			
Local currency current account	6.1	4,653,285	3,847,539
Foreign currency current account (cash reserve account)	6.2	745,522	647,140
Foreign currency deposit account (USD settlement account)		478,298	191,078
Foreign currency deposit account (special cash reserve account)	6.2	1,476,668	-
		<b>7,353,773</b>	4,685,757
<b>With National Bank of Pakistan in</b>			
Local currency current account		28,240	-
<b>National Prize Bonds</b>		15	198
		<b>9,465,856</b>	6,169,111

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

**6.2** This mainly represents reserve required to be maintained with the SBP at an amount equivalent to at least 15% of the Bank's foreign currency deposits mobilised under FE-25 scheme. This foreign currency cash reserve comprises an amount equivalent to at least 5% of the Bank's foreign currency deposits mobilised under the FE 25 scheme, which is kept in a non-remunerative account (cash reserve account). The balance reserve equivalent to at least 10% of the Bank's foreign currency deposits mobilised under FE-25 scheme was maintained in a remunerative account (special cash reserve account) on which the Bank is entitled to earn a return which is declared by the SBP on a monthly basis. These deposits carry mark-up rate ranging from 3.39% to 4.34% (2022: 0.79% to 3.14%) per annum.

## 7. BALANCES WITH OTHER BANKS

	Note	(Rupees in '000)	
		2023	2022
<b>In Pakistan</b>			
In current accounts		12,735	55,964
In deposit accounts	7.1	21	20
		<b>12,756</b>	55,984
<b>Outside Pakistan</b>			
In current accounts	7.2	1,025,720	967,430
		<b>1,038,476</b>	1,023,414

**7.1** These carry mark-up at the rate of 20.50% (2022: 14.50%) per annum.

**7.2** The above amount includes balance with Saudi National Bank (a related party) amounting to Rs. 100.391 million (2022: Rs. 47.903 million)

## 8. LENDINGS TO FINANCIAL INSTITUTIONS

	Note	(Rupees in '000)	
		2023	2022
Repurchase agreement lendings (Reverse Repo)	8.2.1&8.2.3	2,500,000	2,531,750
Other lending with financial institutions	8.2.2	5,692,051	4,822,529
		<b>8,192,051</b>	7,354,279
Less: provision held against Lending to Financial Institutions		-	-
Lending to Financial Institutions - net of provision		<b>8,192,051</b>	7,354,279
<b>8.1 Particulars of lending</b>			
In local currency		<b>8,192,051</b>	7,354,279

### 8.2 Securities held as collateral against lending to financial institutions

	(Rupees in '000)					
	2023			2022		
	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
Pakistan Investment Bonds	2,500,000	-	2,500,000	-	-	-
<b>Total</b>	<b>2,500,000</b>	<b>-</b>	<b>2,500,000</b>	2,600,000	-	2,600,000

**8.2.1** These represent short-term lendings to financial institution against investment securities. These carry mark-up at the rate 21% (2022: 16.00% to 16.20%) per annum and will mature latest by January 02, 2024 (2022: January 03, 2023).

**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 11.00% to 17.00%, 4.50% to 5.75%, 3.50% to 5.25% and 1.75% to 4.00% (2022: 8.24% to 11.01%, 2.99% to 4.50%, 2.49% to 3.50% and 1.74% to 1.77%) 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. 2,460 million (2022: Rs. 2,533.262 million).

## 9. INVESTMENTS

### 9.1 Investments by type

	(Rupees in '000)							
	2023				2022			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
<b>Held for trading securities</b>								
Federal Government Securities	103,105	-	96	103,201	68,981	-	142	69,123
Shares	33,663	-	(319)	33,344	145,103	-	2,002	147,105
	136,768	-	(223)	136,545	214,084	-	2,144	216,228
<b>Available for sale securities</b>								
Federal Government Securities	68,539,688	-	(918,898)	67,620,790	73,565,454	-	(871,525)	72,693,929
Shares	1,422,296	(90,827)	383,304	1,714,773	1,531,285	(17,786)	(423,012)	1,090,487
Non Government Debt Securities	942,857	-	(2,578)	940,279	848,214	-	(19,972)	828,242
	70,904,841	(90,827)	(538,172)	70,275,842	75,944,953	(17,786)	(1,314,509)	74,612,658
<b>Held to maturity securities</b>								
Federal Government Securities	-	-	-	-	2,075,261	-	-	2,075,261
<b>Total Investments</b>	<b>71,041,609</b>	<b>(90,827)</b>	<b>(538,395)</b>	<b>70,412,387</b>	<b>78,234,298</b>	<b>(17,786)</b>	<b>(1,312,365)</b>	<b>76,904,147</b>

### 9.2 Investments by segment

	(Rupees in '000)							
	2023				2022			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
<b>Federal Government Securities</b>								
Pakistan Investment Bonds	60,920,443	-	(936,700)	59,983,743	75,709,696	-	(871,383)	74,838,313
Market Treasury Bills	7,722,350	-	17,898	7,740,248	-	-	-	-
	68,642,793	-	(918,802)	67,723,991	75,709,696	-	(871,383)	74,838,313
<b>Shares</b>								
Listed Companies	1,445,459	(80,327)	382,985	1,748,117	1,665,888	(7,286)	(421,010)	1,237,592
Unlisted Companies	10,500	(10,500)	-	-	10,500	(10,500)	-	-
	1,455,959	(90,827)	382,985	1,748,117	1,676,388	(17,786)	(421,010)	1,237,592
<b>Non Government Debt Securities</b>								
Listed	642,857	-	(2,578)	640,279	848,214	-	(19,972)	828,242
Unlisted	300,000	-	-	300,000	-	-	-	-
	942,857	-	(2,578)	940,279	848,214	-	(19,972)	828,242
<b>Total investments</b>	<b>71,041,609</b>	<b>(90,827)</b>	<b>(538,395)</b>	<b>70,412,387</b>	<b>78,234,298</b>	<b>(17,786)</b>	<b>(1,312,365)</b>	<b>76,904,147</b>

#### 9.2.1 Investments given as collateral

	(Rupees in '000)	
	2023	2022
Pakistan Investment Bonds	19,172,150	32,478,850

### 9.3 Provision for diminution in value of investments

	(Rupees in '000)	
	2023	2022
9.3.1 Opening balance	17,786	212,715
Charge / (reversals)		
Charge for the year	144,036	46,846
Reversal on disposals for the year	(70,995)	(241,775)
	73,041	(194,929)
Closing balance	90,827	17,786

9.3.2 No provision was recognised against investment in debt securities as at December 31, 2023 (2022: Nil).

#### 9.4 Quality of Available for Sale Securities

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

		(Rupees in '000)	
		2023	2022
		Cost	
<b>Federal Government Securities - Government guaranteed</b>			
Pakistan Investment Bonds		60,920,443	73,565,454
Market Treasury Bills		7,619,245	-
		<b>68,539,688</b>	<b>73,565,454</b>
<b>Shares</b>			
<b>Listed Companies - sector wise exposure</b>			
Commercial Banks		250,837	90,962
Engineering		172,693	333,300
Cement		139,958	407,500
Oil & Gas Marketing Companies		131,421	100,858
Technology & Communication		128,174	82,355
Oil & Gas Exploration Companies		102,142	-
Power Generation & Distribution		87,162	-
Fertilizer		63,606	-
Textile Composite		58,121	50,167
Food and Personal Care Products		52,821	-
Glass & Ceramics		46,320	-
Transport		41,889	102,951
Pharmaceuticals		36,480	-
Chemical		18,169	4,128
Cables And Electrical Goods		24,139	234,629
Refinery		22,262	-
Automobile Parts & Accessories		18,954	40,870
Automobile Assembler		16,544	-
Modarabas		104	104
Investment Banks		-	285
Leather & Tanneries		-	20,105
Real Estate Investment Trust		-	52,571
		<b>1,411,796</b>	<b>1,520,785</b>

				(Rupees in '000)			
		2023	2022	2023	2022		
		Cost		Breakup value			
<b>Unlisted Companies</b>							
Crescent Industrial Chemical Limited		10,000	10,000	(544)	(540)		
Union Communication Private Limited		500	500	343	343		
		<b>10,500</b>	<b>10,500</b>	<b>(201)</b>	<b>(197)</b>		

		(Rupees in '000)	
		2023	2022
		Cost	
<b>Non Government Debt Securities</b>			
<b>Listed</b>			
Categorised based on long term rating by Credit Rating Agency			
- AAA		250,000	312,500
- AA+, AA, AA-		250,000	250,000
- A+, A, A-		142,857	285,714
		<b>642,857</b>	<b>848,214</b>
<b>Unlisted</b>			
Categorised based on long term rating by Credit Rating Agency			
- AA+, AA, AA-		300,000	-



9.4.1 The Bank has no investment in foreign securities under Available for sale category as at December 31, 2023 (December 31, 2022: Nil).

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

(Rupees in '000)	
2023	2022
<b>Cost</b>	
-	2,075,261

**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 was Rs. 1,830.946 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)					
		Performing		Non Performing		Total	
		2023	2022	2023	2022	2023	2022
<b>10. ADVANCES</b>	Note						
	10.1	<b>73,031,411</b>	74,823,126	<b>7,334,923</b>	5,245,303	<b>80,366,334</b>	80,068,429
		<b>345,557</b>	444,620	-	15,494	<b>345,557</b>	460,114
		<b>73,376,968</b>	75,267,746	<b>7,334,923</b>	5,260,797	<b>80,711,891</b>	80,528,543
		-	-	<b>(6,368,758)</b>	(4,909,582)	<b>(6,368,758)</b>	(4,909,582)
		<b>(906,787)</b>	(1,164,393)	-	-	<b>(906,787)</b>	(1,164,393)
		<b>(906,787)</b>	(1,164,393)	<b>(6,368,758)</b>	(4,909,582)	<b>(7,275,545)</b>	(6,073,975)
		<b>72,470,181</b>	74,103,353	<b>966,165</b>	351,215	<b>73,436,346</b>	74,454,568

10.1 Includes Net Investment in Finance Lease as disclosed below:

		(Rupees in '000)							
		2023				2022			
		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	<b>94,964</b>	-	-	<b>94,964</b>	168,577	-	-	168,577
	Residual value	<b>28,475</b>	-	-	<b>28,475</b>	35,403	-	-	35,403
	Minimum lease payments	<b>123,439</b>	-	-	<b>123,439</b>	203,980	-	-	203,980
	Financial charges for future periods	<b>(1,292)</b>	-	-	<b>(1,292)</b>	(1,292)	-	-	(1,292)
	Present value of minimum lease payments	<b>122,147</b>	-	-	<b>122,147</b>	202,688	-	-	202,688

10.2 Particulars of advances (Gross)

		(Rupees in '000)	
		2023	2022
	In local currency	<b>80,439,401</b>	80,361,544
	In foreign currencies	<b>272,490</b>	166,999
		<b>80,711,891</b>	80,528,543

10.3 Advances include Rs. 7,335 million (December 31, 2022: Rs.5,261 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Rupees in '000)			
	2023		2022	
	Non Performing Loans	Provision	Non Performing Loans	Provision
<b>Domestic</b>				
Other Assets Especially Mentioned (OAEM)	56,953	-	-	-
Substandard	1,072,733	486,340	165,834	41,459
Doubtful	1,265,335	966,909	105,203	52,320
Loss	4,939,902	4,915,509	4,989,760	4,815,803
	<b>7,334,923</b>	<b>6,368,758</b>	5,260,797	4,909,582

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

**10.4 Particulars of provision against advances**

Note	(Rupees in '000)					
	2023			2022		
	Specific	General	Total	Specific	General	Total
Opening balance	4,909,582	1,164,393	6,073,975	3,882,761	195,770	4,078,531
Charge for the year	2,680,249	-	2,680,249	1,159,218	968,623	2,127,841
Reversals for the year	(209,487)	(257,606)	(467,093)	(95,116)	-	(95,116)
	2,470,762	(257,606)	2,213,156	1,064,102	968,623	2,032,725
Amounts written off	(1,011,586)	-	(1,011,586)	(37,281)	-	(37,281)
Closing Balance	6,368,758	906,787	7,275,545	4,909,582	1,164,393	6,073,975

**10.4.1 Particulars of provision against advances**

	(Rupees in '000)					
	2023			2022		
	Specific	General	Total	Specific	General	Total
In local currency	6,368,758	906,787	7,275,545	4,909,582	1,164,393	6,073,975

10.4.2 As of December 31, 2023, no benefit of forced sale value of the collaterals held by the Bank has been taken while determining the provision against non performing loans as allowed under BSD circular No. 01 dated October 21, 2011. However, for December 31, 2022, the Bank had 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 and loss after tax would have been higher by Rs. 72.93 million.

10.4.3 As at December 31, 2023, general provision of Rs. 906.787 million includes provision of Rs. 90.645 million (December 31, 2022: Rs. 97.514 million) held against consumer finance portfolio as required by the Prudential Regulations issued by the State Bank of Pakistan and Rs. 816.142 million (December 31, 2022: Rs.1,066.879 million) created against wholesale banking advances which is based on management's best estimate for potential credit losses.

**10.5 Particulars of write offs:**

	Note	(Rupees in '000)	
		2023	2022
10.5.1 Against provisions	10.4	1,011,586	37,281
Directly charged to the profit and loss account		-	7,283
		1,011,586	44,564
10.5.2 Write offs of Rs. 500,000 and above	10.6	670,804	41,275
Write offs of below Rs. 500,000		340,782	3,289
		1,011,586	44,564

#### 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, 2023 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)	
		2023	2022
<b>11. FIXED ASSETS</b>	Note		
Capital work-in-progress	11.1	46,709	47,138
Property and equipment	11.2	2,911,571	3,084,702
		<b>2,958,280</b>	3,131,840
<b>11.1 Capital work-in-progress</b>			
Civil works		46,709	28,143
Equipment		-	18,995
		<b>46,709</b>	47,138

## 11.2 Property and Equipment

(Rupees in '000)							
2023							
Land	Building on land	Furnitures and fixtures	Electrical, office and computer equipment	Vehicles	Right-of use assets	Total	
<b>At January 1, 2023</b>							
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
<b>Year ended December 2023</b>							
Opening net book value	710,240	259,750	356,291	329,534	74,554	1,354,333	3,084,702
Additions	-	-	50,260	103,769	7,994	196,102	358,125
Disposals / write-offs (Note 11.3)	-	-	(165)	(424)	(542)	(6,342)	(7,473)
Depreciation charge	-	(16,400)	(78,404)	(125,994)	(13,768)	(288,755)	(523,321)
Other adjustments / transfers	-	(536)	50	41	(17)	-	(462)
Closing net book value	710,240	242,814	328,032	306,926	68,221	1,255,338	2,911,571
<b>At December 31, 2023</b>							
Cost	710,240	390,514	955,577	1,121,412	118,101	2,327,610	5,623,454
Accumulated depreciation	-	(147,700)	(627,545)	(814,486)	(49,880)	(1,072,272)	(2,711,883)
Net book value	710,240	242,814	328,032	306,926	68,221	1,255,338	2,911,571
Rate of depreciation (percentage)	-	5	5/10/20/33	14/20/33/50	20	10 - 33	

(Rupees in '000)							
2022							
Land	Building on land	Furnitures and fixtures	Electrical, office and computer equipment	Vehicles	Right-of use assets	Total	
<b>At January 1, 2022</b>							
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
<b>Year ended December 2022</b>							
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
<b>At December 31, 2022</b>							
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	

## 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)	
		2023	2022
<b>11.4</b>	Carrying amount of temporarily idle property	-	-
<b>11.5</b>	The gross carrying amount (cost) of fully depreciated assets that are still in use:		
	Building on land	73,916	73,916
	Electrical, office and computer equipments	610,877	525,590
	Furniture and fixtures	390,661	332,093
	Vehicles	19,797	8,854
		<b>1,095,251</b>	<b>940,453</b>

		(Rupees in '000)	
		2023	2022
<b>12</b>	<b>INTANGIBLE ASSETS</b>		
	Capital work-in-progress	253,650	362,875
	Intangible assets	343,094	253,161
		<b>596,744</b>	<b>616,036</b>
<b>12.1</b>	<b>Capital work-in-progress</b>		
	Advances to suppliers	253,650	362,875
<b>12.2</b>	<b>Intangible assets</b>		
	<b>At January 1, 2023</b>		
	Cost	601,576	448,043
	Accumulated amortisation	(348,415)	(272,837)
	Net book value	253,161	175,206
	<b>Year ended December 31, 2023</b>		
	Opening net book value	253,161	175,206
	Additions:		
	- directly purchased	187,803	153,533
	Amortisation charge	(98,329)	(75,578)
	Other adjustments	459	-
	Closing net book value	343,094	253,161
	<b>At December 31, 2023</b>		
	Cost	789,379	601,576
	Accumulated amortisation	(446,285)	(348,415)
	Net book value	343,094	253,161
	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 nil (2022: Rs. 16.992 million). The remaining amortisation period of this asset is nil (2022: 1 years).

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

(Rupees in '000)	
2023	2022
273,875	136,852

**13. DEFERRED TAX ASSETS**

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

(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

**14 OTHER ASSETS**

		(Rupees in '000)	
Note		2023	2022
Income / mark-up accrued in local currency		6,170,609	5,151,054
Income / mark-up accrued in foreign currencies		81,799	35,814
Advances, deposits, advance rent and other prepayments		201,679	187,779
Advance taxation (payments less provisions)		-	354,498
Mark to market gain on forward foreign exchange contracts		1,632,466	816,671
Acceptances	19	1,450,781	679,975
Receivable against sale of equity investment		257,197	74,847
Others	14.1	483,551	156,346
		10,278,082	7,456,984
Less: provision held against other assets	14.2	(147,385)	(157,159)
Other assets (net of provision)		10,130,697	7,299,825

**14.1 This includes:**

- (a) an amount of Rs. 32.389 million (December 31, 2022: Rs. 32.389 million) receivable from InterAsia Leasing Limited. In 1979, Bankers Equity Limited (BEL) was established by State bank of Pakistan along with 5 Commercial banks. In 1999 Samba Bank Limited (Formerly known as Crescent Commercial Bank) borrowed Rs 32.389 million. Money received from BEL was ultimately given as loan to Interasia lease Company which is long outstanding amount which is yet to received. However, Bank has recognized a provision of 10 million to date and the remaining Rs 22 million is recorded as borrowings from BEL and is disclosed in note 16.
- (b) an amount of Rs. 1.847 million (December 31, 2022: Rs.1. 847 million) receivable from Saudi National Bank - a related party.

**14.2 Provision held against other assets**

Fee, commission and other receivables  
Fraud and forgery

		(Rupees in '000)	
		2023	2022
		78,245	88,019
		69,140	69,140
		<b>147,385</b>	157,159
<hr/>			
<b>14.2.1 Movement in provision held against other assets</b>			
	Opening balance	157,159	160,674
	Write-off during the year	(9,774)	(3,515)
	<b>Closing balance</b>	<b>147,385</b>	157,159

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

**15. BILLS PAYABLE**

In Pakistan

		(Rupees in '000)	
		2023	2022
		975,388	1,038,709
<hr/>			
<b>16. BORROWINGS</b>			
	<b>Secured</b>		
	Borrowings from the State Bank of Pakistan		
	Under export refinance scheme	16.1 4,646,936	5,121,341
	Under long term financing facilities	16.2 6,887,533	7,915,505
		11,534,469	13,036,846
	Repurchase agreement borrowings	16.3 19,424,800	32,767,120
	<b>Total secured</b>	<b>30,959,269</b>	45,803,966
	<b>Unsecured</b>		
	Bankers Equity Limited (under liquidation)	16.4 22,336	22,336
	<b>Total unsecured</b>	<b>22,336</b>	22,336
		<b>30,981,605</b>	45,826,302

**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 1.0% to 18.0% (2022: ranging from 2.0% to 10.0%) per annum, and have maturity period of upto six months from deal date (2022: 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% (2022: ranging from of 1% to 7.5%) per annum and will mature latest by May 31, 2032 (2022: December 23, 2031).

**16.3** These represent funds borrowed from interbank market against Government securities and carries mark up at the rate ranging from 22.16% to 22.90% (2022: ranging from 15.90% to 16.45%) per annum and will mature by January 12, 2024 (2022: March 03, 2023).

**16.4** 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.

**16.5 Particulars of borrowings with respect to currencies**

In local currency  
In foreign currencies

(Rupees in '000)	
2023	2022
30,981,605	45,826,302
-	-
<b>30,981,605</b>	<b>45,826,302</b>

**17 DEPOSITS AND OTHER ACCOUNTS**

**Customers**

Current deposits  
Savings deposits  
Term deposits  
Others - margin & call deposits

**Financial Institutions**

Current deposits  
Savings deposits  
Term deposits  
Others

		(Rupees in '000)					
Note	2023			2022			
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total	
	18,907,204	6,307,245	25,214,449	18,151,448	5,374,691	23,526,139	
	21,550,490	3,199,059	24,749,549	18,403,509	3,276,147	21,679,656	
	57,202,589	4,891,760	62,094,349	45,744,241	3,893,866	49,638,107	
	679,143	-	679,143	1,138,552	-	1,138,552	
	<b>98,339,426</b>	<b>14,398,064</b>	<b>112,737,490</b>	<b>83,437,750</b>	<b>12,544,704</b>	<b>95,982,454</b>	
	198,278	2,767	201,045	81,170	2,223	83,393	
	216,199	-	216,199	7,849,496	-	7,849,496	
	500,000	-	500,000	250,000	-	250,000	
17.1.1	1,077,263	-	1,077,263	1,078,421	-	1,078,421	
	<b>1,991,740</b>	<b>2,767</b>	<b>1,994,507</b>	<b>9,259,087</b>	<b>2,223</b>	<b>9,261,310</b>	
	<b>100,331,166</b>	<b>14,400,831</b>	<b>114,731,997</b>	<b>92,696,837</b>	<b>12,546,927</b>	<b>105,243,764</b>	

**17.1 Composition of deposits**

- Individuals  
- Government (Federal and Provincial)  
- Public sector entities  
- Banking companies  
- Non-banking financial institutions  
- Private sector

		(Rupees in '000)	
Note	2023	2022	
	34,841,706	30,662,175	
	18,836,493	21,203,848	
	1,784,826	6,180,593	
17.1.1	1,077,263	1,078,421	
	917,244	8,182,890	
	<b>57,274,465</b>	<b>37,935,837</b>	
17.2	<b>114,731,997</b>	<b>105,243,764</b>	

**17.1.1** This includes deposit amounting to Rs. 1,077.263 million (December 31, 2022: Rs. 1,078.421 million) from Saudi National Bank - a related party

**17.2** This includes eligible deposits covered under insurance arrangements amounting to Rs. 28,924 million (2022: Rs. 27,665 million).

**18 SUBORDINATED DEBT**

Term Finance Certificates (TFCs) - Unsecured

		(Rupees in '000)	
Note	2023	2022	
18.1	<b>4,995,000</b>	4,997,000	



### 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)	
		2023	2022
<b>19</b>	<b>OTHER LIABILITIES</b>		
	Mark-up / return / interest payable		
	- in local currency	2,849,249	2,197,263
	- in foreign currencies	51,851	62,570
	Accrued expenses	810,339	506,377
	Accrual for WWF	184,470	156,470
	Acceptances	1,450,781	679,975
	Payable against purchase of equity investment	37,631	404,516
	Dividends payable	28,220	28,251
	Unclaimed dividends	3,351	3,351
	Taxation	291,770	-
	Mark to market loss on forward foreign exchange contracts	2,058,075	1,212,633
	Provision against off-balance sheet obligations	172,746	172,746
	Security deposits against lease	27,826	34,754
	Lease liability against right-of-use assets	1,475,627	1,501,455
	ATM settlement account	1,118,435	-
	Others	126,317	355,040
		<b>10,686,688</b>	<b>7,315,401</b>

		(Rupees in '000)	
		2023	2022
<b>19.1</b>	<b>Provision against off-balance sheet obligations</b>		
	Opening balance	172,746	172,746
	Reversal during the year	-	-
	Closing balance	172,746	172,746

#### 19.1.1 This includes:

- a) A provision of Rs 71.134 million (2022: Rs 71.134 million) made in respect of two counter guarantees amounting to Rs 71.134 million issued by Crescent Investment Bank Limited, an amalgamated entity, on behalf of Mr. Reyaz Shafi favoring Privatization Commission of Pakistan (PC). The PC had invoked/called for payment of both the guarantees prior to their expiry date. However, Mr. Reyaz Shafi had obtained stay order for payments against the guarantees on the grounds that the guarantees were conditional and the condition had not been met. Subsequently, the PC filed a suit against Faysal Bank Limited and Al-Baraka Islamic Bank, the guarantees issuing banks, against counter guarantees of the amalgamated entity, in the Lahore High Court under the Privatization Commission Ordinance, 2000 for payment against the guarantees. The case is still pending for decision. As a matter of prudence, full provision of Rs 71.134 million (2022: 71.134 million) was made by the amalgamated entity in respect of this matter, which is being maintained.
- b) A 50% provision is maintained amounting to Rs 52.762 million (2022: 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 (2022: Rs 52.762 million) is being maintained.

- c) A provision of Rs. 48 million (2022: 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.

19.2 This is payable to 1LINK on account of inter-bank fund transfers (IBFT) executed at the year end.

## 20 SHARE CAPITAL

### 20.1 Authorized capital

(Number of shares)			(Rupees in '000)	
2023	2022		2023	2022
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)	
2023	2022	Ordinary shares	2023	2022
883,317,458	883,317,458	Fully paid in cash	8,833,175	8,833,175
124,921,190	124,921,190	Issued for consideration other than cash	1,249,212	1,249,212
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

(Number of shares)	
2023	2022
1,000,500	1,000,500
1,000	1,000
500	500
1,002,000	1,002,000
852,040,531	852,040,531
853,042,531	853,042,531

##### Associated Companies, undertakings and related parties

Saudi National Bank(SNB)

## 21 DEFICIT ON REVALUATION OF ASSETS

### Deficit on revaluation of

- Available for sale securities

### Deferred tax on surplus on revaluation of:

- Available for sale securities

	(Rupees in '000)	
Note	2023	2022
9.1	(538,172)	(1,314,509)
13	263,704	565,239
	(274,468)	(749,270)

		(Rupees in '000)	
		2023	2022
<b>22</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
	- Guarantees	7,692,280	8,062,744
	- Commitments	112,270,023	132,504,858
	- Other contingent liabilities	3,058,181	2,245,273
		<b>123,020,484</b>	<b>142,812,875</b>
<b>22.1</b>	<b>Guarantees</b>		
	Financial guarantees	1,622,350	1,679,657
	Performance guarantees	4,854,026	5,419,619
	Other guarantees	1,215,904	963,468
		<b>7,692,280</b>	<b>8,062,744</b>
<b>22.2</b>	<b>Commitments</b>		
	<b>Documentary credits and short-term trade-related transactions</b>		
	- letters of credit	2,761,534	7,855,756
	<b>Commitments in respect of:</b>		
	- forward foreign exchange contracts	108,950,523	124,483,534
	- forward government securities transactions	-	-
	- operating leases	3,874	5,366
		<b>108,954,397</b>	<b>124,488,900</b>
	<b>Commitments for acquisition of:</b>		
	- operating fixed assets	73,848	62,537
	- intangible assets	480,244	97,665
		<b>554,092</b>	<b>160,202</b>
		<b>112,270,023</b>	<b>132,504,858</b>
<b>22.2.1</b>	<b>Commitments in respect of forward foreign exchange contracts</b>		
	Purchase	56,645,445	64,799,813
	Sale	52,305,078	59,683,721
		<b>108,950,523</b>	<b>124,483,534</b>
<b>22.2.2</b>	<b>Commitments in respect of forward government securities transactions</b>		
	Purchase	-	-
	Sale	-	-
		-	-
<b>22.2.3</b>	<b>Commitments in respect of operating leases</b>		
	Not later than one year	3,874	5,366
	Later than one year and not later than five years	-	-
	Later than five years	-	-
		<b>3,874</b>	<b>5,366</b>

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.

	Note	(Rupees in '000)	
		2023	2022
<b>22.3 Other contingent liabilities</b>			
Contingencies in respect of taxation	22.3.1	2,425,668	1,841,903
Claims against the Bank not acknowledged as debt	22.3.2	632,513	403,370
		<b>3,058,181</b>	<b>2,245,273</b>

### 22.3.1 Tax Cases

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 below mentioned demands and windfall tax aggregating Rs. 2,425.668 million (December 31, 2022: Rs. 1,841.903 million) raised by the tax authorities. The details are as follows:

The Federal Board of Revenue (FBR) has raised an arbitrary aggregate demand of Rs. 426.787 million (December 31, 2022: 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 FBR has also raised arbitrary aggregate demand of Rs. 645.337 million (December 31, 2022: 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. The FBR has also raised an arbitrary aggregate demand of Rs. 29.052 million (December 31, 2022: Rs. 29.052 million) for the assessment years 2009, 2010 & 2011 on account of Federal Excise Duty. Further, the FBR has raised arbitrary aggregate demand of Rs. 5.498 million (December 31, 2022: Rs. 5.498 million) on account of monitoring of withholding taxes for the tax year 2014. Provincial Tax authorities have issued orders under Sindh Sales Tax on Services Act, 2011 and Punjab Sales Tax on Services Act, 2012 thereby creating arbitrary aggregate demand amounting to Rs 1.32 million (December 31, 2022: Rs. 35.391 million) for the years 2015 and Rs.15.380 million (December 31, 2022: Rs. 15.380 million) for the year 2016 respectively. Federal Board of Revenue has issued orders to amend assessments for tax years 2015, 2017, 2018, 2019, 2020 and 2022 raising arbitrary aggregate demands of Rs. 64.945 million (December 31, 2022: Rs. 64.945 million), Rs. 527.054 million (December 31, 2022: Nil), Rs. 133.374 million (December 31, 2022: Rs. 133.374 million), Rs. 177.117 million (December 31, 2022: Rs. 177.117 million), Rs. 4.794 million (December 31, 2022: Rs. 4.794 million) and Rs. 41.01 million (December 31, 2022: Nil) respectively.

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

- unlawful delegation of powers;
- absence of necessary conditions mentioned in section 99D;
- lack of right of appeal to the tax payers; and
- absence of machinery for declaration, assessment and collection.

Based on these grounds the Honorable High Court has suspended the operation of the SRO. Similar orders have also been passed by the High Courts of Sindh and Islamabad. Moreover, the subject SRO has to be ratified and approved by a functional National Assembly within a period of 90 days from its issuance; failing which it would lapse and would have no legal effect though chances of the same appear to be remote. On the basis of the aforementioned factors and as per the advise of our learned legal counsel, the management is confident that these matters will ultimately be decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in such matters

### 22.3.2 Claims against the Bank not acknowledged as debt

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

**23 MARK-UP / RETURN / INTEREST EARNED**

On:

- a) Loans and advances
- b) Investments
- c) Lendings to financial institutions
- d) Balances with banks
- e) Others (on pool lending to Naya Pakistan Certificate)

(Rupees in '000)	
2023	2022
12,968,421	10,514,091
14,167,327	11,180,973
1,135,010	732,153
63,942	492
370,506	117,387
<b>28,705,206</b>	<b>22,545,096</b>

**24 MARK-UP / RETURN / INTEREST EXPENSED**

On:

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

(Rupees in '000)	
2023	2022
14,754,383	7,502,746
3,906,902	8,890,092
188,489	153,535
664,846	591,423
1,089,404	673,540
<b>20,604,024</b>	<b>17,811,336</b>

**25 FEE AND COMMISSION INCOME**

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

(Rupees in '000)	
2023	2022
55,373	57,589
30,779	29,192
50,924	50,451
10,989	8,121
-	-
82,466	118,102
40,107	42,067
19,167	16,260
68,824	68,172
4,471	6,949
9,371	8,894
6,963	5,270
<b>379,434</b>	<b>411,067</b>

**26 LOSS ON SECURITIES**

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

		(Rupees in '000)	
		2023	2022
	Note		
Realised loss	26.1	(399,745)	(1,285,738)
Unrealised (loss) / gain on held for trading securities	9.1	(223)	2,144
		<b>(399,968)</b>	<b>(1,283,594)</b>
<b>26.1 Realised loss</b>			
Federal Government Securities		(264,660)	(900,869)
Shares		(135,085)	(384,869)
		<b>(399,745)</b>	<b>(1,285,738)</b>

**27 OTHER INCOME**

		(Rupees in '000)	
		2023	2022
	Gain on sale of fixed assets	5,412	5,129
	Gain on termination of lease liability against right of use assets	4,626	1,326
	Rent on property	14,553	6,300
	Others	81	7
		<b>24,672</b>	<b>12,762</b>

**28 OPERATING EXPENSES**

		(Rupees in '000)	
		2023	2022
	<b>Total compensation expense</b>	<b>2,378,699</b>	2,104,528
	<b>Property expense</b>		
	Rent and taxes	54,599	113,936
	Insurance	2,016	2,010
	Utilities cost	186,646	134,498
	Security (including guards)	97,474	77,092
	Repair and maintenance (including janitorial charges)	88,374	70,850
	Depreciation on owned fixed assets	16,401	17,219
	Depreciation on right of use assets	288,755	220,716
		<b>734,265</b>	636,321
	<b>Information technology expenses</b>		
	Software maintenance	327,853	215,858
	Hardware maintenance	86,385	54,383
	Depreciation	103,480	74,028
	Amortisation	98,329	75,578
	Network charges	212,954	158,526
	Insurance	667	732
		<b>829,668</b>	579,105
	<b>Other operating expenses</b>		
	Directors' fees and related expenses	78,335	39,785
	Legal and professional charges	84,083	33,841
	Outsourced services costs	-	7,195
	Travelling, conveyance and official entertainment	115,302	93,790
	Charges paid to Central Depository Company of Pakistan Limited and NIFT	14,876	19,244
	Depreciation	114,685	116,967
	Training and development	24,019	2,623
	Postage and courier charges	9,871	6,880
	Communication	8,851	7,513
	Stationery and printing	53,649	44,752
	Repair and maintenance	77,441	73,041
	Insurance	66,547	77,518
	Marketing, advertisement and publicity	43,823	120,005
	Fee commission and brokerage	34,324	40,377
	Donations	-	12,441
	Auditors remuneration	8,430	7,664
	Others	88,052	22,760
		<b>822,288</b>	726,396
		<b>4,764,920</b>	<b>4,046,350</b>

		(Rupees in '000)	
		2023	2022
<b>28.1</b>	<b>Total compensation expense</b>		
	Fees and allowances etc		
	Managerial remuneration		
	i) Fixed	835,981	735,577
	ii) Variable		
	of which;		
	a) Cash bonus / awards etc.	425,000	334,962
	b) Incentive payments	49,978	117,949
	Contribution to defined contribution plan	66,806	58,587
	Rent & house maintenance	377,467	333,349
	Utilities	83,881	74,086
	Medical	83,882	74,086
	Conveyance / fuel / allowance	338,560	250,699
	Staff insurance	44,522	37,008
	Club membership	6,528	6,038
	Other support staff salaries	65,816	80,233
	Leave fare assistance	-	1,954
	Others	278	-
	<b>Total</b>	<b>2,378,699</b>	<b>2,104,528</b>

Note

28.1.1

**28.1.1** This amount includes Employees Social Security and Relocation expenses.

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

		(Rupees in '000)	
		2023	2022
<b>28.3</b>	<b>Donations made during the year were as follows:</b>		
	Progressive Education Network (PEN)	-	3,000
	Bestway Group UK	-	1,514
	The Citizens Foundation	-	1,260
	Patients Aid Foundation	-	1,000
	Zindagi Trust	-	983
	The Indus Hospital	-	802
	Kiran Foundation	-	750
	The Kidney Center	-	500
	Kidney Centre	-	500
	Sharmeen Khan Memorial Foundation	-	432
	Orange Tree Foundation	-	350
	Hunar Ghar	-	350
	Sahara Public Rights Welfare Organization	-	300
	SOS Children's Villages	-	300
	Pink Ribbon Pakistan	-	200
	Karachi Down Syndrome Program (KDSP)	-	200
		-	12,441

**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 review of the half year financial statements  
 Special certifications and others  
 Out-of-pocket expenses

(Rupees in '000)	
2023	2022
5,810	5,287
708	644
647	583
1,265	1,150
<b>8,430</b>	<b>7,664</b>

**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)	
2023	2022
135	3,525

**31 PROVISIONS AND WRITE OFFS - NET**

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

		(Rupees in '000)	
Note		2023	2022
9.3.1	(73,041)	194,929	
10.4	(2,213,156)	(2,032,725)	
	(9)	-	
10.5	-	(7,283)	
	<b>(2,286,206)</b>	<b>(1,845,079)</b>	



		(Rupees in '000)	
		2023	2022
<b>32 TAXATION</b>	Note		
Current	32.2	(1,641,541)	(181,477)
Prior years		-	-
Deferred		683,518	679,425
		<b>(958,023)</b>	497,948
<b>32.1 Relationship between tax expense and accounting profit</b>			
<b>Profit / (loss) before taxation</b>		<b>2,193,319</b>	(925,888)
<b>Effects of:</b>			
- Tax calculated at the applicable rate of 39% (2022: 39%)		855,394	(361,096)
- Super tax at applicable rate of 10% (2022: 10%)		219,332	(92,589)
- Effect of rate change on deferred tax asset		(217,088)	(89,885)
- Permanent differences		66	1,516
- Others	32.2	100,319	44,106
Tax charge for the year		<b>958,023</b>	(497,948)

**32.2** This includes provision against tax refund of Rs. 90 million as appeal effect orders against the same are not yet issued.

		(Rupees in '000)	
		2023	2022
<b>33 EARNINGS / (LOSS) PER SHARE - BASIC &amp; DILUTED</b>			
Profit / (loss) for the year		1,235,296	(427,940)
		(Number of Shares)	
Weighted average number of ordinary shares		1,008,238,648	1,008,238,648
		(Rupees)	
Basic earnings / (loss) per share		1.225	(0.424)

		(Rupees in '000)	
		2023	2022
<b>33.1 Diluted Earnings / (loss) Per Share</b>			
Profit / (loss) for the year		1,235,296	(427,940)
		(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		1.225	(0.424)

		(Rupees in '000)	
		2023	2022
<b>34 CASH AND CASH EQUIVALENTS</b>	Note		
Cash and balances with treasury banks	6	9,465,856	6,169,111
Balances with other banks	7	1,038,476	1,023,414
		<b>10,504,332</b>	7,192,525

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

(Rupees in '000)						
2023						
Liabilities		Equity				
Sub-ordinated loan	Other liabilities	Share Capital	Reserves	Un-appropriated profit	Total	
<b>Balance as at January 01,</b>	<b>4,997,000</b>	<b>7,315,401</b>	<b>10,082,387</b>	<b>1,980,649</b>	<b>2,590,047</b>	<b>26,965,484</b>
<b>Changes from Financing cash flows</b>						
Issuance of Subordinated loan	-	-	-	-	-	-
Contribution from shareholder	-	-	-	-	-	-
Principal repayment of debt securities	(2,000)	-	-	-	-	(2,000)
Markup payment on debt securities	-	-	-	-	-	-
Payment of lease liability against right-of-use-assets	-	(399,451)	-	-	-	(399,451)
Dividend Paid	-	(31)	-	-	-	(31)
<b>Total changes from financing cash flows</b>	<b>(2,000)</b>	<b>(399,482)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(401,482)</b>
Changes arising from demerger	-	-	-	-	-	-
<b>Liability related</b>						
<b>Changes in Other liabilities</b>						
- Cash based	-	303,962	-	-	-	303,962
- Dividend payable	-	-	-	-	-	-
- Non cash based	-	4,435,951	-	-	-	4,435,951
<b>Total liability related other changes</b>	<b>-</b>	<b>4,739,913</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,739,913</b>
Mark-up payment on debt securities	-	(969,144)	-	-	-	(969,144)
Total equity related other changes	-	-	-	721,861	988,237	1,710,098
<b>Balance as at December 31</b>	<b>4,995,000</b>	<b>10,686,688</b>	<b>10,082,387</b>	<b>2,702,510</b>	<b>3,578,284</b>	<b>32,044,869</b>

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

**35 STAFF STRENGTH**

	(Numbers)	
	2023	2022
Permanent	662	679
Contractual	154	189
Bank's own staff strength at the end of the year	816	868

**35.1** In addition to the above, 141 (prior year: 142) 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 746 employees (2022: 753 employees). Both employer and employees contribute 8.33% (2022: 8.33%) of the basic salaries to the fund every month. The expense charged in respect of this benefit is disclosed in note 28 to these financial statements.

**37 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL**

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

	(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	-	-
<b>Total</b>	<b>6,240</b>	<b>-</b>	<b>37,920</b>	<b>183,975</b>	<b>272,590</b>	<b>449,306</b>
Number of Persons	1	-	8	2	12	62

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

- (a) 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.
- (b) Any executive or key executive reporting directly to the CEO / President or the person mentioned in (a) above.

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

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

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)								
2023								
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	Mr. Mustafa Ilyas	3,360	-	480	3,360	-	-	7,200
2	Mr. Nasser Al-Fraih	3,360	-	-	-	-	-	3,360
3	Mr. Hussein Eid	3,360	-	-	3,360	3,360	-	10,080
4	Mr. Timour Pasha	3,840	-	-	-	-	4,800	8,640
5	Hafiz Muhammad Yousuf	2,880	-	480	3,360	2,880	-	9,600
6	Mr. Javed Kureishi	3,360	-	480	-	2,880	3,840	10,560
7	Zeeba Ansar	3,360	-	-	960	-	4,320	8,640
8	Mr. Ali Muhammad Mahoon	1,440	-	480	-	-	480	2,400
Total Amount Paid		24,960	-	1,920	11,040	9,120	13,440	60,480

(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	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

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

	(Rupees in '000)			
	<b>2022</b>			
	Level 1	Level 2	Level 3	Total
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
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
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments - Federal Government Securities	-	1,830,946	-	1,830,946
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Forward purchase of foreign exchange	-	64,799,813	-	64,799,813
Forward sale of foreign exchange	-	59,683,721	-	59,683,721

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

**(a) Financial instruments in level 1**

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

**(b) Financial instruments in level 2**

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

**(c) Financial instruments in level 3**

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

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

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

### 39 SEGMENT INFORMATION

39.1 During the year, the Bank has restructured its business segments wherein Corporate Banking and Commercial Banking were merged into and became Wholesale Banking Group. The Whole Sale Banking Group is headed by Chief Lending Officer of the Bank who report to the President & CEO. The below segment information represent the above said organizational restructuring, accordingly comparative figures as of December 31, 2022 have also been restated.

	(Rupees in '000)				
	<b>2023</b>				
	Wholesale Banking	Retail Banking	Global Markets	Inter Segment Allocation	Total
<b>Profit and loss account</b>					
Net mark-up / return / interest income	4,890,255	(7,541,855)	10,752,782	-	8,101,182
Inter segment revenue - net	(1,383,228)	10,499,273	(9,116,045)	-	-
Non mark-up / return / interest income	478,042	257,356	473,000	-	1,208,398
Total income	3,985,069	3,214,774	2,109,737	-	9,309,580
Segment direct expenses	(446,338)	(1,634,357)	(167,657)	(2,581,703)	(4,830,055)
Inter segment expense allocation	(1,135,132)	(1,188,401)	(258,170)	2,581,703	-
Total expenses	(1,581,470)	(2,822,758)	(425,827)	-	(4,830,055)
Provisions	(2,189,210)	(23,954)	(73,042)	-	(2,286,206)
<b>Profit before tax</b>	214,389	368,062	1,610,868	-	2,193,319
<b>Statement of Financial Position</b>					
Cash and bank balances	-	2,112,496	8,391,836	-	10,504,332
Investments	-	-	70,412,387	-	70,412,387
Net inter segment lending	-	61,248,487	-	(61,248,487)	-
Lendings to financial institutions	-	-	8,192,051	-	8,192,051
Advances - performing	66,762,850	5,594,645	112,686	-	72,470,181
Advances - non-performing	861,171	104,994	-	-	966,165
Others	2,491,754	510,205	13,186,784	-	16,188,743
<b>Total Assets</b>	70,115,775	69,570,827	100,295,744	(61,248,487)	178,733,859
Borrowings	11,534,469	-	19,447,136	-	30,981,605
Deposits and other accounts	48,976,462	64,640,384	1,115,151	-	114,731,997
Subordinated debt	-	-	4,995,000	-	4,995,000
Net inter segment borrowing	7,390,409	-	53,858,078	(61,248,487)	-
Others	2,214,435	4,930,443	4,517,198	-	11,662,076
<b>Total liabilities</b>	70,115,775	69,570,827	83,932,563	(61,248,487)	162,370,678
Equity	-	-	16,363,181	-	16,363,181
<b>Total equity and liabilities</b>	70,115,775	69,570,827	100,295,744	(61,248,487)	178,733,859
<b>Contingencies and commitments</b>	13,269,961	-	109,750,523	-	123,020,484

	(Rupees in '000)				
	2022				(Restated)
	Wholesale Banking	Retail Banking	Global Markets	Inter Segment Allocation	Total
<b>Profit and loss account</b>					
Net mark-up / return / interest income	7,477,089	(4,982,721)	2,239,392	-	4,733,760
Inter segment revenue - net	(5,663,656)	6,967,455	(1,303,799)	-	-
Non mark-up / return / interest income	509,321	308,221	(573,436)	-	244,106
Total income	2,322,754	2,292,955	362,157	-	4,977,866
Segment direct expenses	(410,539)	(1,439,001)	(176,652)	(2,032,483)	(4,058,675)
Inter segment expense allocation	(851,046)	(207,397)	(974,040)	2,032,483	-
Total expenses	(1,261,585)	(1,646,398)	(1,150,692)	-	(4,058,675)
Provisions	(1,825,367)	(43,641)	23,929	-	(1,845,079)
<b>(Loss) / Profit before tax</b>	<b>(764,198)</b>	<b>602,916</b>	<b>(764,606)</b>	<b>-</b>	<b>(925,888)</b>
<b>Statement of Financial Position</b>					
Cash and bank balances	-	1,483,775	5,708,750	-	7,192,525
Investments	-	-	76,904,147	-	76,904,147
Net inter segment lending	-	67,742,438	-	(67,742,438)	-
Lendings to financial institutions	-	-	7,354,279	-	7,354,279
Advances - performing	67,342,139	6,592,279	168,935	-	74,103,353
Advances - non-performing	299,797	51,418	-	-	351,215
Others	2,123,650	417,287	10,627,803	-	13,168,740
<b>Total Assets</b>	<b>69,765,586</b>	<b>76,287,197</b>	<b>100,763,914</b>	<b>(67,742,438)</b>	<b>179,074,259</b>
Borrowings	13,036,846	-	32,789,456	-	45,826,302
Deposits and other accounts	29,883,560	74,247,436	1,112,768	-	105,243,764
Subordinated debt	-	-	4,997,000	-	4,997,000
Net inter segment borrowing	25,380,542	-	42,361,896	(67,742,438)	-
Others	1,464,639	2,039,760	4,849,711	-	8,354,110
<b>Total liabilities</b>	<b>69,765,587</b>	<b>76,287,196</b>	<b>86,110,831</b>	<b>(67,742,438)</b>	<b>164,421,176</b>
Equity	-	-	14,653,083	-	14,653,083
<b>Total equity and liabilities</b>	<b>69,765,587</b>	<b>76,287,196</b>	<b>100,763,914</b>	<b>(67,742,438)</b>	<b>179,074,259</b>
<b>Contingencies and commitments</b>	<b>17,529,341</b>	<b>-</b>	<b>125,283,534</b>	<b>-</b>	<b>142,812,875</b>

### 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.

Category	(Rupees in '000)							
	2023	2022	2023			2022		
	Number of IPS Accounts		Securities Held (Face Value)				Market Treasury Bills	Pakistan Investment Bonds (Fixed)
Market Treasury Bills			Pakistan Investment Bonds (Fixed and Floating)	Total	Market Treasury Bills	Pakistan Investment Bonds (Fixed)		
Corporate	8	10	-	-	-	150,000	-	150,000
Insurance Companies	1	-	-	-	-	-	-	-
Asset Management Companies	8	-	-	-	-	-	-	-
Employee Funds	15	22	350,000	612,400	962,400	-	567,800	567,800
Others	101	65	169,330	341,200	510,530	43,000	403,300	446,300
	<b>133</b>	<b>97</b>	<b>519,330</b>	<b>953,600</b>	<b>1,472,930</b>	<b>193,000</b>	<b>971,100</b>	<b>1,164,100</b>



#### 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)							
	2023				2022			
	Parent	Directors	Key Management personnel	Other related parties	Parent	Directors	Key Management personnel	Other related parties
<b>Balances with other banks</b>								
In current accounts	100,391	-	-	-	47,903	-	-	-
<b>Advances</b>								
Opening balance	-	-	226,221	-	-	-	200,450	-
Addition during the year	-	-	109,503	-	-	-	117,169	-
Repaid during the year	-	-	(103,913)	-	-	-	(91,398)	-
Closing balance	-	-	231,811	-	-	-	226,221	-
<b>Other Assets</b>								
Other receivable	1,847	-	-	-	1,847	-	-	-
Mark to market gain on forward foreign exchange contracts	-	-	-	-	20,817	-	-	-
	1,847	-	-	-	22,664	-	-	-
<b>Other Liabilities</b>								
Mark-up payable	-	135	197	450	-	88	222	699
Mark to market loss on foreign exchange contracts	-	-	-	-	70,757	-	-	-
	-	135	197	450	70,757	88	222	699
<b>Deposits and other accounts</b>								
Opening balance	1,078,421	6,255	17,975	30,583	655,306	25,057	31,168	32,484
Received during the year	16,220	16,511	636,249	874,326	500,438	308,739	694,575	1,127,025
Withdrawn during the year	(17,378)	(17,638)	(616,955)	(867,116)	(77,323)	(327,541)	(707,768)	(1,128,926)
<b>Closing balance</b>	<b>1,077,263</b>	<b>5,128</b>	<b>37,269</b>	<b>37,793</b>	<b>1,078,421</b>	<b>6,255</b>	<b>17,975</b>	<b>30,583</b>
<b>Contingencies and Commitments</b>								
Forward foreign exchange contracts (Notional) - outstanding	-	-	-	-	4,065,845	-	-	-
Guarantees	-	-	-	-	-	-	-	-
	-	-	-	-	4,065,845	-	-	-
<b>Income</b>								
Mark-up / return / interest earned	-	-	13,287	-	-	-	11,009	-
<b>Expense</b>								
Mark-up / return / interest paid	-	1,563	2,001	11,502	-	774	1,663	6,265
Remuneration and benefits	-	-	366,650	-	-	-	459,430	-
Directors fee	-	60,480	-	-	-	44,160	-	-
Insurance premium paid	-	-	1,978	-	-	-	1,493	-
Insurance claims settled	-	-	2,222	-	-	-	1,854	-
	-	62,043	372,851	11,502	-	44,934	464,440	6,265

41.2 Forex transactions during the year - Saudi National Bank

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

Forex deals outstanding as at the year - Saudi National Bank

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

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	-

## 42 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Rupees in '000)	
	2023	2022
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	10,082,387	10,082,387
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	14,840,059	13,319,713
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	14,840,059	13,319,713
Eligible Tier 2 Capital	5,584,343	4,940,196
Total Eligible Capital (Tier 1 + Tier 2)	20,424,402	18,259,909
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	75,824,389	81,783,956
Market Risk	6,703,515	5,661,337
Operational Risk	13,314,538	10,104,223
Total	95,842,442	97,549,516
Common Equity Tier 1 Capital Adequacy ratio	15.48%	13.65%
Tier 1 Capital Adequacy Ratio	15.48%	13.65%
Total Capital Adequacy Ratio	21.31%	18.72%

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

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

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

The Banks are required to maintain Minimum Capital Requirement (MCR) as prescribed by the State Bank of Pakistan through its BSD Circular No. 7 dated April 15, 2009 which required the minimum paid up capital (net of accumulated losses) to be raised to Rs 10 billion by the year ended December 31, 2013. As at December 31, 2023 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, 2023 is 21.31 percent (2022: 18.72 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 capital to risk weighted asset ratio, calculated in accordance with SBP guidelines on capital adequacy, under Basel III and Pre-Basel III treatment using Standardized Approach of Credit and Market Risk and Basic indicator Approach for Operational Risk is presented above:

	(Rupees in '000)	
	2023	2022
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	14,840,059	13,319,713
Total Exposures	185,706,974	209,634,698
Leverage Ratio	7.99%	6.35%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	62,605,419	40,733,917
Total Net Cash Outflow	26,151,626	21,318,101
Liquidity Coverage Ratio	239.39%	191.08%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	121,845,545	124,148,450
Total Required Stable Funding	57,320,521	60,512,541
<b>Net Stable Funding Ratio</b>	212.57%	205.16%

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

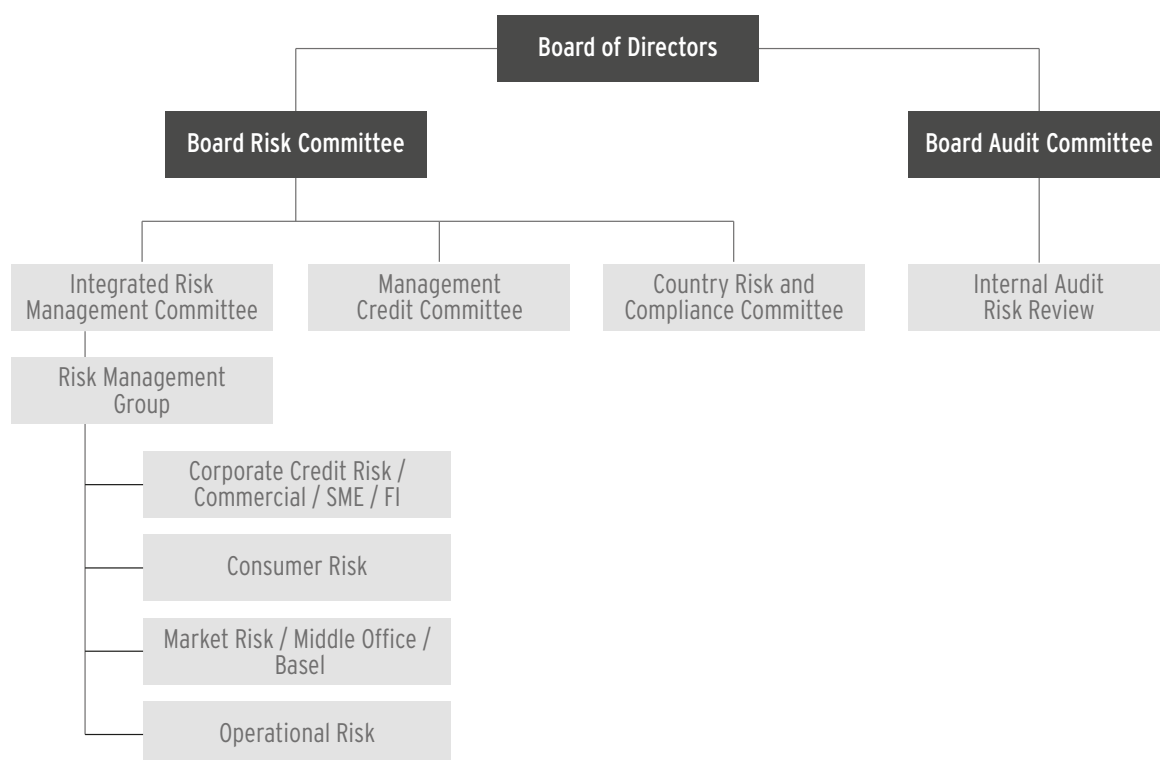
#### 43 RISK MANAGEMENT

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 organization 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 organizational unit, independent from any business and reporting directly to the President & CEO through the Chief Credit Officer / 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), 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, operational risks and compliance 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 loans portfolio, which includes loans to individuals, corporate and SME commercial loans are 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 labeling, remedial action, loan loss provisioning and the initiation of credit write-offs. Clear responsibilities are defined pertaining to all processes that are required to be followed, in order to have an effective remedial management set-up in place.

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

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

Particulars of bank's significant on-balance sheet and off-balance sheet credit risk in various sectors are analyzed 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	
2023	2022	2023	2022	2023	2022
Public / Government	8,192,051	6,470,140	-	-	-
Private	-	884,139	-	-	-
	<b>8,192,051</b>	<b>7,354,279</b>	-	-	-

#### 43.1.2 Investment in debt securities

##### Credit risk by industry sector

(Rupees in '000)					
Gross investments		Non-performing investments		Provision held	
2023	2022	2023	2022	2023	2022
Federal Government Securities	68,642,793	75,709,696	-	-	-
Financial	500,000	500,000	-	-	-
Construction	300,000	-	-	-	-
Textile	142,857	285,714	-	-	-
Oil marketing and refinery	-	62,500	-	-	-
	<b>69,585,650</b>	<b>76,557,910</b>	-	-	-

##### Credit risk by public / private sector

(Rupees in '000)					
Gross investments		Non-performing investments		Provision held	
2023	2022	2023	2022	2023	2022
Public / Government	68,642,793	75,709,696	-	-	-
Private	942,857	848,214	-	-	-
	<b>69,585,650</b>	<b>76,557,910</b>	-	-	-

### 43.1.3 Advances

#### Credit risk by industry sector

	(Rupees in '000)					
	Gross advances		Non-performing advances		Provision held	
	2023	2022	2023	2022	2023	2022
Textile	20,685,534	18,100,069	1,441,424	734,569	1,142,996	731,384
Manufacturing	19,101,328	22,332,442	2,571,938	1,398,851	2,339,889	1,137,475
Others	8,454,238	8,825,526	1,068,952	1,069,680	2,046,990	2,482,114
Chemical and pharmaceuticals	6,733,378	5,655,711	49,983	49,998	49,983	12,500
Individuals	5,997,988	7,324,874	339,799	681,749	234,804	630,030
Sugar	4,633,033	3,234,635	18,590	18,591	18,590	18,591
Electronics and electrical appliances	3,392,618	2,047,563	-	36,499	-	36,499
Power (electricity), gas, water, sanitary	2,909,249	3,272,842	159,948	533,161	159,948	533,161
Construction	1,965,966	2,347,505	799,499	375,727	799,499	325,240
Cement	1,706,263	1,753,313	-	-	-	-
Services	1,648,660	2,583,293	418,694	2,716	36,749	1,845
Footwear and leather garments	1,346,499	460,111	-	2,706	-	1,806
Transport, storage and communication	1,250,541	1,358,193	276,196	302,071	276,196	148,749
Wholesale and retail trade	727,010	1,009,052	142,999	-	123,000	-
Financial	112,685	168,935	-	-	-	-
Paper and allied	46,901	54,479	46,901	54,479	46,901	14,581
	<b>80,711,891</b>	<b>80,528,543</b>	<b>7,334,923</b>	<b>5,260,797</b>	<b>7,275,545</b>	<b>6,073,975</b>

#### Credit risk by public / private sector

	(Rupees in '000)					
	Gross advances		Non-performing advances		Provision held	
	2023	2022	2023	2022	2023	2022
Public / Government	-	-	-	-	-	-
Private	80,711,891	80,528,543	7,334,923	5,260,797	7,275,545	6,073,975
	<b>80,711,891</b>	<b>80,528,543</b>	<b>7,334,923</b>	<b>5,260,797</b>	<b>7,275,545</b>	<b>6,073,975</b>

### 43.1.4 Contingencies and Commitments

#### Credit risk by industry sector

	(Rupees in '000)	
	2023	2022
Financial	109,164,186	124,659,210
Others	6,150,606	1,779,977
Textile	1,343,013	2,126,735
Construction	1,152,165	1,564,786
Insurance	1,081,861	1,026,431
Oil Marketing and Refinery	800,720	604,514
Manufacturing	769,682	1,064,755
Electronics and electrical appliances	615,425	693,326
Chemical, lubricants and pharmaceuticals	517,053	2,215,300
Cement	426,704	447,687
Paper and allied	299,666	293,080
Services	286,903	456,800
Transport, storage and communication	156,280	162,574
Agriculture, forestry, hunting and fishing	118,698	26,080
Power (electricity), gas, water and sanitary	51,387	905,201
Wholesale and retail trade	41,235	231,391
Automobile and transportation equipment	36,900	296,836
Automobile and transportation services	8,000	59,142
Technology	-	817,584
Individuals	-	3,381,466
	<b>123,020,484</b>	<b>142,812,875</b>
<b>Credit risk by public / private sector</b>		
Public / Government	-	289,371
Private	123,020,484	142,523,504
	<b>123,020,484</b>	<b>142,812,875</b>

### 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. 11,248.422 million (2022: Rs. 11,627.151 million) and are as following:

	(Rupees in '000)	
	2023	2022
Funded	10,083,321	9,412,424
Non Funded	1,165,101	2,214,727
Total Exposure	11,248,422	11,627,151

43.1.5.2 The sanctioned limits against these top 10 exposures aggregated to Rs. 12,490.980 million (2022: Rs. 13,644.214 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 utilized non-funded facilities and trade acceptances as at the reporting date.

### 43.1.6 Advances - Province / Region - wise Disbursement and Utilization

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

	(Rupees in '000)						
	2022						
Province / region	Disbursements	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	-	-	-
Islamabad	1,505,177	-	-	-	-	1,505,177	-
Total	161,324,686	80,257,801	76,584,225	51,474	3,039	4,426,889	1,258

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 Organization 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.
- Reviewing methodologies to calculate risk under Pillar I and II of ICAAP Framework.
- Preparing Business Continuity Program (BCP) for market risk.
- Finalizing 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.

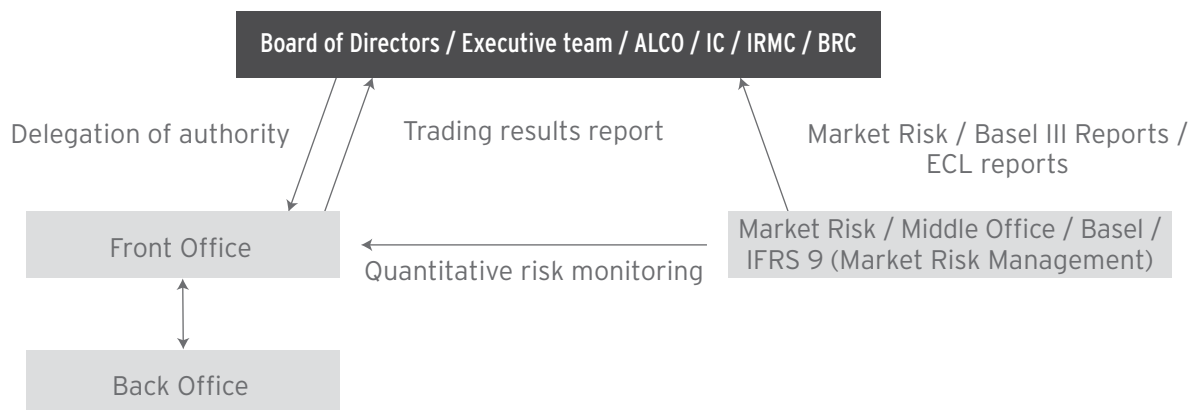
#### 43.2.7 Scope and nature of Risk Reporting

- 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, Investment Committee (IC), IRMC 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 standardized 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)					
	2023			2022		
	Banking Book	Trading Book	Total	Banking Book	Trading Book	Total
Cash and balances with treasury banks	9,465,856	-	9,465,856	6,169,111	-	6,169,111
Balances with other banks	1,038,476	-	1,038,476	1,023,414	-	1,023,414
Lendings to financial institutions	8,192,051	-	8,192,051	7,354,279	-	7,354,279
Investments	300,000	70,112,387	70,412,387	2,075,261	74,828,886	76,904,147
Advances	73,436,346	-	73,436,346	74,454,568	-	74,454,568
Fixed assets	2,958,280	-	2,958,280	3,131,840	-	3,131,840
Intangible assets	596,744	-	596,744	616,036	-	616,036
Deferred tax assets	2,503,022	-	2,503,022	2,121,039	-	2,121,039
Other assets	10,130,697	-	10,130,697	7,299,825	-	7,299,825
	<b>108,621,472</b>	<b>70,112,387</b>	<b>178,733,859</b>	<b>104,245,373</b>	<b>74,828,886</b>	<b>179,074,259</b>

### 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 authorized 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)			
	2023			
	Assets	Liabilities	Off-balance sheet items	exposure
Pakistan Rupee	168,476,842	(147,886,437)	(4,365,644)	16,224,761
United States Dollar	8,451,756	(13,234,646)	4,941,794	158,904
Great Britain Pound Sterling	1,211,273	(845,157)	(358,600)	7,516
Euro	410,536	(54,199)	(311,500)	44,837
Japanese Yen	25,980	-	-	25,980
Other currencies	157,472	(350,239)	93,950	(98,817)
	<b>178,733,859</b>	<b>(162,370,678)</b>	<b>-</b>	<b>16,363,181</b>

	(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)			
	2023		2022	
	Banking Book	Trading Book	Banking Book	Trading Book
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	(1,589)	-	(8,027)	-
- 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). The AFS portfolio is maintained with a medium-term view of capital gains and dividend income.

	(Rupees in '000)			
	2023		2022	
	Banking Book	Trading Book	Banking Book	Trading Book
Impact of 5% change in equity prices on				
- Profit and loss account	-	1,667	-	7,355
- Other comprehensive income	-	85,739	-	54,524

#### 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)			
	2023		2022	
	Banking Book	Trading Book	Banking Book	Trading Book
Impact of 1% change in interest rates on				
- Profit and loss account	535,361	-	617,554	-
- Other comprehensive income	-	(1,679,705)	-	(2,205,754)

#### 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)												
<b>2023</b>												
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		
<b>On-balance sheet financial instruments</b>												
<b>Assets</b>												
Cash and balances with treasury banks	9,465,856	-	-	-	-	-	-	-	-	-	-	9,465,856
Balances with other banks	20.90% 1,038,476	-	-	-	-	-	-	-	-	-	-	1,038,476
Lending to financial institutions	10.17% 8,192,051	8,192,051	-	-	-	-	-	-	-	-	-	-
Investments	16.53% 70,412,387	7,273,429	28,946,382	24,764,526	7,680,632	-	-	-	-	-	-	1,747,418
Advances	15.67% 73,436,346	13,516,355	31,661,231	12,306,727	3,558,184	997,534	2,658,102	3,338,910	4,719,551	679,752	-	-
Other assets	10,130,697	-	-	-	-	-	-	-	-	-	-	10,130,697
	172,675,813	28,981,835	60,607,613	37,071,253	11,238,816	997,534	2,658,102	3,338,910	4,719,551	679,752	22,382,447	
<b>Liabilities</b>												
Bills payable	975,388	-	-	-	-	-	-	-	-	-	-	975,388
Borrowings	13.93% 30,981,605	19,591,323	3,798,456	571,196	128,805	268,393	1,793,649	2,668,984	2,138,463	-	-	22,336
Deposits and other accounts	13.51% 114,731,997	17,791,410	12,414,281	46,399,848	10,930,154	22,500	1,903	1	-	-	-	27,171,900
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	4,995,000	-	-	4,995,000	-	-	-	-	-	-	-	-
Other liabilities	10,686,688	-	-	-	-	-	-	-	-	-	-	10,686,688
	162,370,678	37,382,733	16,212,737	51,966,044	11,058,959	290,893	1,795,552	2,668,985	2,138,463	-	-	38,856,312
<b>On-balance sheet gap</b>	10,305,135	(8,400,898)	44,394,876	(14,894,791)	179,857	706,641	862,550	669,925	2,581,088	679,752	(16,473,865)	
<b>Off-balance sheet financial instruments</b>												
Documentary credits and short-term trade-related transactions	2,761,534	-	-	-	-	-	-	-	-	-	-	2,761,534
Commitments in respect of:												
- forward foreign exchange contracts	108,950,523	-	-	-	-	-	-	-	-	-	-	108,950,523
- forward government securities transactions	-	-	-	-	-	-	-	-	-	-	-	-
<b>Off-balance sheet gap</b>	111,712,057	-	-	-	-	-	-	-	-	-	-	111,712,057
<b>Total Yield / Interest Risk Sensitivity Gap</b>		(8,400,898)	44,394,876	(14,894,791)	179,857	706,641	862,550	669,925	(2,581,088)	679,752	95,238,192	
<b>Cumulative Yield / Interest Risk Sensitivity Gap</b>		(8,400,898)	35,993,978	21,099,187	21,279,044	21,985,685	22,848,235	23,518,160	26,099,248	26,779,000	122,017,192	

(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		
<b>On-balance sheet financial instruments</b>												
<b>Assets</b>												
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
<b>Liabilities</b>												
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	54,495,677	17,843,829	109,258	445,352	3,297,546	4,023,499	-	34,202,951
<b>On-balance sheet gap</b>		8,784,168	5,094,447	50,699,446	(20,632,634)	(16,484,202)	1,633,563	2,365,767	2,685,309	1,131,726	763,756	(18,473,010)
<b>Off-balance sheet financial instruments</b>												
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		-	-	-	-	-	-	-	-	-	-	-
<b>Off-balance sheet gap</b>		132,339,290	-	-	-	-	-	-	-	-	-	132,339,290
<b>Total Yield / Interest Risk Sensitivity Gap</b>			5,094,447	50,699,446	(20,632,634)	(16,484,202)	1,633,563	2,365,767	2,685,309	1,131,726	763,756	113,866,280
<b>Cumulative Yield / Interest Risk Sensitivity Gap</b>			5,094,447	55,793,893	35,161,259	18,677,057	20,310,620	22,676,387	25,361,696	26,493,422	27,257,178	141,123,458

**Reconciliation to total assets**

	December 31, 2023	December 31, 2022
Total assets as per balance sheet	178,733,859	179,074,259
Less: Non financial assets		
Fixed assets	2,958,280	3,131,840
Intangible assets	596,744	616,036
Deferred tax assets - net	2,503,022	2,121,039
	6,058,046	5,868,915
<b>Total financial assets</b>	<b>172,675,813</b>	<b>173,205,344</b>

### 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 was developed and implemented in 2019. Main components of the Green Banking-GB Policy are Environmental Risk Management, Green Business Facilitation and Own Impact Reduction. Further more, Green Banking Policy has been aligned to the SBP's Environmental and Social Risk Management - ESRM Manual. Accordingly, the revised Green Banking Policy and Environmental and Social Risk Management Manual is under approval process.

The Bank has an EnvRM system which incorporates procedures for evaluation and management of environmental risks in current as well as future decision making process for financing/investments. Non-consumer credit portfolio obligors are reviewed on the basis of Environmental Due Diligence (EnvDD), as part of EnvRM regime by assigning Environmental Risk Rating, as part of the credit approval process. Implementation of Environmental and Social Due Diligence- ESDD Checklist under the ESRM has now been initiated.

To promote Green Business Facilitation, the Bank has an approved Green asset side product under the SME PPM pertaining to financing of solar power solutions. On Own Impact Reduction, various green initiatives have been taken such as the e-Statements, Digital Account Opening, Electronic Attendance Mechanism and HRM Portal facilitating paperless banking and efficiency. The Bank has shifted to energy saving lights across its branches and has also converted one of its branch and ATM to renewable energy source. This is enabling an eco-friendly approach to banking.

To establish our commitment to environmental consciousness, regular trainings and awareness sessions were also conducted for staff members to ensure understanding of the GB Policy and Environmental and Social Risk Management. Accordingly, our digital platforms are leveraged for spreading awareness through strategic messaging on social media. In line with global practices, various Environmental Days are observed to support conservation of the environment, raise environmental awareness amongst staff and to highlight critical environmental issues.

#### 43.3.1.1 Diversity, Equity & Inclusion and Socio-Economic Development

Samba Bank Limited (SBL) upholds its commitment to Diversity, Equity & Inclusion and Socio-Economic Development through a multifaceted program of partnerships, training, capacity building and outreach activities undertaken by HR and Training Group, as given below.

Employee capacity building, training and career development are at the forefront of our mission. In 2023, a batch of senior women managers from Samba were provided Leadership Training by Institute of Business Administration, in addition to training on Workplace Productivity Skills. The Bank invited an expert to conduct a Gender Equity awareness session program for Executive Management in addition to running on-going gender sensitization training for all employees.

Employee wellness is a pillar of workplace inclusion and community engagement. In 2023, the Bank has launched the Sports@Samba Program hosting a commemorative Independence Month Interdepartmental Football Tournament and a friendly Executive Team match. International Sign Language Day was commemorated with a cricket match with students from an Academy for the Deaf. A dedicated Women's Staff event on Wellness and Lifestyle was hosted with activities and counselling on Fitness, Mental Health & Personal Grooming by guest speakers and mentorship by our Executive Management.

The Bank actively promotes access to finance at grass-roots & entrepreneurial level by partnering with academia, and women's CSOs. In 2023, financial and digital inclusion training was arranged in different cities and webinars were hosted on economic empowerment and data privacy, as part of the SBP's National Financial Literacy Program. The Bank also supported women's economic empowerment with a dedicated stall at Behbud Welfare Organization's annual event. The Bank engaged with Deaf Education & Welfare Association (DEWA) Institute and ABSA (Anjuman Behbood-e-Samat-e-Atfal) School & College for the Deaf for student internships as a mainstream program.

In addition to the above, institution wide Operational Risk, Fraud Risk, Green Banking and Whistle Blow awareness trainings were undertaken regularly.

#### **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





(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
<b>Assets</b>														
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	-	-	-	10,226,833	2,363,075	2,363,075	5,810,545	10,986,784	38,499,767	8,302,078
Advances	74,454,568	3,958,041	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	11,150,566	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
<b>Liabilities</b>														
Bills payable	1,038,709	1,038,709	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	45,826,302	140,030	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	3,374,369	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	-	-	-	-	-	-	1,000	-	1,000	2,000	2,000	2,000	4,989,000
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	4,553,108	26,843,227	6,119,386	12,729,758	9,635,666	20,115,554	26,248,780	8,445,424	14,030,752	5,210,355	5,735,814	14,851,138	9,902,214
<b>Net assets</b>	14,653,083	6,597,458	(22,619,619)	(3,053,261)	411,860	(3,591,818)	(5,725,466)	(11,065,311)	6,147,828	(7,672,371)	3,789,668	9,189,227	34,267,574	7,977,314
Share capital	10,082,387													
Reserves	2,729,919													
Unappropriated profit	2,590,047													
Deficit on revaluation of assets	(749,270)													
	14,653,083													

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

(Rupees in '000)										
2023										
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	
<b>Assets</b>										
Cash and balances with treasury banks	9,465,856	4,310,356	1,399,610	1,239,911	1,127,609	340,719	339,891	707,760	-	-
Balances with other banks	1,038,476	1,038,476	-	-	-	-	-	-	-	-
Lending to financial institutions	8,192,051	8,192,051	-	-	-	-	-	-	-	-
Investments	70,412,387	248,582	33,344	59,217	9,537,653	825,963	10,824,991	10,136,969	38,745,668	-
Advances	73,436,346	16,376,368	19,502,687	10,945,064	8,905,855	2,056,310	4,826,850	4,869,791	5,262,481	690,940
Fixed assets	2,958,280	575	2,090	9,848	24,583	93,569	141,023	449,962	388,151	1,848,479
Intangible assets	596,744	115	422	1,987	4,959	18,875	28,447	90,766	78,298	372,875
Deferred tax assets	2,503,022	-	-	-	589,591	952,414	-	304,358	422,696	233,963
Other assets	10,130,697	9,860,960	5,367	48,617	96,420	10,102	14,415	94,816	-	-
	178,733,859	40,027,483	20,943,520	12,304,644	20,286,670	4,297,952	16,175,617	16,654,422	44,897,294	3,146,257
<b>Liabilities</b>										
Bills payable	975,388	975,388	-	-	-	-	-	-	-	-
Borrowings	30,981,605	19,591,323	3,798,456	571,196	128,805	268,393	1,793,649	2,668,984	2,160,799	-
Deposits and other accounts	114,731,997	31,258,953	21,732,873	27,125,119	14,785,323	4,973,831	4,953,234	9,902,664	-	-
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-
Subordinated debt	4,995,000	-	-	1,000	1,000	2,000	2,000	2,000	4,987,000	-
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Other liabilities	10,686,688	2,168,488	5,629,584	142,284	480,354	51,844	53,277	1,207,283	953,574	-
	162,370,678	53,994,152	31,160,913	27,839,599	15,395,482	5,296,068	6,802,160	13,780,931	8,101,373	-
<b>Net assets</b>										
	16,363,181	(13,966,669)	(10,217,393)	(15,534,955)	4,891,188	(998,116)	9,373,457	2,873,491	36,795,921	3,146,257
Share capital	10,082,387									
Reserves	2,976,978									
Unappropriated / Unremitted profit	3,578,284									
Deficit on revaluation of assets	(274,468)									
	16,363,181									

(Rupees in '000)

2022

**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	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
Fixed assets	3,131,840	609	2,212	10,426	26,025	99,059	149,296	476,361	410,924
Intangible assets	616,036	119	435	2,051	5,119	19,485	29,367	93,701	80,829
Deferred tax assets	2,121,039	-	-	-	387,154	1,335,684	-	225,137	-
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

**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	-	-	1,000	1,000	2,000	2,000	2,000	4,989,000
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	26,248,780	22,476,176	5,210,355	5,735,814	14,851,138	9,902,214

**Net assets**

Share capital	10,082,387								
Reserves	2,729,919								
Unappropriated / Unremitted profit	2,590,047								
Deficit on revaluation of assets	(749,270)								
	14,653,083	(22,113,856)	(8,503,765)	(10,180,479)	(683,258)	4,017,401	9,416,146	34,723,580	4,695,412

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

(Rupees in '000)

**Liabilities**

Lease liability against right-of-use assets

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
2023	1,475,627	-	20,716	16,193	55,914	51,844	53,277	324,109	953,574
2022	1,501,455	-	-	416	-	15,955	205,320	390,049	889,715

**44 GENERAL**

**44.1** Figures have been rounded off to the nearest thousand rupees.

**45 DATE OF AUTHORISATION**

**45.1** These financial statements were approved and authorized for issue on February 27, 2024 by the Board of Directors of the Bank.



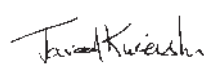
Chief Financial Officer



President & Chief Executive Officer



Director



Director



Chairman

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

DURING THE YEAR ENDED DECEMBER 31, 2023

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					Total	Interest / Mark-up written off / waived	Other financial relief provided	Total (9+10+11)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Principal written off	Interest / Mark-up written off / waived				
1	2	3	4	5	6	7	8	9	10	11	12	
				(Rupees in '000)								
1	Sunrise Textile Mills, Ltd., 69 Fcc Road Gulberg IV, Lahore	Eliaz Rasool Chaudhry 322-55304487 Khalid Sheebaz Chaudhry 270-60-028623 Rifat Sheebaz 270-92-101640 Sardar Bibi 270-89-064002 Shahbazuddin Chaudhry Shahida Sheebaz Chaudhry 270-87-064001 Tariq Sheebaz Chaudhry 270-57-400552	Ghulam Rasool Shahbazuddin Chaudhry Javeid Iqbal Shahbazuddin Chaudhry Chaudhry Allah Ditta Chaudhry Farooq Bajwa Shahbazuddin Chaudhry	22,869	36,565	7,855	67,289	22,869	36,565	7,855	67,289	
2	Abid Saigol, House # 91 E/1 Hall Road Gulberg III, Lahore	Abid Saigol -270-92-006204	M. Ratiq Saigol	1,763	3,677	7,858	13,298	1,763	3,677	7,858	13,298	
3	Ahmed Daud AH-Hussainy48-Lahore Stock Exchange Building, 19-Khayaban-E-Iqbal,Lahore	Syed Ahmad Daud - 35201-3589317-7	Syed Sarmad Maqsood	18,761	21,779	66,016	106,556	18,761	21,779	66,016	106,556	
4	Arif Saigol, House # 91 E/1 Hall Road Gulberg III, Lahore	Arif Saigol 35202-9663094-9	M. Ratiq Saigol	2,062	3,677	7,868	13,597	2,062	3,677	7,868	13,597	
5	Asif Saigol, House # 91 E/1 Hall Road Gulberg III, Lahore	Asif Saigol 35202-6075434-7	M. Ratiq Saigol	1,761	3,677	8,008	13,446	1,761	3,677	8,008	13,446	
6	Bashir Ahmed & Brothers Sadaat Market Room # 22 3rd Floor Khyber Bazar Peshawar	Khurshid Ahmed Mst. Sajida Khurshid		695	-	3,316	4,011	695	-	3,316	4,011	
7	Brothers Trade Ltd 163-P, Gulberg III, Lahore	Zulekha Begum Azam Malik - 270-54-087240 Skindar Awan M Akram Khan Mrs. Kausar A. Khan Syed Mukhtar Hussain Sarwar Begum	Bahadur Khan Bahadur Khan Bahadur Khan S.A. Hussain Syed Muhammad Hassan Mohammad Shareef	1,184	-	21	1,205	1,184	-	21	1,205	
8	Contrast (Pvt.) Limited, 30 Lawrence Road Lahore	Syed Lakht-H-Hussain - 278-91-879679 Syeda Kaniza Fiaz - 224-22-059302	Syed Saifur Hussain Shah Syed Saifur Hussain Shah	2,641	-	65	2,705	2,641	-	65	2,705	
9	Crescent Standard Telecommunication Ltd 91th Floor, Lalson Square Building, Mulana Beem Muhammad Wafai Road, Karachi.	Shahid Hamid Mir - 6101-4329733-1 Shahid Latif Dar - 35201-915916-5	Abdul Hamid Mir Latif Ahmad Dar	1,147	-	878	2,025	1,147	-	878	2,025	
10	Dignity Footwear (Pvt.) Ltd, 124-New Timber Market, Ravi Road, Lahore	Syed Mubasher Ali Shah - 276-32-106723 Syed Hasnain Halder - 135-90-067098	Syed Jafar Ali Shah Syed Sajjad Haider	1,806	-	9,402	11,207	1,806	-	9,402	11,207	
11	Elahi Enterprises (Pvt.) Ltd 31/C1, Ghalib Road, Gulberg, Lahore	Ahmed Jahanjir - Jhanjir Elahi - 35202-256094-5 Amir Jahanjir Elahi - 35202-0676798-7 Ibnveer Elahi -35201-552225-3	Jahanjir Elahi Haji Ehsan Elahi Jahanjir Elahi Haji Ehsan Elahi	9,498	-	-	9,498	9,498	-	-	9,498	
12	Extraction (Pak) Ltd 274-D, Peoples Colony, Faisalabad	Mian Ijaz Iqbal Miran Basharat Ishaq Miran Karamat Ishaq		3,264	-	18,907	22,171	3,264	-	18,907	22,171	
13	Halima Garments (Pvt.) Ltd, 113/S, Clifton Colony, Wahdat Road, Lahore.	Mr.Ali Sajjad - 271-86-250913 Mr.Ali Abbas - 271-88-250914	Mr.Shuja UI Hassan Mr.Shuja UI Hassan	2,805	-	5,982	8,787	2,805	-	5,982	8,787	
14	Hyderabad Electronic Industries Ltd, 8Th Floor , Farid Center, Abdullah Haroon Road, Karachi.	Mr. Zakaria A. Ghani - Abdul Wahab Ghani - Idrees Ghani Abdul Sami - 501-46-196085 Abdul Rashid	Muhammad Umer Haji Ghani Muhammad Umer Haji Ghani Muhammad Umar Haji Ghani Muhammad Idrees Ghulam Farid	15,099	-	18	15,117	15,099	-	18	15,117	
15	Japan Power Generation Jia Bagga, Raiwind Road, Lahore	Sheikh Nazaz Ali - 333-52-086365 Liaqat Khan - 130-55-114735 Zafar Mahmood - 301-59-135269 Salto Yoshihiro Zafar Iqbal - 16202-104910-1 Khalid Imran -270-50-497665 Shahbaz Mrs.270-60-527304	Sheikh Sher Ali Haji Munir Khan Allah Rakha Zen Zu Haji Munir Khan Muhammad Abdul Momien Sheikh Nizar Ali (Late)	533,161	343,760	799,436	1,676,357	373,161	343,760	799,436	1,516,357	

S.No.	Name and address of the borrower	Name of the individuals / partners / directors with CMC	Father's / Husband's name	Outstanding liabilities at the beginning of the year					Total (9+10+11)		
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total	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)											
16	Knit Knot (Pvt) Limited 686-Shadman Colony-1, Opp. Fatima Memorial Hospital, Lahore.	Wajayat Ali Tarakai - 16202-1034049-5 Muhammad Ali Tarakai- 16202-0865058-5 Samina Zafar Mrs. - 278-71623885 Gusmi Ali Sheikh - 273-83-527305 Muhammad Hanif Abbasi - 502-57-46077 Sheikh Mahmood Ali - 333-89-086370	Haji Munir Khan Haji Munir Khan Zafar Mahmood Sheikh Nizar Ali (Late) Haji Wahid Bakhs Sheikh Sher Ali	24,192	-	19,486	43,677	24,192	-	19,486	43,677
17	Kohinoor Edible Oil Limited 67B, Awami Complex, Usman Block, New Garden Town, Lahore.	Mr. Khalid Sulaiman- 205-59-130049 Mr. Muhammad Arif Saigol - 35202-9663094-9 Mr. Muhammad Abid Saigol - 270-92-006204 Mr. Muhammad Asif Saigol - 35202-6075434-7 Malik Imtiaz Khalil - 35201-1622962-9	Mr. Hafiz Ullah Khan Nizazi Mr. Khalid Hameed Mr. Muhammad Rafique Saigol Mr. Muhammad Rafique Saigol Mr. Muhammad Rafique Saigol Haji Muhammad Ismail	2,949	-	7,820	10,768	2,949	-	7,820	10,768
18	Malik Cold Storage Bhani Road, Bund Road, Shadi Pura, Lahore	Abdul Hakim - 35202-8498259-7 Mrs. Mahmud Omer - 35202-2541087-4 Kh. Nadeem Ahmed - 35202-932773-3 Kh. Omer Farooq - 35202-4874409-7 Mst. Shazia Ahmed - 35202-441842-8	Kh. Abdul Rahim Omer Farooq Kh. Abdul Hakim Kh. Abdul Hakim Kh. Nadeem Ahmed	14,476	-	135	14,611	14,476	-	135	14,611
20	Mohib Exports 176, Shadman 2, Lahore 2Nd Floor, Hafiz Plaza, 35-M, Civic Centre, Model Town Extension, Lahore.	Mr. Muhammad Arif Saigol - 35202-9663094-9 Mr. Muhammad Abid Saigol - 270-92-006204 Mr. Muhammad Asif Saigol - 35202-6075434-7 Mohammad Bashir	Mr. Muhammad Rafique Saigol Mr. Muhammad Rafique Saigol Mr. Muhammad Rafique Saigol Mohammad Buksh	20,285	-	40,851	61,136	20,285	-	40,851	61,136
21	Orient Impex Usman Chamber, Weaver Lane, Karachi.	Mian Khuram Rasool - 374050562578-7 Mr. Arshad Khan 504-8718074	Ch. Ghulam Rasool Mr. M. Mahmood Khan	10,024	-	33,839	43,863	10,024	-	33,839	43,863
23	Pas Traders 3/4, 2Nd Floor, Aisha Chambers, Abululiah Haroon Road, Karachi.	Shahid Masood Masood Iqbal Syed Bashir Ahmed	Masood Iqbal Muhammad Siddique Syed Rashid Ahmed	1,452	4,312	5,547	11,311	1,452	4,312	5,547	11,311
25	Scan Printers. House No. 4, Street No. 48-A, Lower Mall, Lahore.	Mr. Perwaiz Ahmed Khan 333-56-033331 Mr. Ishaad Ahmad Khan 333-53-054062	Mr. Muhammad Khan Mr. Muhammad Khan	745	-	1,703	2,448	745	-	1,703	2,448
26	Searose Industries Pvt Ltd, 17 Lawrence Road Lahore	Abdul Haseeb Khan - 35201-0904567-3 Mrs. Perveen Hasib Khan - 35202-2648683-8	Ghulam Nabi Khan A. Haseeb Khan	1,697	-	4,813	6,510	1,697	-	4,813	6,510
27	Sharia Habib Corporation 104-B/2 M.M. Alam Road, Gulberg-III, Lahore	Habib Nawaz Parveen Amir Amir Nawaz Mian Muhammad Siddique Haji Muhammad Suleman Amir Suleman Javid Akbar Shahtzad Ilyas	Amir Nawaz Amir Nawaz Bagh Din Mian Said Muhammad Haji Muhammad Ramzan Haji Muhammad Suleman Muhammad Suleman Muhammad Akbar Sh. Muhammad	13,728	-	15	13,743	13,728	-	15	13,743
28	Syed Bhaies Lighting Ltd. 200, Ferozepur Road, Lahore	Mr. Zamir Ahmed Khan 35201-1330550-3 Mr. Saeed Hassan Shah 274-31-1003791 Mr. Masroor Ahmed Khan 35201-1355027-9 Mr. Mansoor Ahmed Khan 35201-1355003-5 Mrs. Rashida Zamir 35201-1271240-8	Khan Bahadur Haji Bashir Ahmed Khan Syed Mohsin Shah Mr. Zamir Ahmed Khan Mr. Zamir Ahmed Khan Mr. Zamir Ahmed Khan	21,400	-	670	22,070	21,400	-	670	22,070
29	Tawakkal Garments Ind. Limited Lakson Building, 16th Floor, 265 R. A. Lines Sarwar Shehheed Road Karachi	Farooq Tawakkal 502-89-142270 Jawad Tawakkal 516-87-256934 Junaid Tawakkal 502-91-142269 Rafiq Tawakkal 502-61-142265 Ali Hussain Mooney 511-37-015604	Abdul Oadir Tawakkal Abdul Oadir Tawakkal Abdul Oadir Tawakkal Abdul Oadir Tawakkal Muhammad Ashiq	6,621	13,767	25,702	46,090	6,621	13,767	25,702	46,090
30	Usman Ghani Kasurpura Chah Jamu Wala Arain Street # 3 Ravi Road Lahore	Usman Ghani 265-64-190088	Muhammad Ashiq	1,616	-	3,732	5,348	1,616	-	3,732	5,348
31	Vegetable Dehydration Industries Industrial Plot No. 39, Amin Park No. 4, Band Road, Lahore.	Atta Mhy-Ud-Din Khan Kakous - 272-64-405945	Ch. Muhammad Akram	578	-	3,061	3,639	578	-	3,061	3,639





S.No.	Name and address of the borrower	Name of the individuals / partners / directors with CMC	Father's / Husband's name	Outstanding liabilities at the beginning of the year					Total (9+10+11)		
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total	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)							
51	Jahangir Akhtar House No K-07, 3rd Floor Mujahid Colony, Dalmiya, Karachi, Street No 10, Karachi Near Nagori Milk Shop, Karachi Pakistan	Jahangir Akhtar 42201-20843527	Muhammad Ramzan	782	288	-	1070	782	288	-	1,070
52	Bisharat Ali Rajput House No B-444, Block 1, Metro Ville No.1, Near- Mustafa Masjid, Sheil, Petrol Pump Karachi Pakistan	Bisharat Ali Rajput 41409-6243788-5	Osaf Ali	729	133	-	862	729	133	-	862
53	Qamar Jahan House No A/3 First Floor P.I.B Colony Near Ibrahim Market & Qamar Medical Karachi Pakistan	Qamar Jahan 42101-5999262-0	Noor Din	372	135	-	507	372	135	-	507
54	Umer Farooq House No 80 Rawal Road Rawal Town Islamabad Pakistan.	Umer Farooq 13101-9420254-5	Khalid Latif	658	207	-	865	658	207	-	865
55	Muhammad Saleem Pasha House No 67 H Block Sabazar Mullan Road Lahore Pakistan	Muhammad Saleem Pasha 3102-07330373	Muhammad Siddique	595	385	-	980	595	385	-	980
56	Asad Bin Yousaf Pm And Dc 3Rd Floor Mauve Area G-10/4	Asad Bin Yousaf 6101-21004711	Chaudhry Muhammad Yousaf	397	225	-	622	377	225	-	602
57	Munawar Hussain House No 16/A St No 10 D Main Bazar Makkah Colony Gulberg III Lahore, Pakistan.	Munawar Hussain 35202-2253202-9	Nazir Hussain	454	164	-	618	454	164	-	618
58	Raja Ajaz Hussain House No 1-650 Street 04 Opposite Bohar Wali Masjid Bhakra Bazar, Rawalpindi Pakistan.	Raja Ajaz Hussain 6101-9915373-9	Raja Ghulam Khan	916	316	-	1,232	916	316	-	1,232
59	Ali Qamar Mughal House No 44 Ameer Road Ganj Kaan Mohallah Dhoobi Ghat Bilal Ganj, Lahore Pakistan	Ali Qamar Mughal 35202-9625728-1	Muhammad Aslam	636	193	-	829	636	193	-	829
60	Muhammad Shoab Mansha House No 50 Villa Street No 2 C Block Dha Phase 8 X Park View, Lahore Pakistan	Muhammad Shoab Mansha 35202-3187822-1	Malik Muhammad Mansha	895	345	-	1,240	766	345	-	1,111
61	Muhammad Arshad Flat No 7B 7th Floor Building No 89 Sector E Askari 5 Malir Cantt, Near Royal Mart Karachi Pakistan	Muhammad Arshad 42501-2886635-5	Ghulam Muhammad	372	139	-	511	372	139	-	511
62	Arshad Hussain House No D-62 Saadi Town Block 2 Near Saifora Karachi Pakistan	Arshad Hussain 42101-6810768-7	Zahid Hussain Qureshi	478	93	-	571	478	93	-	571
63	Shehzad Ali Shad House No 251 JI Block Sun Flower Society Johar Town Lahore Pakistan	Shehzad Ali Shad 37405-0228293-3	Shamshad Ali Shad	980	275	-	1,255	980	275	-	1,255
64	Imran Ahmed Khan House No 274 Punjab Colony Near Football Ground Street No. 14 Karachi, Pakistan	Imran Ahmed Khan 42301-365474-3	Roedad Khan	583	285	-	868	583	285	-	868
65	Alif Jameel Flat No 416 Faik Naz Plaza Main Shehrah E Faisal Near Nalha Khan, Bridge Karachi Pakistan	Alif Jameel 42201-5174985-9	Abdul Jameel	638	171	-	809	638	171	-	809
66	Farukh Abbas House No 35-D Naz Town Near Valencia Town, Lahore, Pakistan	Farukh Abbas 35202-2792870-9	Mahr Muhammad Hussain Nawaz	547	192	-	739	547	192	-	739
67	Asif Riaz Plot No. 3C 12 Flat No 05 3rd Floor 12Th Badar Commercial Phase 5 Near KFC, DHA, Karachi Pakistan	Asif Riaz 42301-0972999-3	Muhammad Riaz	916	266	-	1,182	916	266	-	1,182

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total	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)							
68	Sajid Yousuf A S Industries, 38 A, Muhammad Negar Allama Iqbal Road Chari Shahu, Lahore, Pakistan	Sajid Yousuf 35202-199370-3	Muhammad Yousuf	728	255	-	983	728	255	-	983
69	Adnan Mustafa Street No.02 Dry Port Mughal Pura Area New Abdi Near Govt School Dry Port, Taji Karyana Store Bali Ram Dowa Kana Lahore	Adnan Mustafa 35201-9390818-1	Ghulam Mustafa	2,620	492	-	3,112	-	1,052	210	1,262
70	Zakir Husain Hassan Associates Office 04, U.B.L Building, Blk 8 North Nazimabad Karachi Sindh Pakistan	Zakir Husain 42701-2959992-5	Mohammad Hasan	442	182	62	686	442	182	62	686
71	Aeyaz Hassan Razi H.No. 42 1 Phase VI Street Khv E B Ukhari, DHA 6, Karachi, Sindh Pakistan	Aeyaz Hassan Razi 42301-4470547-1	Mohd Shibli Razi	410	216	63	689	410	216	63	689
72	Abzar Hussain Flat 08 Block 43, Pha D Type G 11 4 Islamabad Islamabad Punjab Pakistan	Abzar Hussain 35200-3907338-5	Abdul Hameed Qadri	338	189	53	580	338	189	53	580
73	Shehzad Ali H Flat 203, 2nd Flr, Bldg Saima Centr Blk Pkct 4C 6C 8C Blk 2 PECHS, Karachi, Sindh Pakistan	Shehzad Ali 42701-0917991-7	Siraj Ud Din	428	246	67	741	428	246	67	741
74	Musarat Jahan Khan H.No 26 27, Ganit Bazar, Near Insa F Hotel, Drigh Road Karachi Karachi, Sindh Pakistan	Musarat Jahan Khan 42201-0481816-2	Salih Uddin Khan	283	222	50	555	283	222	50	555
75	Tanvir Nabi GN Associates 354 D Johar Town Lhr Lahore Punjab Pakistan	Tanvir Nabi 35202-2498762-5	Ghulam Nabi	443	303	75	821	443	303	75	821
76	Muhammad Saleem Oureshi Security Master Pvt Ltd, Suite 302 10A, Blk6 Pechs Marine Faisal Shah Karachi, Sindh Pakistan	Muhammad Saleem Oureshi 42201-8934207-1	G M Oureshi	292	219	51	562	292	219	51	562
77	Mirza Naveed Kamran Mirza Trading Corporation 17 A, One Pla Society Commercial Area Lahore, Punjab Pakistan	Mirza Naveed Kamran 35201-2773624-9	Mirza Muhammad Shafi	404	209	61	674	404	209	61	674
78	Usman Saeed H.No 119 Mahallah Eden Cottage New Iqbal Park Lahore Punjab Pakistan	Usman Saeed 35201-4712046-3	Saeed Ahmed Sheikh	280	233	52	565	280	233	52	565
79	Muhammad Saleem Appl.No A 302 Building Rado Tower Block 12, Gulistan E Johar Karachi, Sindh Pakistan	Muhammad Saleem 42201-8215338-9	Maqbool Ahmed	286	180	47	513	286	180	47	513
80	Waqas Mehboob Apt B 12, 1st Flr, Blk Al Karam Square, Block 3, F.B Area Karachi Karachi, Sindh Pakistan	Waqas Mehboob 42701-274738-9	Mehboob Alam	281	222	50	553	281	222	50	553
81	Jabbar Humayun H Knoli Pharmaceutical Ltd, Boots 166 Lane 11 Cavalry Ground Ext Cant, Lahore Punjab Pakistan	Jabbar Humayun 35202-6883513-7	Ali Muhammad	386	247	64	697	386	247	64	697
82	Sabir Ali Meher Sabir Hotel Shop 2 Naksha Sip Rehman Pura Bukhari Market Wahdat, Lahore Punjab Pakistan	Sabir Ali 35202-9683228-1	Ahmed Din	363	235	60	658	363	235	60	658
83	Yahya Mehboob Apt B 72nd Floor, Building Al Karam Square, Blk 3, Sharifabad, Karachi Sindh Pakistan	Yahya Mehboob 42000-9092946-5	Mehboob Alam	462	347	81	890	462	347	81	890

S.No.	Name and address of the borrower	Name of the individuals / partners / directors with CMC	Father's / Husband's name	Outstanding liabilities at the beginning of the year					Total (9+10+11)		
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total	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)							
84	Wassem Ahmed Noor Computers,Shop R 6 Blk Sect 5 C-4, North Karachi Karachi Karachi Sindh Pakistan	Wassem Ahmed 422017254420-5	Noor Ahmed	280	215	50	545	280	215	50	545
85	Uzma Muslim H.No. C 246, Gulshan E. Raif, Malir Town, N.R. Jama E. Millia College Karachi, Sindh Pakistan	Uzma Muslim 42201-4130376-0	Muslim Aqeel	312	175	49	536	312	175	49	536
86	Muhammad Azeem Uddin H B 235 Musarat Colony Malir Momdan Football Gr Near Alifalsh Masjid Khi Karachi Sindh Pakistan	Muhammad Azeem Uddin 42501-1929082-5	Abdul Hafeez	410	154	57	621	410	154	57	621
87	Muhammad Nazim H C168 Malir Extension Colony K Hoprapar Near PI Bus Stop Khi 37 Karachi Sindh Pakistan	Muhammad Nazim 42501-4634814-5	Alim Uddin	438	291	73	802	438	291	73	802
88	Mohammad Wassem Masghal Wards Ladies Dries Sh 62 Mina Bazar Delux Karimabad F B Area Karachi Sindh Pakistan	Mohammad Wassem 42101-8007147-5	Mohammad Sharif	317	227	54	598	317	227	54	598
89	Sheikh Imran Ali H E 1049, Sect III, Khayaban E Sir N R, Jamara Umer Farooq Masjid Rawalpindi Punjab Pakistan	Sheikh Imran Ali 37405-6281815-5	Abdul Jabar	280	215	50	545	280	215	50	545
90	Salman Farooq Apt.No.505 Waqas Center Burns Road Near M.A. Jinnah Road Karachi Sindh, Pakistan	Salman Farooq 42301-0768225-7	Muhammad Farooq	425	210	63	698	425	210	63	698
91	Muhammad Shahid Discount Shop H 9, Basement City P Laza Commercial Centre Rwp Rawalpindi Punjab Pakistan	Muhammad Shahid 37405-3221027-7	Chaudary Mushtaq Ahmed	361	152	51	564	361	152	51	564
92	M. Zakaullah Jamali Saddi Enterprises, Cso Shop Complex Road, Abbasi Shaheed Road Karachi Sindh Pakistan	M. Zakaullah Jamali 42101-8006307-7	Mohammad Sanaullah Kalif	413	179	59	651	413	179	59	651
93	Masood Ahmed International Enterprises Suite A. 7 1st Flr, United Chamber Veerji St. Karachi Sindh Pakistan	Masood Ahmed 42201-031926-9	Haji Abdul Wahab	392	210	60	662	392	210	60	662
94	Muhammad Aweis Al Falah Securities (Private) Ltd 12 Flr Building Sama Trade Tower A Karachi Sindh Pakistan	Muhammad Aweis 42201-9296533-7	Muhammad Oasim	325	149	42	516	325	149	42	516
95	Muhammad Akshad H.No 2 Road St 11 Main Bazar Astana Naqsh Bandi Lahore Punjab Pakistan	Muhammad Akshad 35201-1343252-1	Muhammad Ismail	333	206	54	593	333	206	54	593
96	Nisar Ahmed Nizami H 80 St. Sec 5 A 3 Blk L Gulshan Lig At North Khi Karachi Sindh Pakistan	Nisar Ahmed Nizami 42101-8293952-9	Hakeem Mubarak-Mi-Nizami	313	154	47	514	313	154	47	514
97	Arshad Ahmed Best Shoes Shop 3 Karimabad Ali S Oware Near Meera Bazar Karachi Sindh Pakistan	Arshad Ahmed 42101-4602184-7	Ejaz Ahmed Alvi	459	304	76	839	459	304	76	839
98	Muhammad Wassem Rehman Communication Shop 09 1st Flr Niazi Plaza Bank Road Saddar Rawalpindi Punjab Pakistan	Muhammad Wassem 37405-9793260-1	Abdul Rehman	277	208	49	534	277	208	49	534
99	Muhammad Khan Pine Internet Cafe 19 B Green Comp Ex Main Ferozepur Rd Lahore Lahore, Punjab Pakistan	Muhammad Khan 35301-1978415-7	Nazar Muhammad Joia	364	208	57	629	364	208	57	629



S.No.	Name and address of the borrower	Name of the individuals / partners / directors with CMC	Father's / Husband's name	Outstanding liabilities at the beginning of the year					Total (9+10+11)		
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total	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)							
118	Jamshaid Ali H.No R 124, Sector 15 A 3 Bufferzon North Nazimabad Karachi Sindh Pakistan	Jamshaid Ali 421013677389-5	Irshad Ali	318	176	50	544	318	176	50	544
119	Asim Ali Knoll Pharmaceutical Ltd. Boots 166 Lane 11 Canelary Ground Lahore Punjab Pakistan	Asim Ali 35202-1408141-3	Muhammad Oasim	291	180	47	518	291	180	47	518
120	Shakh Hamid Saeed H.No 16 A, Aisha Bluding, Near Rwp Medical Collage Tipu Road Rawalpindi Punjab Pakistan	Shakh Hamid Saeed 374057553086-3	Shakh Muhammad Saeed	276	179	46	501	276	179	46	501
121	Bilal Majeed Allyians Traders, 07, 2Nd Floor Al Rehman Plaza College Road Rawalpindi Punjab Pakistan	Bilal Majeed 374055772485-7	Abdul Majeed	337	209	55	601	337	209	55	601
122	Nazir Hussain H.No C 170, Ground Floor Phase II B In Oasim Gulshan E Hadeed Karachi Sindh Pakistan	Nazir Hussain 42501478664-3	Sahib Khan	366	269	63	698	366	269	63	698
123	Sheikh Zubair Munir H 3 Ashbahaz Colony St 7 Nava Kot Nonaren Chowk Multan Road Lahore Punjab Pakistan	Sheikh Zubair Munir 35202-343994-9	Munir Ahmed	359	156	51	566	359	156	51	566
124	Anwar Ali Mahar Nisar Garments Plot A 73 Sec 8 C Bl Lal Colony Korangi Karachi Sindh Pakistan	Anwar Ali Mahar 42201-5527848-1	Ghos Buksh Mahar	449	280	73	802	449	280	73	802
125	Javed Iqbal Dowell Schlumberger Surt 16 4Th Flr Ashrafi Tower Liberty Mkt Gulberg Lahore Punjab Pakistan	Javed Iqbal 35101-3167815-7	Muhammad Yousaf Anjam	340	210	55	605	340	210	55	605
126	Hassan Abrar Kiani Touch Stone Dept. First Trust 2Nd Floor F 5 1 Islamabad Punjab Islamabad Punjab Pakistan	Hassan Abrar Kiani 37405-2810950-5	Abrar Salfar Kiani	349	192	55	596	349	192	55	596
127	Akram Ali H.No 6 429 Bldg Nr Fitoush Sh Centr E Blk 06 Liaqatabad Karachi Sindh Pakistan	Akram Ali 42101-1880968-1	Allah Mehar Ali	344	218	60	622	344	218	60	622
128	Waqar Rasool Malik H 418 Block B Alpha Society Canal Bank New Campus Lahore Punjab Pakistan	Waqar Rasool Malik 35200-1492418-1	Rasool Buksh	467	358	83	908	467	358	83	908
129	Muhammad Ayub A M Infr Nri Trad Co Plot 715 5 D17 Mezzanine Flr Almadina Pride Ma Rd Karachi Sindh Pakistan	Muhammad Ayub 42201-8616526-3	Noor Muhammad	275	201	48	524	275	201	48	524
130	Zubair Husain Aptt B 413 Big Classic View Blk 19 Gulistan E Jauhr, Near Kesc Off Karachi Sindh Pakistan	Zubair Husain 42201-5987164-9	Rafique Husain	289	175	46	510	289	175	46	510
131	Muhammad Abid Aziz H A 366 Street D Block N North Nazimabad Karachi Sindh Karachi Sindh, Pakistan	Muhammad Abid Aziz 42101-1291288-3	Sheikh Abdul Aziz	444	275	72	791	444	275	72	791
132	Muhammad Asghar H.No 12 Jamiya Zia Allum Street 5 B Aghban Pura Lahore Punjab Pakistan	Muhammad Asghar 35201-5419058-5	Muhammad Yaqoob	277	208	49	534	277	208	49	534
133	Nouman Badar Shidis International H 1628, St. 8 6, Sector 110 1 Islamabad Islamabad Punjab Pakistan	Nouman Badar 37406-1597507-7	Muhammad Badar (Late)	376	149	52	577	376	149	52	577

S.No.	Name and address of the borrower	Name of the individuals / partners / directors with CMC	Father's / Husband's name	Outstanding liabilities at the beginning of the year					Total (9+10+11)		
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total	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)							
134	M Fasihuddin Siddiqui HNo C 33, Sector W 1 Gulshan E, Mai Mar Karachi Sindh Karachi Sindh Pakistan	M Fasihuddin Siddiqui 42201-400607-3	Muhammad Nizam Uddin Siddiqui	280	215	50	545	280	215	50	545
135	Muhammad Faisal Apt F1 301 Sweet Apartment Bk. A Nishkar Road Shoe Market Karachi Sindh Pakistan	Muhammad Faisal 42000-0466088-9	Muhammad Iqbal Memon	306	205	51	562	306	205	51	562
136	Muhammad Zaheer Khan Zaheer Khan Printers 22 Kabeer St N R Shah Gaita Wali Gali Urdu Bazar Lahore Punjab Pakistan	Muhammad Zaheer Khan 35201-2310153-9	Muhammad Munir Khan	322	213	53	588	322	213	53	588
137	Abdul Hameed Khan HNo A 148 Block 5 Gulshan Iqbal K Karachi Sindh Pakistan	Abdul Hameed Khan 42201-836635-1	Muhammad Khan	364	214	58	636	364	214	58	636
138	Mansoor Ahmed Butt HNo 519 III Saadiq Abad Near Nbp Kh Uram Colony Muslim Town Rawalpindi Punjab Pakistan	Mansoor Ahmed Butt 3740575044413	Khawaja Basheer Hamid Butt	269	188	46	503	269	188	46	503
139	Sardar Ahmed Khan HNo B 287 Sec 11A, North Karachi Near Baradari Karachi Sindh Karachi Sindh Pakistan	Sardar Ahmed Khan 42201-2404779-9"	Mohammad Saleh Khan	346	165	52	563	346	165	52	563
140	Rehan Iqbal Qureshi HNo R 38 Street Sector 5A, 3 North Karachi Karachi Sindh Pakistan	Rehan Iqbal Qureshi 42401-2195278-1	A R Iqbal Qureshi	369	197	57	623	369	197	57	623
141	Syed Adnan Zaidi Appt No B 18, Kda Phase II, B 10, Palace View Gulistan E Jauhar Karachi Sindh Pakistan	Syed Adnan Zaidi 42000-0512040-1	Syed Hassan Masroor Zaidi	401	163	57	621	401	163	57	621
142	Muhammad Salman New Fatima Embroidery 245 Sector 16 A Kbr Bufferzone Karachi Sindh Pakistan	Muhammad Salman 42000-7075488-7	Abdul Hamid	424	123	55	602	424	123	55	602
143	Muhammad Farooq Hussain International Islamic University Block 2, Sms Department, H 10 Islamabad Punjab Pakistan	Muhammad Farooq Hussain 91509-0101841-1	Muhammad Yawar Hussain	348	112	45	505	348	112	45	505
144	Shiekh Umer Farooq Sheikh Autos Sh No1 Chaklala Road Tamasmabad Mor Chan Sultan Rawalpindi Punjab Pakistan	Shiekh Umer Farooq 37405-3635838-9	Abdul Hayye	286	228	51	565	286	228	51	565
145	Muhammad Naeem Haider Karwan E Iahia Pvt Ltd Of8 ISF Kda App Block A North Nazimabad Karachi Sindh Pakistan	Muhammad Naeem Haider 42011419973	Muhammad Asghar	288	236	52	576	288	236	52	576
146	Jabar Hussain Turabee Balouchi Sajji House Shop 10, Base Ment Taj Mehal Plaza, Muree Rd Rawalpindi Punjab Pakistan	Jabar Hussain Turabee 37405-8357315-1	Amanat Hussain Turabee	398	201	60	659	398	201	60	659
147	Muhammad Nadeem Butt C O New Punjab Danchi Straye Sultan Mastriqi Gate Near Union Addia, Lahore Punjab Pakistan	Muhammad Nadeem Butt 35202-0441860-1	Muhammad Rafiq Butt	397	156	55	608	397	156	55	608
148	Muhammad Arfan H228 Rustam Park Gulshan Ravi Lahor Re Punjab Pakistan	Muhammad Arfan 35202-4146171-1	Mehboob Elahi	207	275	72	554	207	275	72	554
149	Saif Ud Din Khan HNo 42 Road 7 Ateeq Street Shah Ka Ma Road Lahore Punjab Lahore Punjab Pakistan	Saif Ud Din Khan 35202-3003700-1	Freed Ud Din Khan	458	335	79	872	458	335	79	872
150	Sana Ullah Appt. A 20 Building Obaid Heights B lock 11 Gulshan E Iqbal Karachi Sindh Pakistan	Sana Ullah 42201-2423236-9	Mushaq Ullah	275	202	48	525	275	202	48	525









S.No.	Name and address of the borrower	Name of the individuals / partners / directors with CMC	Father's / Husband's name	Outstanding liabilities at the beginning of the year					Total (9+10+11)		
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total	Principal written off		Interest / Mark-up written off / waived	Other financial relief provided
1		3	4	5	6	7	8	9	10	11	12
(Rupees in '000)											
203	Haji Haroon Appt. No 202 2nd Flr Hussain Arcade Burns Road Am 10 Burns Road Karachi Sindh Pakistan	Haji Haroon 42301-07464627	Haji Usman	357	167	54	578	357	167	54	578
204	Tariq Anwer H.No 164 B4, Wapda Town, Lahore Punj Ab Pakistan	Tariq Anwer 35202-5044794-9	Muhammad Anwer	422	130	55	607	422	130	55	607
205	Shamim Abbas H.No R 39, Sector 16A, Bufterzon, No Rth Karachi, Gulshan E Wasim Karachi Sindh Pakistan	Shamim Abbas 4201-93827437	Zill E Hassan	269	188	46	503	269	188	46	503
206	Imran Imran Hajira Garments Shop G 166 Rainbo W Centre Sadar Karachi Sindh Pakistan	Imran Imran 42201-0639791	Aba Ali	320	206	54	580	320	206	54	580
207	Syed Qammar Abbas Ideal Gift Cosmetics Centre 699 Main Bazar Neelam Bk Alama Iqbal Town Lahore Punjab Pakistan	Syed Qammar Abbas 35202-508895-5	Ghulam Abbas	301	183	49	533	301	183	49	533
208	Malik Muhammad Akhter Malik Arshad Auto Lights Sh No Ne 2 893 A Glass Fact Chowk Chakala Rd Rawalpindi Punjab Pakistan	Malik Muhammad Akhter 37405-6068646-9	Malik Muhammad Ashraf	283	222	50	555	283	222	50	555
209	Muhammad Javed Iqbal H1 Sherbaz Rd Rehman Medical Wali Gali, Bhaqat Pura Lahore Punjab Pakistan	Muhammad Javed Iqbal 34202-0701301	Ali Muhammad	427	195	62	684	427	195	62	684
210	Ghulamrasule Kureishi Midas Advertising 219 Margala Road New Margala Tower Isb Lahore Islamabad Punjab Pakistan	Ghulamrasule Kureishi 37406-74849747	Muhammad Ishaq Kureishi	326	144	47	517	326	144	47	517
211	Aamir Qamar Aamish Colour Lab N Studio, Dhoke Al Ali Abber Haroon Chowk, Kuri Road, Rawalpindi Punjab Pakistan	Aamir Qamar 37405-0484060-5	Qamar-Ud-Din	355	219	57	631	355	219	57	631
212	Vakar Haider Farrukh Ohan Ohan (Pvt) Ltd, F 70, Block 8, Clifton, Near Multi Masjid Karachi Karachi Sindh Pakistan	Vakar Haider Farrukh Ohan 42301-287282-9	Ahmed Hussain Farrukh Khan	355	220	57	632	355	220	57	632
213	Asad Ahmed Khan C 29, Faraz Avenew Block 20, Gu Listan E Johar Karachi Sindh Pakistan	Asad Ahmed Khan 42201-8317934-5	Aftab Ahmed Khan	297	191	49	537	297	191	49	537
214	Zairar Iqbal Z A R Caterers Decorators Shop 1 Islamia Ground Korangi No 6 Karachi Sindh Pakistan	Zairar Iqbal 42201-9037878-7	Niaz Ahmed	379	193	37	609	379	193	37	609
215	Muhammad Naseer Baber Babar General Store Shop 4 Mughal P Ura Road Ghari Shahu Lahore Lahore Punjab Pakistan	Muhammad Naseer Baber 35202-1468892-7	Choudary Taj Din	453	324	78	855	453	324	78	855
216	Faisal Elahi Sial Appt Paint House 4H1Bld Decent Gar Den Block 7 Gulistan E Johar Karachi Sindh Pakistan	Faisal Elahi Sial 42201-33881477	Abdul Hameed Sial	377	296	67	740	377	296	67	740
217	Malik Amir Shaukat Appt 01 Rd Fleming St II Near Old N Irala Sweet Lahore Punjab Pakistan	Malik Amir Shaukat 35202-0915053-9	Shaukat Ali	341	172	50	563	341	172	50	563
218	Muhammad Arif Khan H.No 7 30 Rizvi St Fleming Road, Lhr Lahore Punjab Pakistan	Muhammad Arif Khan 35202-4839448-7	Muhammad Atfal Khan	395	151	55	601	395	151	55	601
219	Muhammad Ahmed Rana H.No 219 A St 5 Cavalry Ground, Cantt Lahore Punjab Pakistan	Muhammad Ahmed Rana 35201-1206357-3	Muhammad Iqbal Rana	308	147	46	501	308	147	46	501

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				Total	Interest / Mark-up written off / waived	Other financial relief provided	Total (9+10+11)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total				
1	2	3	4	5	6	7	8	9	10	11	12
				(Rupees in 000)							
220	Parvez Sultan Khan H.No P 488 Block N Peoples Colony Town 1, North Nazmabad Karachi Karachi Sindh Pakistan	Parvez Sultan Khan 4201-168122-1	Sultan Muhammad Khan	379	237	66	682	379	237	66	682
221	Faisal Ahmed H.No R 1161, Opposite Sagr Centre, Block 16, EB Area Karachi Sindh Pakistan	Faisal Ahmed 4201-1719168-9	Fikhar Uddin	275	202	48	525	275	202	48	525
222	Muhammad Zubair Shama Plastic Khark Nala Multan Rd Near Zamir State Lahore Punjab Pakistan	Muhammad Zubair 35101-8852632-5	Shah Muhammad	381	305	69	755	381	305	69	755
223	Zulqarnain Iqbal IO Collection Shop 26,27 Al Medina Market, Liaquat A K Rd Model Colony Karachi Sindh Pakistan	Zulqarnain Iqbal 42501-1855927	Muhammad Wram	282	212	50	544	282	212	50	544
224	Kabir Khan K/K Enterprises 218 2Nd Flr Kohmor Electronics Centre Abdullah Haroon Karachi Sindh Pakistan	Kabir Khan 42201-4447056-7	Abdul Latif	351	212	56	619	351	212	56	619
225	Abdul Malik Oureshi H.No Z 147, Zia Ul Haq Col B1 Toul Shan E Iqbal Karachi Sindh Pakistan	Abdul Malik Oureshi 42201-0275886-7	Aziz Ur Rehman	285	190	47	522	285	190	47	522
226	Noor Mohiuddin Ahmed Pakistan State Oil House Kh E Iqbal Clifton Karachi Karachi Sindh Pakistan	Noor Mohiuddin Ahmed 42201-755911-7	Nasir Uddin Ahmed	416	171	59	646	416	171	59	646
227	Kashif Ur Rehman Pent Air Ltd Ofc 504, 5Th Floor, Park Avenue Bldg 06 Pechs Karachi Sindh Pakistan	Kashif Ur Rehman 42301-8575568-3	Zia Ur Rehman	439	263	70	772	439	263	70	772
228	Sajid Mehmood H.No Diplomatic Enclave P0 Box 22 Ramma 5 Rwp Rawalpindi Punjab Pakistan	Sajid Mehmood 37405-0673783-9	Muhammad Aslam	349	167	52	568	349	167	52	568
229	Ahmed Shah Naeem Electronics Shop L 50 Hashoo Centre Abdullah Haroon Karachi Sindh Pakistan	Ahmed Shah 42301-0855341-9	Haji Nawaz	355	220	57	632	355	220	57	632
230	Shahid Nazir H.No C 16 Block B D, Gulshan E Iqbal Al, Karachi Sindh Pakistan	Shahid Nazir 42201-3573397-7	Mohammad Nazir	352	173	53	578	352	173	53	578
231	Muhammad Shakeel H 3 Bldg Near Islama College Rd 12 Prain Street Railway Road Lahore Punjab Pakistan	Muhammad Shakeel 35202-8638567-5	Barakat Ali	280	215	50	545	280	215	50	545
232	Sheikh Moin H.No R 54 Sector 15 B North Karachi Near Delhi House Karachi	Sheikh Moin 4201-6795050-1	Sheikh Mehmood	313	154	47	514	313	154	47	514
233	Asad Ilyas H.No 182 A 1 Johar Town Lahore	Asad Ilyas 35202-592765-5	Muhammad Ilyas	3,059	255	-	3,314	-	323	245	568
234	Fahad Iftikhar H.No 983 Street No 07 Near Mizar Lal Shah Bastani Road Near Punjab, Lureum School Lahore	Fahad Iftikhar 35202-9834460-7	Iftikhar Uddin Khokhar	3,106	835	-	3,941	-	1,530	308	1,838
235	Big Bird Foods (Pvt) Ltd 2-A Ahmed Block New Garden Town, Lahore	Abdul Basit 35202-9568779-7 Mustafa Kamal 35202-2628934-9 Abdul Kareem 35202-2916374-7 Salman Basit 35202-8086057-9	Abdul Ghani Muhammad Asghar Muhammad Yaqoob Bhatti Abdul Basit	395,996	121,306	-	517,302	-	39,416	-	39,416
<b>Total</b>				<b>1,235,819</b>	<b>599,564</b>	<b>1,143,301</b>	<b>2,978,680</b>	<b>670,804</b>	<b>518,997</b>	<b>1,144,064</b>	<b>2,333,861</b>

\* Relief includes amounts which would be due to the Bank under contractual arrangements whether or not accrued in the books.

### 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
<b>(Rupees in '000)</b>							
<b>Owned Vehicles</b>							
Honda City BEE-234	1,540	1,020	520	2,035	1,515	Bidding	Hassan Ali
Motor Bike KMM 0442	56	34	22	42	20	Insurance Claim	IGI General Insurance Limited
	1596	1054	542	2077	1535		
<b>Furniture and fixtures</b>							
Sale of furniture from Hyderi branch Karachi	61	61	-	4	4	Bidding	M/s Pakistan International SF General Trading
Leasehold improvement Write-off Cavalry branch Lahore	9,017	9,007	9	-	(9)	Write-Off	
Sale of furniture from Gulberg branch Lahore	3,958	3,916	42	108	66	Bidding	Waqas & Company
Sale of furniture in south region branches	164	164	-	33	33	Bidding	Tayyab Traders Corporation
Sale of furniture in south region branches	512	470	43	43	-	Bidding	Hamza Traders Corporation
Sale of furniture in central region branches	67	67	-	7	7	Bidding	Waqas & Company
Sale of furniture in south region branches	1,672	1,672	-	-	-	Bidding	Tayyab Traders Corporation
Sale of furniture from Sialkot branch	82	82	-	4	4	Bidding	Mr.Umair Scrap Dealer
Sale of furniture from warehouse Kemari Karachi	99	99	-	102	102	Bidding	Tayyab Traders Corporation
Sale of furniture in north region branches	394	328	66	44	(22)	Bidding	Ali Auction
Insurance claim from IGI	9,034	9,034	-	1,845	1,845	Insurance Claim	IGI General Insurance Limited
Sale of furniture in south region branches & headoffice	1,107	1,102	5	22	17	Bidding	Hamza Traders Corporation
	26,167	26,002	165	2,212	2,047		
<b>Electrical, office and computer equipment / intangibles</b>							
Electrical and office equipment - Hyderi branch Karachi	264	264	-	28	28	Bidding	M/s Pakistan International SF General Trading
Electrical and office equipment - Gulberg branch Lahore	1,733	1,733	-	40	40	Bidding	Waqas & Company
Electrical and office equipment - South region branches	950	943	7	80	73	Bidding	Hamza Traders Corporation
Electrical and office equipment - Central region branches	908	908	-	148	148	Bidding	Waqas & Company
Computer equipment - IT Store, Sidco Center Karachi	5,897	5,886	12	127	116	Quotation	Tayyab Traders Corporation
Electrical and office equipment - South region branches	2,657	2,645	12	282	269	Bidding	Tayyab Traders Corporation
Electrical and office equipment - Sialkot branch	278	278	-	75	75	Bidding	Mr Umair Scrap Dealer
Mobile phone	300	175	125	125	-	As per Policy	Muhammad Arshad Mehmood
Insurance claim from IGI	2,583	2,429	154	663	510	Insurance Claim	IGI General Insurance Limited
Electrical and office equipment - North region branches	674	674	-	58	58	Bidding	Ali Auction
Computer equipment - IT Store, Sidco Center Karachi	24,561	24,488	72	391	319	Bidding	Tayyab Traders Corporation
Electrical and office equipment - South region & headoffice	1,912	1,869	43	230	187	Bidding	Hamza Traders Corporation
	42,717	42,292	425	2,247	1,823		
<b>Right of use of assets</b>							
Lease termination	12,685	6,342	6,342	10,968	4,626		
<b>2023</b>	<b>83,165</b>	<b>75,690</b>	<b>7,474</b>	<b>17,504</b>	<b>10,031</b>		
<b>2022</b>	<b>253,406</b>	<b>184,979</b>	<b>65,540</b>	<b>71,998</b>	<b>6,455</b>		

#### Assets sold to Related Parties

During the year no assets were sold to the chief executive, directors and 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, 2023

Number of Shareholders	Shareholding		Total Shares
	From	To	
1,474	1	100	64,165
1,801	101	500	474,827
718	501	1,000	522,860
674	1,001	5,000	1,478,045
110	5,001	10,000	769,723
49	10,001	15,000	597,034
23	15,001	20,000	412,665
16	20,001	25,000	358,400
14	25,001	30,000	387,553
6	30,001	35,000	192,595
4	35,001	40,000	148,961
9	40,001	45,000	384,022
6	45,001	50,000	291,189
5	50,001	55,000	263,281
6	55,001	60,000	345,075
1	60,001	65,000	64,106
1	65,001	70,000	65,443
1	70,001	75,000	75,000
2	75,001	80,000	154,526
2	80,001	85,000	162,063
1	85,001	90,000	89,701
3	90,001	95,000	276,142
4	95,001	100,000	398,040
4	100,001	105,000	410,157
1	105,001	110,000	108,000
2	110,001	115,000	225,532
1	115,001	120,000	120,000
1	120,001	125,000	124,500
1	145,001	150,000	148,157
1	150,001	155,000	150,500
1	170,001	175,000	173,848
1	175,001	180,000	175,915
1	185,001	190,000	185,500
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
1	230,001	235,000	230,720
1	235,001	240,000	235,163
1	245,001	250,000	250,000
2	250,001	255,000	506,843
1	255,001	260,000	256,000
1	280,001	285,000	281,916
1	285,001	290,000	287,000
1	295,001	300,000	295,664
1	300,001	305,000	300,100
2	305,001	310,000	618,379
2	425,001	430,000	855,616
1	445,001	450,000	450,000
1	450,001	455,000	450,500
1	470,001	475,000	470,500
2	475,001	480,000	955,271
1	510,001	515,000	511,000
1	560,001	565,000	563,832
1	620,001	625,000	622,532
1	680,001	685,000	682,500
1	765,001	770,000	766,500
1	940,001	945,000	941,599
1	1,000,001	1,005,000	1,000,500
1	1,175,001	1,180,000	1,180,000
1	1,385,001	1,390,000	1,385,804
1	1,460,001	1,465,000	1,460,500
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	4,625,001	4,630,000	4,626,500
1	8,935,001	8,940,000	8,936,420
1	10,055,001	10,060,000	10,059,000
1	14,270,001	14,275,000	14,273,500
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
	<b>4,992</b>		<b>1,008,238,648</b>

## Category of Shareholding

As At December 31, 2023

S. No.	Shareholding	Number of Shareholders	Number of Shares	%
1	Directors, Chief Executive Officer, and their spouse and minor children	3	1,002,000	0.10
2	Associated Companies, Undertakings and related Parties	1	852,040,531	84.51
3	NIT and ICP	2	25,297	0.00
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	21	28,489	0.00
5	Insurance Companies	5	2,637,190	0.26
6	Modarabas and Mutual Funds	18	1,598,953	0.16
7	Share holders holding 10%	1	852,040,531	84.51
8	General Public :			
	a. local	4,823	99,987,360	9.92
	b. Foreign	1	196	0.00
9	Others	118	50,918,632	5.05
	<b>Total (excluding shareholders holding 10%)</b>	<b>4,992</b>	<b>1,008,238,648</b>	<b>100.00</b>

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

S. No.	Name of Directors	Date of Joining the Board	Status of Director (Executive, Non-Executive, Independent)	Member of Board Committee	Other Directorships
1	Mr. Mustafa Ilyas	21-Oct-22	Chairman / Non-Executive Director	• Board Nomination & Remuneration Committee • Board IT Committee	None
2	Mr. Nasser Sulaiman Al-Fraih	21-Oct-22	Non-Executive Director	None	<b>BRC Member</b> • Saudi National Bank (SNB) Capital
3	Mr. Hussein Eid	21-May-21	Non-Executive Director	• Board Audit Committee • Board Nomination and Remuneration Committee	None
4	Mr. Timour Pasha	27-Mar-19	Non-Executive Director	• Board Risk Committee	None
5	Ms. Kholood Khalid Al-Khelaiwi	30-Oct-23	Non-Executive Director	• Board IT Committee	None
6	Hafiz Mohammad Yousaf	20-Aug-19	Independent Director	• Board Audit Committee • Board IT Committee • Board Nomination & Remuneration Committee	<b>Director</b> • Kot Addu Power Company Limited • Pakistan Security Printing Corporation • Security Papers Limited
7	Mr. Javed Kureishi	13-Dec-22	Independent Director	• Board Audit Committee • Board Risk Committee • Board IT Committee	<b>Owner</b> • Bishopville Pro <b>Chairman</b> • Sindh Infrastructure Development Company Limited <b>Director</b> • 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
8	Ms. Zeeba Ansar	16-Jun-21	Independent Director	• Board Risk Committee • Board Nomination & Remuneration Committee	<b>Director</b> • Cherat Cement Company Limited • Gul Ahmed Textile Mills Limited
9	Mr. Ahmad Tariq Azam	1-Aug-22	President & CEO / Executive Director	• Board Risk Committee	None

# Information as required under Code of Corporate Governance

AS AT DECEMBER 31, 2023

Shareholders' category	Number of shares held	%
<b>i. Associated Companies, Undertakings and Related Parties</b>		
THE SAUDI NATIONAL BANK	852,040,531	84.51
<b>ii. Mutual Funds</b>		
M/S. ASIAN STOCKS FUND LIMITED	99	0.00
M/S. SAFEWAY FUND LIMITED	263	0.00
CDC - TRUSTEE AKD OPPORTUNITY FUND	275,000	0.02
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1,385,804	0.14
<b>iii. Directors, CEO and Their Spouse(s) and minor children</b>		
SOHAIL ANSAR /ZEEBA ANSAR	1,000	0.00
HAFIZ MOHAMMAD YOUSAF	1,000,500	0.10
JAVED KUREISHI	500	0.00
<b>iv. Executives*</b>	75,014	0.01
<b>v. Public Sector Companies and Corporations</b>	2,635,899	0.26
<b>vi. Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds</b>	665,099	0.07
<b>vii. NIT &amp; ICP</b>	25,297	0.00
<b>viii. General Public</b>		
a. Local	99,912,346	9.91
b. Foreign	196	0.00
<b>ix. Others</b>	50,296,100	4.99
	1,008,238,648	100.00
<b>x. Shareholders Holding five percent or more Voting Rights in the Listed Company</b>		
THE SAUDI NATIONAL BANK	852,040,531	84.51
SHUJAAT NADEEM	59,832,424	5.93

During the year, No trade in shares of the Bank was carried out by the Directors, CFO, Company Secretary, their spouses and minor children, however, the spouse of the executive namely Mr. Khalid Zafar individually sold & purchased five hundred shares of the Bank after meeting all the regulatory requirements.

#### \*Executives of the Bank








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










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\*Mobile apps are also available for download for android and ios devices



# Samba Bank Limited

## Form of Proxy

21<sup>st</sup> 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 12:00 noon on Thursday, the 28<sup>th</sup> March 2024, at Hotel Serena, Islamabad and at any adjournment thereof.

As witness my / our hand / seal this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

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

اکیسواں سالانہ اجلاس عام

میں اہم \_\_\_\_\_ کے \_\_\_\_\_ بطور سامبا بینک لمیٹڈ ممبر امیران  
عمومی شیئر کیلئے \_\_\_\_\_ کو متعین کرتا ہے کرتی ہے کرتے ہیں  
یا \_\_\_\_\_ کو مسترد کرتے ہیں۔

جو کہ اچھی سامبا بینک لمیٹڈ کے ممبر ہیں اور بطور میرے اہارے پراکسی میں میرے اہارے منانے کی وجہ سے شرکت کریں گے اور میرے لیے اہارے لیے ووٹ ڈالیں گے  
اور میری اہاری جانب سے بینک کے سالانہ اجلاس عام میں شرکت کریں گے جو 12:00 بجے دوپہر بروز جمعرات 28 مارچ 2024ء بمقام ہوٹل سیرنا، اسلام آباد میں  
منعقد کیا جا رہا ہے اور اتوا کی صورت میں کہیں بھی منعقد کیا جائے۔

بطور گواہی میرے اہارے ہاتھ ایہ میر \_\_\_\_\_ کے دن \_\_\_\_\_ 2024۔

بھیجے والے کے دستخط :  
ان افراد کی موجودگی میں :  
1. \_\_\_\_\_  
2. \_\_\_\_\_

فیلڈ ای ڈی ای اکاؤنٹ نمبر

برائے مہربانی یہاں 5 روپے والی  
ریونج مہر لگائیں

اہم اطلاع:

- 1- یہ پراکسی فارم، حسب ضابطہ مکمل اور دستخط شدہ اور بینک کے رجسٹرڈ آفس، بجلی منزل، 19 سلیم پلازہ، بلیو ایریا، جناح ایونیو، اسلام آباد کم از کم اجلاس سے  
48 گھنٹے پہلے سے وصول کر رہے ہو۔
- 2- کوئی بھی شخص جب تک بطور پراکسی کام کر سکتا ہے جب تک کہ وہ بذات خود بینک کا ممبر ہو، علاوہ اس 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 تہاویز نااہل ہوں گی۔

برائے ای ڈی ای 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 کمپیوٹرائزڈ شناختی کارڈ نمبرز فارم پر درج ہوں۔
- ii پراکسی کی یا تنظیم اور کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ منسلک کریں۔
- iii اجلاس کے وقت پراکسی کو اپنا اصل کمپیوٹرائزڈ شناختی کارڈ یا اصل پاسپورٹ دکھانا ہوگا۔
- iv کارپوریٹ کے تجویز کردہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد اور اپنا و آف انارٹی نمونے کے طور پر دی گئی دستخط کے ساتھ (پہلے جمع نہ کروانے کی صورت میں)  
کتنی کے فراہم کردہ پراکسی فارم کے ساتھ جمع کروانی ہوگی۔

ڈاگ ٹکٹ  
چسپاں  
گریں

کمپنی سیکریٹری

سامبا پینک لمیٹڈ

پکلی منزل، ۱۹ سلیم پلازہ،  
پلو ایریا، جناح ایونیو،  
اسلام آباد۔

# Samba Bank Limited

## ANNUAL GENERAL MEETING

At 12:00 noon, March 28, 2024

Hotel Serena, Islamabad.

### ADMISSION SLIP

Name \_\_\_\_\_

Folio No. (Non CDC) \_\_\_\_\_ Signature \_\_\_\_\_

CDC A/c. No. \_\_\_\_\_ Signature \_\_\_\_\_

No. of Shares held \_\_\_\_\_

**Verified by:** FAMCO Share Registration Services (Pvt.) Limited

#### Note:

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

**This Admission Slip is Not Transferable**

## سامبا بینک لمیٹڈ

سالانہ اجلاس عام

مورخہ ۲۸ مارچ، ۲۰۲۳ء، دوپہر ۱۲:۰۰ بجے  
بہ مقام 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: فیکوٹیکر رجسٹریشن سروسز (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