

CORPORATE INFORMATION

Board of Directors

Khalid Aziz Mirza	Chairman
Rashid Akhtar Chughtai	Director
Zubair Nawaz Chattha	Director
Masroor Ahmed Qureshi	Director
Samia Shahzad Murad	Director
Goharulayn Afzal	Director
Shahram Raza Bakhtiari	President & CEO

Company Secretary

Faiz Ul Hasan Hashmi

Chief Financial Officer

Khurram Khan

Audit Committee

Masroor Ahmed Qureshi	Chairman
Samia Shahzad Murad	Member
Head of Audit	Secretary

Nomination, Remuneration & Human Resource Committee

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

Risk Management Committee

Masroor Ahmed Qureshi	Member
Goharulayn Afzal	Member
Chief Risk Officer	Secretary

Information Technology Committee

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

Auditors

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

Legal Advisor

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

Registered Office

Silkbank Limited,
13-L, F-7 Markaz,
Islamabad.
Direct Tel: (051) 26080-26-27-28,
PABX: (051) 26080-77-78-79 Ext: 111
Fax: (051) 26080-29
Email: companysecretary@silkbank.com.pk
Website: www.silkbank.com.pk

Share Registrar

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

PROFILE OF BOARD OF DIRECTORS

MR. KHALID AZIZ MIRZA CHAIRMAN

Mr. Khalid Aziz Mirza was elected as an Independent Director on the Board in August 2014 and was re-elected as a Director by the shareholders of the Bank in August 2017 and August 2020 respectively. He is also a Chairman of the HR Committee of the Board.

Mr. Mirza is a Master of Commerce (M. Com) from University of Punjab, Lahore, Pakistan and has about 56 years of work experience.

Mr. Mirza served for 14 years in various positions in Investment Corporation of Pakistan (ICP), and Credit & Finance Corporation London, Subsequently, for about two decades, he remained on the professional executive staff of the International Finance Corporation (IFC) (Member, World Bank Group). Besides this, he has also served as founding Chairman, Securities & Exchange Commission of Pakistan (three years); Sector Manager for Financial Sector Development, East Asia & Pacific Region, The World Bank, Washington DC, USA (about four years); Chairman and Chief Executive Monopoly Control Authority (one year); founding Chairman and Chief Executive of Competition Commission of Pakistan (three years); and Member, Competition Appellate Tribunal (about eight months). Mr. Mirza joined the Lahore University of Management Sciences (LUMS) in 2010 and served as recent Professor of Practice. Since September 2021, he has been professor & Senior fellow at Lahore School of economics

Mr. Mirza is an Independent Director and Chairman of the Board of Orix Leasing Pakistan Limited as well as Awwal Modaraba and is also Independent Director on the Board of Murree Brewery Company Limited.

Significant among his past and present consultancy assignments are: Finance Consultant, WAPDA; Advisor, Investment Climate Reforms Unit, Government of Punjab; Evaluator, Investment Evaluation Unit, The World Bank Group; and Advisor to the Board of the Damen Support Program, Lahore, an NGO dedicated to women empowerment through provision of microfinance.

MR. RASHID AKHTAR CHUGHTAI DIRECTOR

Mr. Rashid Akhtar Chughtai was elected as an Independent Director on the Board of the Bank in August 2017 and was re-elected as a Director by the shareholders of the Bank in August 2020. He is also a member of HR Committee of the Board.

Mr. Chughtai is an Economist/Banker by profession and has over 47 years of experience. He has served on various positions in the Banking Industry and other companies and has also served as Deputy Governor of State Bank of Pakistan, Chairman of Islamabad Stock Exchange, President & CEO of ZTBL & SME Bank Limited, and Director of National Commodity Exchange.

Mr. Chughtai holds a master's degree in economics from Peshawar University and other professional qualifications from different national and international bodies. He has further attended numerous international conferences, courses, seminars and meetings.

MR. ZUBAIR NAWAZ CHATTHA **DIRECTOR**

Mr. Zubair Nawaz Chattha has been associated with the family business since his early days. He bears an impressive profile detailing an unprecedented track record bedecked and evenly interspersed with illustrious achievements and services on various fronts during his professional career.

From his educational record to professional acumen, Mr. Zubair Nawaz Chattha stands out par excellence. After completing his B.A, he went for a graduation in law and completed his LLB in 1992. He also holds degree of LL.M. On the academic front he has had renowned institutions among his alma maters, including University of Punjab, Lahore and Harvard Law School USA.

Mr. Zubair Nawaz Chattha belongs to a business family owning businesses with the brand name "Gourmet" in Pakistan. After completing his education, he joined his family business with his father and brother. At the time Gourmet was operating with sweets and bakers retail shops in Lahore and 03 production units. He introduced the idea of production of carbonated soft drinks under the brand name Gourmet. It was a tough decision to compete well established brands in the Soft drink industry. It was his vision and commitment through which he was able to introduce Gourmet brand as an alternate option in the beverage industry which was previously dominated by Multinationals.

He managed the portfolio of food related items and promoted the Family brand "Gourmet" by introducing marketing and integration strategies. He was instrumental in setting up dairy and confectionary units and acquiring a sugar mill. He also introduced and promoted the "Conglomerate Diversification" by venturing into other business including Gourmet Petroleum, investment in banking sector through equity investment in Silkbank where the group holds 12.5% of the bank's paid up capital and acquisition of News TV channel. His vision is to introduce "Gourmet" worldwide as a Pakistani Brand. He is at present planning to expand the business in UK and UAE.

Mr. Zubair joined Police Service Pakistan (PSP) through qualifying the competitive examination in 1995. After completing the training for PSP he remained posted on various sensitive positions. All these public sector positions required highest level of administrative capabilities. Mr. Zubair demonstrated extraordinary skill and expertise in handling complex situations on these assignments. During his service he remained on leave in different periods for attending to the new gourmet projects. He resigned from government service and his resignation was accepted w.e.f August 1, 2016.

MR. MASROOR A. QURESHI **DIRECTOR**

Mr. Qureshi was appointed as Non-Executive Director on the Board of the Bank in November 2019 and was re-elected as a Director by the shareholders of the Bank in August 2020. He is also a Chairman of the Audit Committee and member of Risk and IT Committee of the Board.

Almost 3 decades of professional experience across Public & Private sector organizations in both multinational & local institutions. Spearheading multifaceted roles in Treasury & Capital Markets, Corporate & Investment Banking, and other functions of Wholesale Banking.

Mr. Masroor has served as member of Board of Directors of various institutions in both, Public & Private Sector Organization in Pakistan.

Mr. Qureshi holds a Master Degree in Public Administration from Harvard University, USA and a Master Degree in Business Administration from Institute of Business Administration, Karachi University. He is also a Fellow, Edward S. Mason Program in Public Policy & Management, Harvard University, USA.

MRS. SAMIA SHAHZAD MURAD
DIRECTOR

Ms. Samia Shahzad Murad was elected as a Director by the shareholders of the Bank in August 2020. She is also a member of the Audit and HR Committee of the Board.

Ms. Samia Shahzad Murad graduated from Punjab University with major subjects being Economics & Political Sciences. She started teaching at Beaconhouse Public School in Karachi and Islamabad.

Ms. Samia Shahzad has taken retirement from AEO Pakistan effective 1st March 2023 after completing twenty years with the organization. AEO Pakistan is the official liaison office of prestigious and top-ranked universities from Australia, UK, USA, Canada, New Zealand, UAE, and Malaysia providing a full spectrum of services for studying including counseling/placement services, IELTS Testing and IELTS Preparation. Ms. Samia worked as an IELTS Administrator and was also given the additional responsibility of running the business in Karachi as a "Senior Consultant". As IELTS Administrator, she was responsible for the successful operation of the IELTS Department and ensuring compliance of all policies set by the IELTS Organization. This includes ensuring that testing was carried out in a manner that preserves the security and integrity of the IELTS test.

MR. GOHARULAYN AFZAL
DIRECTOR

Mr. Goharulayn Afzal was appointed as Non-Executive Director on the Board of the Bank in September 2021. He is also a member of the Risk Committee and IT Committee of the Board.

Professional experience in banking spans over two decades, including senior management positions. Have independently managed key facets of banking in the capacity of Country Manager. Have in-depth knowledge & expertise of commercial, retail, consumer and SME banking, with hands on experience on both the asset and liability side of the business. Have credit risk management experience covering credit cards, auto loans and mortgages, including SME lending. Also have led remote banking & alternative delivery channel teams. Have lead human resource, service quality, banking operations, including international trade processing as well as information technology teams. Managed re-branding & bank re-positioning. Have been part of several mergers & acquisitions; negotiated acquisitions of banking & card portfolios. Played a pivotal role in post-acquisition organizational integration, leading to organizational restructuring through human resource optimization, thereby creating efficiencies & better cost management.

Specialties: Strategic planning at the organizational level. Exploring synergies and process re-engineering thereby creating efficiencies for optimizing customer experience & better cost management. Expertise in management of retail banking portfolios which included assets, liabilities and cards; credit risk management; marketing & product management, service quality, human resource as well as change management & post-acquisition organizational integration.

Key organizational experience includes: Citibank, Standard Chartered Bank, Union Bank, Silkbank, Habib Bank Limited and ICI Chemicals Limited. Key Positions held: Last position held was Chief Operating Officer of Silkbank Limited for a period of 5 years, until retirement

in July 2020. Also, held Country Manager Sri Lanka for Union Bank & post-acquisition with Standard Chartered Bank, altogether covering a 7 years period.

SHAHRAM RAZA BAKHTIARI
PRESIDENT & CEO

Mr. Shahram Raza is holding the office of President & CEO since 14th December 2021. He has vast and diversified multi-sector experience of over 32 years working at leadership positions in Foreign and Local Institutions with expertise in Retail Banking - Branch Banking Distribution, Credit Cards Management, Mortgage & Unsecured Lending, Small & Medium Enterprise (SME) Lending, Sales & Marketing.

After completing his Masters Degree in Marketing, he started his career with the "The Nation" (daily newspaper) and then joined TCS where he had a successful career. He was the Country Manager for Pakistan and also successfully established their UAE operations during 1997-99. Prior to joining Silkbank, he had worked at Union Bank and Standard Chartered where he successfully led various business functions.

Mr. Shahram joined Silkbank in May 2008 as Head Consumer Banking Business and was elevated to Group Head Retail Banking in September 2016. He was promoted to Director Retail & Consumer Banking in April 2018 prior to assuming his current position.

Chairman Message:

On behalf of the Board of Directors, I am pleased to present the Annual Report of Silkbank Limited for the year ended December 31, 2024.

Economic Overview:

The year 2024 witnessed signs of economic stability, with positive developments emerging in the latter half. Pakistan's macroeconomic fundamentals strengthened during Jul-Nov FY2025, characterized by declining Consumer Price Index (CPI) inflation, stable food prices, effective fiscal consolidation, a current account surplus supported by increased exports and remittances, and an accommodative monetary policy stance. These factors have contributed to improved business and consumer confidence, reflected in higher private sector credit uptake and a sharp rise in stock market indices. Prudent fiscal management and strategic reforms are paving the way for sustainable economic growth.

Political stability and continued engagement with international partners, particularly the International Monetary Fund (IMF), have played a crucial role in economic recovery. Disbursements under the IMF's Stand-by Arrangement (SBA) and the 37-month Extended Fund Facility (EFF), along with bilateral and multilateral financial inflows, have bolstered foreign exchange reserves, improved market sentiment, and supported external stability. Additionally, Pakistan's successful hosting of the 2024 Shanghai Cooperation Organisation (SCO) Summit further strengthened business confidence and contributed to a positive outlook for 2025. However, political uncertainty or delays in structural reforms may pose risks to sustained growth.

Banking Sector Performance:

Overall bank advances increased by Rs. 700 billion as of December 2024, with the Advance-to-Deposit Ratio (ADR) improving from a low of 38.4% in August 2024 to 51.8% by year-end. While deposits declined by 2.3%, advances grew by 32%, reaching Rs. 15.6 trillion in December 2024. Investments saw a marginal increase of Rs. 0.3 trillion to stand at Rs. 29.3 trillion.

Silkbank's Performance:

Despite an improving economic and sectoral landscape, Silkbank reported a post-tax loss of Rs. 13.04 billion, primarily due to negative Net Interest Income (NII) and provisions for non-performing loans (NPLs). As of December 31, 2024, the Bank's deposit base stood at Rs. 157.48 billion, reflecting an increase of Rs. 3.22 billion. Despite inflationary pressure and currency fluctuation, the Bank successfully controlled operational expenses through effective cost rationalization strategies, the Bank was able to hold down the operating expenses to a minimal level of Rs 769.95 million.

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Amalgamation with United Bank Limited (UBL):

As we informed our shareholders that United Bank Limited (UBL) submitted a proposal on October 31, 2024, to amalgamate with Silkbank in term of a scheme of amalgamation, subject to approval by the State Bank of Pakistan (SBP) as per Section 48 of the Banking Companies Ordinance, 1962. On November 6, 2024, the Board approved, in-principle, the envisage amalgamation.

Subsequent meetings of the Board of UBL and Silkbank held on December 2 and 4, 2024 respectively approved the amalgamation through a share swap arrangement, issuing one (1) UBL share for every 325 Silkbank shares which would result in the issuance of 27,944,188 UBL shares to shareholders of Silkbank. The Agreement to Amalgamate was executed on December 6, 2024, pending completion of all legal formalities and necessary corporate, regulatory, and third-party approvals. An Extraordinary General Meeting (EOGM) convened in late December 2024 secured the necessary shareholder approval. To fulfill all other regulatory requirements under Section 48 of the SBP's Banking Companies Ordinance, 1962, an additional EOGM of the Bank was held on February 18, 2025. In regard to all this necessary and timely disclosures were duly made to the Pakistan Stock Exchange (PSX).

Board Performance Evaluation:

In compliance with the Code of Corporate Governance, the Board of Directors underwent an annual evaluation to assess its effectiveness in achieving the Bank's strategic objectives. The evaluation, conducted through a structured questionnaire developed by M/s Famco Associates (Pvt) Limited, covered Board performance as a whole (including the Board Committees). I am pleased to report that the Board's overall performance remained satisfactory based on the established criteria. The Board diligently fulfilled its responsibilities in the best interests of the Bank, particularly with respect to the business undertaken and the strategic direction provide.

Acknowledgments:

As we reflect on 2024, I extend my deepest gratitude to our staff for their yeoman services and to the Board Members for their unwavering support and invaluable contribution during these challenging times. I would also like to express my sincere appreciation to our shareholders for their trust and confidence in the Bank's leadership.

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As Silkbank moves forward with its amalgamation into UBL, we remain committed to ensuring that this strategic transition creates long-term value. Your continued trust will play a pivotal role in the success of this new chapter, and we are confident that integration with UBL will unlock promising growth opportunities for all stakeholders.

Thank you for your continued support.



Khalid Aziz Mirza
Chairman
Dated: February 26, 2025

Director's Report for the Year ended December 31, 2024.**REPORT**

Dear Shareholders,

The Directors are pleased to present the 31st Annual Report and the Audited Financial Statements for the year ended December 31, 2024.

Economic Review:

The global economy is at a turning point, with central banks balancing inflation control and growth. Business activity remains stronger in the services sector, while consumer confidence is gradually improving. Inflation is easing across G-20 countries, and global growth is expected to stabilize at 3.2% in 2024 and 2025.

Despite challenges, Pakistan's economy has shown resilience, supported by structural reforms and reduced fiscal pressures. The FBR collected Rs. 5.6 trillion in 1HFY25, falling short of the target by Rs. 386 billion. The IMF approved a 37-month, \$7 billion program in September 2024 and revised GDP growth projections to 3.2% for FY-25 and 4.0% for FY-26. Inflation is expected to decline from 23.4% in 2024 to 9.5% in 2025. In response to economic stability, the central bank reduced the policy rate to 13% in December 2024, a cumulative decline of 900 basis points since June 2024.

Large-scale manufacturing (LSM) contracted by 1.2% MoM in November 2024 and 1.25% YoY in 5MFY25, mainly due to declines in key sectors. Exports in December 2024 stood at \$2.84 billion, while imports reached \$5.28 billion. In 1HFY25, exports grew 10.5% YoY to \$16.56 billion, and imports rose 6.1% YoY to \$27.73 billion. The trade deficit widened by 34.8% YoY in December 2024.

Workers' remittances increased to \$3.07 billion in December 2024, with a 33% YoY surge in 1HFY25 to \$17.8 billion. The current account posted a \$582 million surplus in December 2024, bringing the 1HFY25 surplus to \$1.2 billion, supported by remittances and an 11% YoY rise in exports. Profit and dividend repatriation by foreign investors grew 1.1x YoY to \$1.2 billion.

Foreign exchange reserves stand at \$11.4 billion, with the PKR/USD exchange rate stable at 278-279. The REER index rose 1% MoM to 103.70 in December 2024. Inflation fell to 4.1% in December 2024, the lowest in 81 months, with average 1HFY25 inflation at 7.22%, down from 28.79% in 1HFY24.

FDI in 1HFY25 reached \$1.3 billion, a 20% YoY increase, driven by inflows of \$1.9 billion and outflows of \$554.1 million. The Pakistan Stock Exchange (PSX) maintained strong momentum,

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closing at 115,127 points on December 31, 2024, up from 81,114 in September 2024, with market capitalization at Rs. 14.49 trillion.

Banking Sector:

The banking sector remained resilient in CY-24, maintaining operational and financial stability despite economic challenges. The sector's asset base grew by Rs. 5,748 billion (12.4%) to reach Rs. 52,112 billion by September 2024, primarily driven by investments in government securities. By end-September 2024, investments accounted for 20.7% of total assets, while advances saw growth in the last quarter to mitigate the ADR tax.

Investments expanded by Rs. 4,037 billion, marking a 16% growth rate—the highest in 14 years—primarily due to increased holdings of government securities. Short-tenor Market Treasury Bills (MTBs) and floating-rate Pakistan Investment Bonds (PIBs) constituted 58% of total investments, though banks also showed interest in fixed-rate PIBs and Fixed Rental Rate Sukuk.

Advances surged by Rs. 3,229 billion in the last quarter, registering 26% growth compared to just 3% in 2023, bringing the industry's ADR ratio to 51.82% as of December 31, 2024.

Consumer financing rebounded, increasing by Rs. 50 billion in CY-24 after a decline of Rs. 80.8 billion in CY-23. Personal loans and credit card spending rose by Rs. 40 billion and Rs. 32 billion, respectively, driven by a 900bps reduction in policy rates. However, auto financing saw repayments of Rs. 16 billion due to high interest rates in the first half of the year, tighter purchasing power, and elevated vehicle prices. Additionally, public sector entities in commodity operations retired Rs. 107 billion in debt.

SILKBANK'S PERFORMANCE DURING 2024.

Financial Performance:

As of December 31, 2024, the Bank's deposit base stood at Rs. 157.49 billion, reflecting an increase of Rs. 3.22 billion. However, current account deposits declined by Rs. 7.83 billion compared to 2023. Gross advances closed at Rs. 80.41 billion, marking a year-on-year reduction of Rs. 3.34 billion. Non-performing loans (NPLs) increased by Rs. 4.56 billion, reaching Rs. 51.51 billion, primarily due to fresh classifications.

Summarized financial performance of Silkbank Limited for the year ended December 31, 2024 is as follows:

	2024	2023
	Rs. in million	
Net mark-up / return / profit / interest expense	(13,070)	(12,045)
Provisions and write offs – net	(7,783)	(4,514)
Non markup / interest income	3,476	3,752
Non markup / interest expense	(8,572)	(7,848)

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Loss before Tax	(25,949)	(20,655)
Taxation	12,907	7,869
Loss after Tax	(13,042)	(12,786)
	Rupee	
Basic and diluted Loss per share	(1.44)	(1.41)

The Bank reported a post-tax loss of Rs. 13.04 billion, primarily driven by negative Net Interest Income (NII) and provisions for NPLs in compliance with SBP Prudential Regulations.

The Bank incurred a loss of Rs. 13.07 billion at NII level, exceeding the Rs. 12.05 billion loss recorded last year, despite discount rates beginning to decline in the second half of 2024. The SBP policy rate saw a cumulative reduction of 900 basis points by the end of December 2024.

The primary factors contributing to the deterioration in NII includes significant increase in the Bank's average non-earning assets, decline in average consumer financing portfolio – previously yielding high fixed rates – due to statutory restrictions, and a reduction in current account deposits, which were replaced by higher-cost deposits.

Additionally, provision against NPLs were made for certain borrowers, primarily those engaged in real estate businesses.

The Bank's non-markup income declined by Rs. 276 million, primarily due to a decrease in exchange income and the impact of certain adjustments under International Financial Reporting standard (IFRS) -16.

Meanwhile, non-markup expenses increased due to higher cost related to staff remuneration, communication, consultancy and advertisement. These increases off-set the savings achieved in other expense areas as part of the Bank's cost saving efforts.

At the end of the year, the Federal Government increased the base tax rate for banks from 39% to 44%, with a planned reduction of 1% in each tax year of 2026 and 2027. As a result, an additional deferred tax benefit of Rs. 2.31 billion was recognized on previously recorded temporary differences accumulated under deferred taxation.

As at December 31, 2024, the Bank's Minimum Capital Requirement (MCR) stood at negative Rs. 41.27 billion, while its Capital Adequacy Ratio (CAR) was negative 149.76%, both falling below the regulatory minimums of Rs. 10 billion and 11.50%, respectively. Consequently, the Bank remains non-compliant with both MCR and CAR as of the reporting date.

The Bank is in the process of amalgamation with and into United Bank Limited (UBL), and a detailed update of the amalgamation process is provided in Note 1 to the annexed audited financial statements. The completion of this amalgamation remains contingent upon fulfilling all legal

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formalities and obtaining the required corporate, regulatory and third-party approvals. Consequently, the external auditors have highlighted a 'Material Uncertainty related to Going Concern' in their audit opinion.

SECTORAL PERFORMANCE.

Branch Banking:

Branch Banking remains a core business segment for the Bank, serving over 279,465 customers and contributing more than 78% of the Bank's total deposit base. As of December 31, 2024, total deposits stood at Rs. 123.03 billion. Year-to-date (YTD) deposits grew by Rs. 0.24 billion, while the current and savings account portfolio declined by Rs. 1.94 billion during the same period.

Silkbank Visa Debit Cards experienced strong growth in 2024, with 34,290 new cards issued, increasing the total card base by 14.67% to 233,765. Debit card spending at points of sale (POS) and online transactions totaled Rs. 12.2 billion, with 2.89 million transactions recorded. Additionally, Silkbank ATMs dispensed over Rs. 20 billion through 1.5 million transactions.

Bancassurance generated year to date business of Rs. 47.15 million ending December 2024. This translates into NFI of Rs. 28.18 million.

In 2024, the Bank focused on digital transformation and product innovation to enhance the customer experience. Key initiatives included increasing transaction limits on the Platinum Visa Debit Card, introducing QR-based payments for cattle markets during Eid-ul-Adha, and redesigning the website for improved usability. These efforts were further reinforced by the successful All-in-One Account advertising campaign, which significantly enhanced brand visibility.

Marketing also made a strong impact, with a digital media campaign reaching 4.1 million customers and the Dormant Account Activity Campaign re-engaging inactive customers, fostering stronger relationships and growth. Overall, 2024 was a year of innovation and progress, positioning Silkbank for continued success.

Consumer Banking:

The Bank successfully achieved a notable acquisition of Credit Cards, culminating in a profit before tax of Rs. 1.58 billion for all unsecured products, supported by a total unsecured portfolio of Rs. 13.99 billion. The year 2024 witnessed a strong growth for the Bank, despite the acquisition of Personal Loans and Ready Line being temporarily on hold.

Ready Line:

Despite the absence of new acquisitions and other challenges in product acquisition, Ready Line recorded a pre-tax profit of approximately Rs. 305.67 million for the quarter totalling to a YTD profit of 1.06 billion driven by 36,170 active accounts within an active portfolio of Rs. 5.88 billion.

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Personal Loan:

Despite the economic challenges and the difficulties faced by the Bank, the product successfully navigated these obstacles, and the Bank concluded the year 2024 with an active portfolio valued at Rs. 641 million, supported by nearly 6,206 active customers.

Credit Cards:

The credit card business demonstrated a strong acquisition trend, resulting in a total of 26,153 new card acquisitions for the year, the Cards in Force (CIF) to 162,576. This contributed to the highest-ever ENR of Rs 7.47 billion. Total credit card spending for 2024 amounted to Rs. 42.5 billion, reflecting a 5% increase compared to the previous year, despite limited growth opportunities, resulting in a profit before tax of Rs. 530.91 million.

The business continued to promote digital channels for credit card repayments through other Bank ADC and OTC services, complemented by repayment campaigns and customer education initiatives focused on digital payment channels. As a result, in December 2024, a record 87% of total repayments on Silkbank credit cards were made through digital channels.

A series of tactical Spend & Bill Payment campaigns, alongside event-driven initiatives, successfully boosted credit card utilization. The outbound units played a pivotal role in securing fresh supplementary cards and promoting value-added services. Notably, we introduced a new feature for credit card holders, waiving supplementary card fees for students and enabling IBFT transactions through credit cards.

Silkbank's credit card alliances were also instrumental in maintaining customer engagement by offering attractive new Flexible Installment Plan (FIP) options, discounts with online merchants, and other strategic offerings. Furthermore, new alliance partners were inducted into the existing portfolio, enhancing the value proposition for our customers.

Wholesale Banking:**- Treasury & Financial Institutions.**

The Treasury Division generated Rs. 236 million in foreign exchange income during CY-24, capitalizing on multiple exchange rate fluctuations throughout the year. Additional income was realized with each rate movement, while expanded engagement with existing clients in trade business further contributed to earnings. The Bank also focused on increasing its share of customers' total trade volume.

Despite a 900-bps policy rate reduction, Net Interest Income (NII) turned negative due to high funding costs. Meanwhile, the Financial Institutions (FI) department contributed Rs. 59 million in profit before tax and generated Non-Funded Income (NFI) of Rs. 66.08 million during the year.

Emaan Islamic Banking (Emaan):

Emaan Islamic Banking is dedicated to providing Shariah-compliant banking products while ensuring a high level of customer satisfaction. Despite the challenges faced by the banking industry

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during the year, Emaan Islamic Banking maintained its position and achieved exceptional performance in 2024. The bank concluded its deposit portfolio at Rs. 12.80 billion, with a CASA to time deposit ratio of 84:16.

Emaan Islamic Banking continued to demonstrate robust growth, opening 2,879 new accounts throughout the year, which brought the total to 47,764 accounts. In alignment with the bank's core values, our staff has consistently prioritized outstanding service delivery. This commitment is reflected in Emaan's focus on customer service, resulting in a "Very Good" rating for the year.

Customer Services & Quality (CS&Q):

Fair Treatment of Customer & Conduct Assessment Framework Training:

Service Quality conducted Fair Treatment of customers training sessions in Dec, 2024 across the network. The purpose of these sessions was to develop the culture of fair treatment of customers and continuous knowledge improvement of staff to furnish accurate and timely information to our customers.

The objective of training is to understand the concept of:

- Fair Treatment of Customer
- Conduct Assessment Framework & Modules
- Culture
- Product/ Service Design
- Consumer Grievance Handling Mechanism

MSP Program:

Initiated Mystery Shopping Program for the year 2024. Regional customers experience manager guided all the branches for the MSP guidelines and product knowledge. The overall score for the year 2024 was 93% as compared to 90% in 2023.

MSP	Overall Results 2024	Overall Results 2023
Conventional & Emaan Banking	93%	90%

Internal Service Measures (ISM)

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

ISM	Overall Results 2024	Overall Results 2023
Conventional & Emaan Banking	89%	90%
Support Segment	97%	96%

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Complaint Management Unit:

Complaint Management Unit (CMU) made significant paces in enhancing customer satisfaction and efficient complaint resolution.

CMU addressed 36,568 customer concerns in 2024 compared to 30,623 in 2023, with an average complaint resolution time of 2.08 days.

Quarter/Year Wise Complaints	2023	2024
Qtr1	8,761	8,263
Qtr2	6,814	9,786
Qtr3	7,710	8,319
Qtr4	7,338	10,200
Total	30,623	36,568

The complaint resolution process demonstrated impressive efficiency, with 98% of complaints resolved promptly within 8 days and only 2% requiring additional time.

Complaint Response Timeliness	2023	2024
0 - 8 days	97.5%	97.7%
8 + days	2.5%	2.3%
Total	100%	100%

Corporate Social Responsibility & Impact of Business on Environment:

Green banking represents a transformative shift in the financial sector, where banks realign their investment strategies to prioritize sustainable technologies and environmentally friendly initiatives. These financial institutions are at the forefront of sustainable banking, actively promoting clean energy and seeking innovative solutions to combat climate change. With the Air Quality Index (AQI) in certain regions of Pakistan surpassing hazardous levels of 1,000+ this year, responsibility of governmental and private sector institutions has intensified.

As a pivotal contributor to the financial sector, accounting for approximately 55 per cent of Pakistan's GDP, the banking industry wields significant influence. Sustainable banking efforts can effectively empower Pakistan's financial sector to combat environmental challenges

Silkbank has aimed to foster environmentally sustainable practices and reduce the banks' carbon footprint created by their financial operations. Following initiatives have been taken by the Bank till date:

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Solar systems are currently being used by 32 Branches to feed essential power requirements (ATM, IT systems, essential lighting, Alarm Systems). The system is capable of catering to the essential load needed for running the branch operations. The Systems are of 3-KW Capacity. All branches are functioning properly, and we have never faced any problems as far as the system performance or functioning is concerned. During the recent past the Bank had closed down a few branches but was unable to relocate the solar systems due to unavailability of roof space.

These branches use solar power during the daytime and automatically switch to the national grid at night, during power outages these branches rely on solar energy to provide the back-up support. These hybrid systems also help in saving cost during weekends and public holidays as the branches switch to solar power to save fuel costs.

In addition to endorsing and supporting climate-friendly practices, the bank also integrates green practices into its operational models. Measures such as adopting a fully paperless banking system, using energy-efficient technologies within branches, and enabling and encouraging remote banking services significantly reduce the environmental impact. The credit approval process for Corporate Banking has been carried out through work stream, a paperless system, for the last ten years. Our internet banking service available through the web as well as the phone apps is also part of the same chain.

Furthermore, a behavioral shift of not printing receipts while making transactions through ATMs has also been adopted after the addition of the option to "Go Green" or pay Rs 2.5 to print the receipts by ILink. The initiative to charge a fee to print ATM receipts is part of a 'Go-Green' exercise to reduce litter and lower the cost of printed matter which is usually discarded immediately. This has successfully nudged people into reducing paper receipts.

These small steps, when combined with the broader green investment strategies put forward by the SBP, underscore the potential for banks to lead by example in fostering a cleaner and greener Pakistan.

Disclosure of Gender Pay Gap – Year 2024

Gender Pay Gap statement under Securities and Exchange Commission of Pakistan (SECP) Circular 10 of 2024: At Silkbank, we promote an inclusive workplace where all employees have equal opportunities to thrive and compensation approach is gender neutral by design i.e. pay is for the role without any gender discrimination.

Following is the gender pay gap calculated for the year ended December 31, 2024

The mean gender pay gap - 50%.

The median gender pay gap - 26%.

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Board of Directors:

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

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

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

Composition of Board Committees:

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

Audit Committee:

- Masroor Ahmed Qureshi Chairman
- Samia Shahzad Murad Member
- Head of Audit Secretary

Nomination, Remuneration & Human Resource Committee:

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

Risk Management Committee:

- Masroor Ahmed Qureshi Member
- Goharulayn Afzal Member
- Samia Shahzad Murad Member
- Chief Risk Officer Secretary

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Information Technology Committee:

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

Performance Evaluation of Board of Directors:

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

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

Corporate and Financial Reporting Framework:

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

- a) The financial statements prepared by the management of the Bank, present fairly its state of affairs, the result of its operation, cash flow and changes in equity.
- b) Proper books of account of the Bank have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored. Management's statement on internal control is enclosed herewith which is endorsed by the Board as required by the State Bank of Pakistan. The Board is ultimately responsible for the Bank's system of internal control and reviewing its effectiveness.

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However, such a system is designed to manage rather than eliminate the risk of failure to achieve objectives and by its nature can provide only reasonable and not absolute assurance against material misstatement or loss.

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

- i) An audit committee has been formed with approved terms of reference and reports to the Board. It reviews the approach adopted by the Bank's internal audit department, as well as the scope of and its relationship with the external auditors. It also receives reports from the internal audit, and any material control weakness that is identified is discussed and agreed actions are taken in areas of concern.
- ii) An organization structure has been established which supports clear lines of communication and tiered levels of authority with the delegation of appropriate responsibility and accountability.
- iii) Business strategies agreed at divisional level are approved by the Board. In addition, there is an annual budgeting and strategic planning process. These strategies are reviewed during the year to reflect any significant changes in the business environment.
- iv) The principal features of control framework include:
 - Evaluation and approvals procedures for major capital expenditure and other transactions.
 - Regular reporting and monitoring of financial performance using operating statistics and monthly managements accounts which highlight key performance indicators and variance from budget and quarterly forecasts.
 - Review of the health, safety, environment and contingency management processes and other significant policies.
 - Further, reviews of the system of internal control are also carried out by the internal audit department and management conclusions on internal control are confirmed by divisional management to the Board.
 - There are no significant doubts upon the Bank's ability to continue as a going concern.
 - There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

- f) The value of investments of Provident fund and Gratuity Fund is Rs. 693 million and Rs. 435 million, respectively, as per the audited financial statements of these funds for the year ended December 31, 2024.

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

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

With major emphasis on the implementation of IFRS-9, RMG is geared up for meeting the additional requirements under this accounting standard as prescribed by the SBP. Concerned departments are collecting and organizing data requirements in line with the IFRS-9 mandate. The bank had assigned the preliminary work to a reputable firm of chartered accountants. In addition, adequate resources were also engaged to complete the task in a timely and accurate manner. Parallel Test Runs have successfully been performed on certain cut off dates.

In order to ensure complete & accurate reporting, the bank is also in negotiations with various vendors for the purchase of a fully automated solution. A vendor has also been engaged to provide us a system-based solution for this exercise. The implementation has so far been delayed by the requisite SBP approvals for incurring of CAPEX where after we will be able to comply with the revised date of implementation in due course.

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

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

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

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

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

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

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

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

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

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

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

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

Board of Director's & Committees' Meetings: During the year 2024, following Board and its Committees meetings were held. Attendances by the Directors & President & CFO were as follows:

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S. No.	Directors	Board Meetings		Audit Committee Meetings		Human Resource Committee Meetings		Risk Committee Meetings		IT Committee Meetings	
		Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
1	Mr. Khalid Aziz Mirza	10	10	-	-	5	5	-	-	-	-
2	Mr. Rashid Akhtar Chughtai	10	10	-	-	5	5	-	-	-	-
3	Mr. Zubair Nawaz Chattha	10	08	-	-	-	-	-	-	2	0
4	Mr. Masroor Ahmed Qureshi	10	10	5	5	-	-	7	7	2	2
5	Mrs. Samia Murad	10	10	5	5	5	5	7	7	-	-
6	Mr. Goharulayn Afzal	10	10	-	-	-	-	7	7	2	2

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

Combined pattern of CDC and Physical Share Holding as at December 31, 2024

S. No.	Categories of Shareholders	Number of Shareholders	Shares Held	Percentage %
01	Directors, Chief Executive Officer and their spouse(s) and minor children	06	431,870,796	4.76
02	Associated Companies, undertakings and related Parties	12	5,568,157,208	61.31
03	Executives	04	325,020	0.00
04	Banks Development Financial Institutions, Non-Banking Financial Institutions	03	45,820,663	0.50
05	Insurance Companies	03	516,071	0.01
06	Modarabas and Mutual Funds	02	22,380,417	0.25
07	General Public – Foreign	172	317,777,598	3.50
08	General Public – Local	10,238	2,441,184,515	26.88
09	Others	72	253,828,949	2.79
	Total:	10,512	9,081,861,237	100.00

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

The aggregate shares held by the Directors, Chief Executive and their spouse and minor children along with Associated Companies, Undertakings Related Parties and Mutual Funds as at December 31, 2024

S. No.	Categories/Sub-Categories of Shareholders	Number of Shares held	Category wise Shares held	Percentage
	Directors, Chief Executive Officer and their Spouse and Minor Children		431,870,796	4.76
1	Mr. Khalid Aziz Mirza	500		0
	Mr. Masroor Ahmed Qureshi	500		0
	Mr. Zubair Nawaz Chattha	415,626,000		4.58
	Mr. Rashid Akhtar Chughtai	500		0
	Mrs. Samia Shahzad Murad	3,200,000		0.04
	Mr. Goharulayn Afzal	12,543,796		0.14
	Mr. Shahzad Enver Murad (Husband of Mrs. Saima Shahzad Murad)	500,000		0.01
2	Associated Companies, Undertakings and Related Parties. (5% & above shareholding).		5,568,157,208	61.31
	Arif Habib Corporation Limited	2,563,901,924		28.23
	Mr. Shaukat Tarin	904,591,791		9.96
	International Finance Corporation	702,689,067		7.74
	Mr. Zulqarnain Nawaz Chattha	704,508,000		7.76
	Nomura European Investment Limited	356,676,342		3.93
	Bank Muscat S.A.O.G.	315,776,969		3.48
	Azmat Shahzad Ahmed Tarin	20,013,115		0.22
3	Executives		325,020	0
4	Banks Development Financial Institutions, Non-Banking Financial Institutions		45,820,663	0.5
5	Insurance Companies		516,071	0.01
6	Modarabas and Mutual Funds		22,380,417	0.25
7	General Public – Foreign		317,777,598	3.5
8	General Public – Local		2,441,184,515	26.88
9	Others		253,828,949	2.79
	Total		9,081,861,237	100

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External Auditors:

The retiring auditors, M/s. Grant Thornton Anjum Rahman (GTAR), Chartered Accountants, being eligible, offer themselves for re-appointment till the conclusion of the next Annual General Meeting of the Bank. The Audit Committee and Board has recommended their appointment as the statutory auditors of the Bank for the financial year 2025.

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

As of December 31st, 2024, the equity of the Bank stood at negative Rs. 40.44 billion excluding surplus on revaluation of assets. This includes share capital (net of losses and discount on shares) of negative Rs. 41.27 billion. By virtue of this, the Capital Adequacy Ratio (CAR) of the Bank is negative 149.78%.

Credit Rating:

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

Future Outlook:

As highlighted in the Financial Section, UBL has formally submitted an offer for the potential merger of Silkbank Limited with and into UBL. This material information was disclosed by UBL to the Pakistan Stock Exchange (PSX), and the Bank also disseminated the same to PSX on November 1, 2024.

Following this, the Board of Directors of Silkbank, in its meeting held on November 6, 2024, granted in-principle approval for the potential merger. The merger is to be executed through a Scheme of Amalgamation, requiring sanction by the State Bank of Pakistan (SBP) under Section 48 of the Banking Companies Ordinance, 1962 ("BCO"). The Bank disclosed this decision to PSX on the same day.

Subsequently, UBL and Silkbank convened their Board meetings on December 2 and December 4, 2024, respectively, where both Boards approved the proposed amalgamation through a share swap arrangement under Section 48 of the Banking Companies Ordinance, 1962. They also authorized the execution of the Agreement to Amalgamate, Scheme of Amalgamation, and other relevant documentation required for implementation.

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

To seek shareholder approval, the Extraordinary General Meetings (EOGMs) were scheduled—Silkbank on December 26, 2024, and UBL on December 30, 2024. At these meetings, the

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shareholders of both banks formally approved the amalgamation, and the decisions were duly disclosed to PSX.

While the shareholders had already approved the proposed merger of Silkbank Limited with and into UBL, compliance with Section 48 of the BCO, necessitated a re-convening of the EOGM to pass the required resolutions. In line with this requirement, the Bank held another EOGM on February 18, 2025, where shareholders reaffirmed their approval by passing the Special Resolution with 99.997% votes in favor.

With shareholder consent secured, the amalgamation now awaits the completion of all requisite legal formalities, along with corporate, regulatory, and third-party approvals. Upon finalization, the Bank's assets, liabilities, and obligations will be integrated into UBL, to be managed and settled as part of the amalgamated entity's normal business operations.

We will continue to keep our shareholders updated as the merger progresses through further announcements.

Acknowledgement:

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

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

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



Shahram Raza Bakhtiar
President & CEO



Khalid Aziz Mirza
Chairman

Karachi, February 26, 2025

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31 دسمبر 2024 کو ختم ہونے والے سال کے لیے ڈائریکٹرز رپورٹ

ڈائریکٹرز کی رپورٹ

معزز شیئر ہولڈرز،

ڈائریکٹرز نہایت مسرت کے ساتھ 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے 31 ویں سالانہ رپورٹ بعد آڈٹ شدہ مالیاتی بیانات پیش کر رہے ہیں۔

عالمی اقتصادی جائزہ:

عالمی معیشت ایک اہم موڑ سے گزر رہی ہے، لیکن معیشت کو لاحق خطرات بدستور موجود ہیں۔ سینٹرل بینکوں کو مہنگائی کو قابو میں رکھنے اور ترقی کو فروغ دینے کے درمیان ایک مشکل توازن برقرار رکھنا پڑ رہا ہے، جس کے نتیجے میں مختلف پالیسی اقدامات کیے گئے ہیں۔ تیز رفتار معاشی اشاریے مجموعی طور پر مسلسل ترقی کی رفتار کو ظاہر کرتے ہیں۔ کاروباری سروسے خدمات کے شعبے میں سرگرمیوں کی مضبوطی کو مینوفیکچرنگ کے مقابلے میں زیادہ ظاہر کر رہے ہیں۔ صارفین کا اعتماد طویل مدتی رجحانات کے مقابلے میں اب بھی کمزور ہے، لیکن سروسے کے اشاریے ظاہر کرتے ہیں کہ یورپ اور ابھرتی ہوئی معیشتوں کے اعتماد میں بہتری آ رہی ہے۔ زیادہ تر G20 ممالک میں، رواں سال اوپری سطح کی مہنگائی میں کمی کا رجحان دیکھا گیا ہے۔ عالمی معیشت کی ترقی کی شرح 2024 اور 2025 میں 3.2% پر مستحکم رہنے کی توقع ہے، جو کہ رواں سال کے پہلے نصف میں مشاہدہ کیے گئے اوسط رفتار کے مطابق ہے۔

چیلنجز کے باوجود، پاکستان کی معیشت میں بہتری آئی ہے۔ اصلاحات کے نفاذ اور مالی دباؤ میں کمی سے مالی حالات اور کاروباری اعتماد میں بہتری دیکھنے میں آئی ہے۔ ایف بی آر نے مالی سال 2025 کی پہلی ششماہی میں 5.6 ٹریلین روپے اکٹھے کیے، جو کہ 386 ارب روپے کے خسارے کی نمائندگی کرتا ہے۔ پاکستان اور آئی ایم ایف نے ستمبر 2024 میں 37 ماہ کے لیے 7 ارب ڈالر کے پروگرام پر عملے کی سطح کے معاہدے پر اتفاق کیا۔ یہ پروگرام ستمبر 2024 میں آئی ایم ایف کے ایگزیکٹو بورڈ سے منظور ہو چکا ہے۔ آئی ایم ایف نے جولائی 2024 کے عالمی اقتصادی جائزے میں مالی سال 2025 کے لیے پاکستان کی جی ڈی پی کی ترقی کا تخمینہ 3.2% اور مالی سال 2026 کے لیے 4.0% لگایا ہے۔ آئی ایم ایف کے مطابق، ملکی اوسط مہنگائی میں نمایاں کمی متوقع ہے، جو 2024 میں 23.4% سے کم ہو کر 2025 میں 9.5% تک آسکتی ہے۔ مثبت پیش رفت کی بنیاد پر، سینٹرل بینک نے دسمبر 2024 میں اپنی آخری مالیاتی پالیسی میں پالیسی ریٹ کو کم کر کے 13% کر دیا، جو کہ جون 2024 سے اب تک مجموعی طور پر 900 بیس پوائنٹس کی کمی کو ظاہر کرتا ہے۔

بڑے پیمانے کی مینوفیکچرنگ (LSM) نومبر 2024 میں ماہانہ بنیادوں پر 1.2% اور مالی سال 2025 کی پہلی پانچ ماہ (5MFY25) میں سالانہ بنیادوں پر 1.25% سکڑ گئی، جس کی بنیادی وجہ اہم شعبوں میں کمی تھی۔ دسمبر 2024 میں برآمدات 2.84 ارب ڈالر رہیں، جبکہ درآمدات 5.28 ارب ڈالر تک پہنچ گئیں۔ مالی سال 2025 کی پہلی ششماہی (1HFY25) میں برآمدات 10.5% سالانہ اضافے کے ساتھ 16.56 ارب ڈالر تک پہنچیں، جبکہ درآمدات 6.1% اضافے کے ساتھ 27.73 ارب ڈالر ہو گئیں۔ دسمبر 2024 میں تجارتی خسارہ 34.8% سالانہ بنیادوں پر بڑھ گیا۔

دسمبر 2024 میں ترسیلات زربذہ کر 3.07 ارب ڈالر ہو گئیں، جبکہ مالی سال 2025 کی پہلی ششماہی میں 33% سالانہ اضافے کے ساتھ 17.8 ارب ڈالر تک پہنچ گئیں۔ دسمبر 2024 میں کرنٹ اکاؤنٹ 582 ملین ڈالر کے سرپلس میں رہا، جس سے مالی سال 2025 کی پہلی ششماہی کا سرپلس 1.2 ارب ڈالر ہو گیا، جو ترسیلات زربذہ اور 11% سالانہ برآمدات میں اضافے کی مدد سے ممکن ہوا۔ غیر ملکی سرمایہ کاروں کی جانب سے منافع اور ڈیویڈنڈ کی ترسیلات 1.1 گنا اضافے کے ساتھ 1.2 ارب ڈالر تک پہنچ گئیں۔

زرمبادلہ کے ذخائر 11.4 ارب ڈالر ہیں، جبکہ پاکستانی روپے اور امریکی ڈالر کا تبادلہ ریٹ 278-279 کے درمیان مستحکم رہا۔ دسمبر 2024 میں حقیقی مؤثر تبادلہ ریٹ 1% ماہانہ اضافے کے ساتھ 103.70 تک پہنچ گیا۔ مہنگائی دسمبر 2024 میں 4.1% تک گر گئی، جو کہ گزشتہ 81 ماہ کی کم ترین سطح ہے، جبکہ مالی سال 2025 کی پہلی ششماہی میں اوسط مہنگائی 7.22% رہی، جو مالی سال 2024 کی پہلی ششماہی میں 28.79% تھی۔

مالی سال 2025 کی پہلی ششماہی میں براہ راست غیر ملکی سرمایہ کاری 1.3 ارب ڈالر تک پہنچ گئی، جو کہ 20% سالانہ اضافہ ہے، جس میں 1.9 ارب ڈالر کی آمد اور 554.1 ملین ڈالر کی ترسیلات شامل ہیں۔ پاکستان اسٹاک ایکسچینج نے زبردست رفتار برقرار رکھی اور 31 دسمبر 2024 کو 115,127 پوائنٹس پر بند ہوئی، جو ستمبر 2024 میں 81,114 پوائنٹس تھی، جبکہ مارکیٹ کیپٹلائزیشن 14.49 ٹریلین روپے تک پہنچ گئی۔

بینکنگ سیکٹر:

بینکنگ سیکٹر نے مسلسل مستحکم کارکردگی کا مظاہرہ کیا اور مشکل معاشی حالات کے باوجود اپنے عملی اور مالی استحکام کو برقرار رکھا۔ مالی سال 2024 میں بینکنگ سیکٹر کے اثاثے 5,748 ارب روپے یا 12.40 فیصد اضافے کے ساتھ ستمبر 2024 تک 52,112 ارب روپے تک پہنچ گئے۔ اثاثوں میں اس توسیع کی بنیادی وجہ سرمایہ کاری (زیادہ تر حکومتی سیکورٹیز) رہی، جبکہ ایڈوانسز میں اضافہ آخری سہ ماہی میں دیکھا گیا تاکہ اسے ڈی آر ٹی کے ساتھ بچا جائے۔ ستمبر 2024 کے آخر تک اثاثوں کی ساخت مزید سرمایہ کاری کی طرف مائل ہو گئی، جو کل اثاثوں کا تقریباً 20.70 فیصد بناتی ہے۔

سرمایہ کاری میں 4,037 ارب روپے کا اضافہ ہوا، جو 2024 میں 16 فیصد کی 14 سال کی بلند ترین شرح سے بڑھی، جبکہ 2022 میں یہ شرح 26.4 فیصد رہی تھی۔ سرمایہ کاری میں 98 فیصد اضافہ حکومتی سیکورٹیز میں اضافے کی وجہ سے ہوا۔ سرمایہ کاری کا رجحان زیادہ تر قلیل مدتی ایم ٹی بیز اور فلوئنگ ریٹ پی آئی بیز کی طرف رہا، جو کہ کل سرمایہ کاری کا تقریباً 58 فیصد بناتے ہیں۔ تاہم، بینکوں نے مقررہ شرح والے آلات جیسے کہ پی آئی بیز اور فلوئنگ ریٹ سکوک میں بھی دلچسپی دکھائی۔

اسے ڈی آر ٹی سے بچنے کے لیے، آخری سہ ماہی میں ایڈوانسز میں 3,229 ارب روپے کا نمایاں اضافہ ہوا، جس کے نتیجے میں 26 فیصد کی نمو ریکارڈ کی گئی، جبکہ 2023 میں یہ نمونہ صرف 3 فیصد تھی۔ 31 دسمبر 2024 تک انڈسٹری کا اسے ڈی آر ٹی کا تناسب 51.82 فیصد پر رہا۔

سال 2024 میں کنزرویٹو فنانسنگ میں 50 ارب روپے کا اضافہ ہوا، جبکہ 2023 میں اس میں 80.8 ارب روپے کی کمی ہوئی تھی۔ پالیسی ریٹ میں 900 بیس پوائنٹس کی کمی کی وجہ سے ذاتی قرضوں اور کریڈٹ کارڈ کے اخراجات بالترتیب 40 ارب روپے اور 32 ارب روپے تک بڑھ گئے۔ تاہم، آئٹو فنانسنگ میں 16 ارب روپے کی اضافہ زیادہ سود کی شرحوں کی وجہ سے ہوئی، کیونکہ پہلے نصف حصے میں گھریلو صارفین کو سخت قوت خرید کے حالات اور گاڑیوں کی بلند قیمتوں کا سامنا تھا، جبکہ میکر و پروڈیٹس پالیسی بھی سخت رہی۔ پبلک سیکٹر کے اداروں نے اجناس کی کارروائیوں میں 107 ارب روپے کا قرضہ واپس کیا۔

2024 کے دوران سلک بینک کی کارکردگی:

مالی کارکردگی:

31 دسمبر 2024 تک بینک کے ڈپازٹس کا حجم 157.49 ارب روپے رہا، جو کہ 3.22 ارب روپے کا اضافہ ظاہر کرتا ہے۔ تاہم، کرنٹ اکاؤنٹ ڈپازٹس میں 2023 کے مقابلے میں 7.83 ارب روپے کی کمی واقع ہوئی۔ گراس اینڈوائسز 80.41 ارب روپے پر بند ہوئے، جو کہ سالانہ بنیاد پر 3.34 ارب روپے کی کمی کو ظاہر کرتا ہے۔ نان پرفارمنگ لونز (NPLs) میں 4.56 ارب روپے کا اضافہ ہوا، جس سے ان کا مجموعی حجم 51.51 ارب روپے تک پہنچ گیا، جو بنیادی طور پر نئے قرضوں کی نادرہندگی کے باعث ہوا۔

سلک بینک لیٹنڈ کی 31 دسمبر 2024 کو ختم ہونے والے سال کی خلاصہ مالی کارکردگی درج ذیل ہے:

2023	2024	
روپے بلین میں		
(12,045)	(13,070)	نیٹ مارک آپ ایریٹن انٹرسٹ انکم
(4,514)	(7,783)	پرویزنز اور رائٹ آف نیٹ
3,752	3,476	نان مارک آپ انٹرسٹ انکم
(7,848)	(8,572)	نان مارک آپ انٹرسٹ خرچ
(20,655)	(25,949)	نقصان قبل از ٹیکس
7,869	12,907	ٹیکس
(12,786)	(13,042)	نقصان بعد از ٹیکس
روپے		
(1.41)	(1.44)	بنیادی اور ڈائریکٹ نقصان فی شیئر

بینک نے بعد از ٹیکس 13.04 ارب روپے کا نقصان رپورٹ کیا، جو بنیادی طور پر منفی نیٹ انٹرسٹ انکم (NII) اور اسٹیٹ بینک آف پاکستان (SBP) پر ڈیپٹل ریگولیشنز کے مطابق نان پرفارمنگ لونز (NPLs) کے لیے کی گئی پروویژنز کی وجہ سے تھا۔

بینک کو NII کی سطح پر 13.07 ارب روپے کا نقصان ہوا، جو پچھلے سال کے 12.05 ارب روپے کے نقصان سے زیادہ ہے، حالانکہ 2024 کی دوسری ششماہی میں ڈسکاؤنٹ رٹس میں کمی کی آنا شروع ہو گئی تھی۔ دسمبر 2024 کے آخر تک، SBP پالیسی ریت میں مجموعی طور پر 900 بیس پوائنٹس کی کمی ہوئی۔

بینک کے NII میں بگاڑ کی بنیادی وجوہات میں شامل ہیں، بینک کے اوسط نان آرنگ اٹاؤں میں نمایاں اضافہ، اوسط کنزیومر فنانسنگ پورٹ فولیو میں کمی۔ جو پہلے سے مقررہ بلند شرح سود سے رہا تھا۔ قانونی پابندیوں کی وجہ سے، اور کرنٹ اکاؤنٹ ڈپازٹس میں کمی، جنہیں زیادہ لاگت والے ڈپازٹس سے تبدیل کیا گیا۔ اضافی طور پر، نان پرفارمنگ لونز کے خلاف پروویژنز مخصوص قرض دہندگان کے لیے کی گئی، جن میں زیادہ تر ریٹیل اسٹیٹ کے کاروبار میں شامل افراد تھے۔

بینک کی نان مارک اپ انکم میں 276 ملین روپے کی کمی ہوئی، جو بنیادی طور پر ایکسچینج انکم میں کمی اور انٹرنیشنل فنانسئل رپورٹنگ اسٹینڈرڈ (IFRS) -16 کے تحت کی گئی مخصوص ایڈجسٹمنٹس کی وجہ سے تھی۔

ادھر، نان مارک اپ اخراجات میں اضافہ ہوا، جو کہ بنیادی طور پر اسٹاف کی تنخواہوں، کمپیوٹیشن، مشاورتی خدمات اور اشتہارات کے زیادہ اخراجات کی وجہ سے تھا۔ ان اخراجات میں اضافے نے ان دیگر اخراجات میں ہونے والی بچت کو زائل کر دیا جو بینک نے اپنی لاگت کم کرنے کی کوششوں کے تحت کی تھیں۔

سال کے اختتام پر، وفاقی حکومت نے بینکوں کے لیے بنیادی ٹیکس ریٹ 39% سے بڑھا کر 44% کر دیا، جسے 2026 اور 2027 میں ہر سال 1% کم کرنے کا منصوبہ بنایا گیا ہے۔ نتیجتاً، 2.31 ارب روپے کا اضافی ہو خر شدہ (deferred) ٹیکس فائدہ تسلیم کیا گیا جو کہ پہلے سے ریکارڈ شدہ عارضی فرق (temporary differences) پر مبنی تھا۔

31 دسمبر 2024 تک، بینک کی کم از کم سرمایہ کی ضروریات (MCR) منفی 41.27 ارب روپے اور کپٹل ایڈیکسی ریٹو (CAR) منفی 149.76% تھی، جو بالترتیب 10 ارب روپے اور 11.50% کی قانونی کم از کم حد سے کم ہے۔ نتیجتاً، بینک MCR اور CAR دونوں کے تقاضوں کی خلاف ورزی کر رہا ہے۔

بینک کا یونائیٹڈ بینک لمیٹڈ (UBL) کے ساتھ انضمام جاری ہے، اور انضمام کے عمل کی تفصیلات منسلک آڈٹ شدہ مالیاتی گوشواروں کے نوٹ 1 میں فراہم کی گئی ہیں۔

یہ انضمام تمام قانونی تقاضے پورے کرنے اور مطلوبہ کارپوریٹ، ریگولیٹری، اور تیسرے فریق کی منظوریوں کے مکمل ہونے سے مشروط ہے۔ نتیجتاً، بینک کے بیرونی آڈیٹرز نے اپنے آڈٹ کی رائے میں "جاری خدشات (Material Uncertainty Related to Going Concern)" کو نمایاں کیا ہے۔

شعبہ جاتی کارکردگی:

برانچ بینکنگ بینک کا ایک بنیادی کاروباری شعبہ ہے، جو 279,465 سے زائد صارفین کو خدمات فراہم کرتا ہے اور بینک کے کل ڈپازٹس میں 78% سے زیادہ حصہ ڈال رہا ہے۔ 31 دسمبر 2024 تک، کل ڈپازٹس 123.03 ارب روپے رہے۔ سال بہ سال (YTD) ڈپازٹس میں 0.24 ارب روپے کا اضافہ ہوا، تاہم کرنٹ اور سیونگز اکاؤنٹس کا پورٹ فولیو 1.94 ارب روپے کم ہو گیا۔

سلک بینک ویراڈیٹ کارڈز نے 2024 میں نمایاں ترقی دیکھی، جس کے دوران 34,290 نئے کارڈز جاری کیے گئے، اور کل کارڈز میں 14.67% اضافے کے ساتھ 233,765 تک پہنچ گئی۔ ڈیٹ کارڈز کے ذریعے پوائنٹ آف سیل (POS) اور آن لائن ٹرانزیکشنز کی مالیت 12.2 ارب روپے رہی، جن کی مجموعی تعداد 2.89 ملین رہی۔

اضافی طور پر، سلک بینک کے اے ٹی ایبز کے ذریعے 1.5 ملین ٹرانزیکشنز میں 20 ارب روپے سے زائد ٹکوائے گئے۔ بینک شورٹس نے دسمبر 2024 تک 47.15 ملین روپے کا کاروبار کیا، جس سے 28.18 ملین روپے کی نان فنانسئل انکم (NFI) حاصل ہوئی۔

2024 میں، بینک نے ڈیجیٹل ترقی اور پراڈکٹ انوویشن پر توجہ مرکوز رکھی تاکہ صارفین کے تجربے کو مزید بہتر بنایا جاسکے۔ اہم اقدامات میں پلانٹیم ویزا ڈیجیٹل کارڈ کی ٹرانزیکشنز میں اضافہ، غیر لائسنس کے دوران موبائی منڈیوں میں کیو آر پتی ادائیگیوں کا آغاز، اور بینک کی ویب سائٹ کو جدید اور صارف دوست ڈیزائن میں ڈھالنا شامل تھا۔ ان کوششوں کو مزید تقویت "آل ان ون اکاؤنٹ" کی کامیاب نشہیری مہم نے دی، جس نے برانڈ کی نمایاں پہچان میں اضافہ کیا۔

مارکیٹنگ نے بھی نمایاں اثر ڈالا، جس میں ایک ڈیجیٹل میڈیا مہم کے ذریعے 4.1 ملین صارفین تک رسائی حاصل کی گئی اور ڈورمیٹ اکاؤنٹ ایکٹیویشن مہم کے ذریعے غیر فعال صارفین کو دوبارہ متحرک کیا گیا، جس سے مضبوط تعلقات اور کاروباری ترقی کو فروغ ملا۔ مجموعی طور پر، 2024 جدت اور ترقی کا سال تھا، جس نے سلک بینک کو مسلسل کامیابی کے لیے مزید مستحکم کیا۔

کنزرویٹو بینکنگ:

بینک نے کریڈٹ کارڈز کے شعبے میں نمایاں کامیابی حاصل کی، اور تمام غیر محفوظ پراڈکٹس سے 1.58 ارب روپے کا قتل ازگیس منافع حاصل کیا، جو کہ 13.99 ارب روپے کے غیر محفوظ قرضوں کے پورٹ فولیو کی مدد سے ممکن ہوا۔

ریڈی لائن:

نئی ایکویزیشن نہ ہونے اور دیگر چیلنجز کے باوجود، ریڈی لائن نے 305.67 ملین روپے کا سرمایہ قتل ازگیس منافع حاصل کیا، جبکہ YTD منافع 1.06 ارب روپے تک پہنچا۔ اس کے تحت 36,170 فعال اکاؤنٹس تھے، جن کا مجموعی پورٹ فولیو 5.88 ارب روپے تھا۔

پرسنل لون:

معاشی مشکلات کے باوجود، پرسنل لون کی پراڈکٹ نے چیلنجز کا سامنا کیا اور سال 2024 کو 641 ملین روپے کے فعال پورٹ فولیو اور 6,206 فعال صارفین کے ساتھ مکمل کیا۔

کریڈٹ کارڈز:

کریڈٹ کارڈ کے کاروبار میں 26,153 نئے کارڈز جاری کیے گئے، جس سے کارڈز ان فوری کی تعداد 162,576 ہو گئی۔ نتیجتاً، 7.47 ارب روپے کی بلند ترین ای این آر ریکارڈ کی گئی۔ کریڈٹ کارڈ اخراجات 42.5 ارب روپے رہے، جو کہ گزشتہ سال کے مقابلے میں 5% اضافہ ظاہر کرتے ہیں، باوجود اس کے کہ ترقی کے مواقع محدود تھے، جس کے نتیجے میں 530.91 ملین روپے کا قتل ازگیس منافع حاصل کیا گیا۔

کاروبار نے کریڈٹ کارڈ کی ادائیگیوں کے لیے ڈیجیٹل چینل کو فروغ دینا جاری رکھا، جس میں دیگر بینکوں کے ADC اور OTC سروسز کے ذریعے ادائیگی کی ترغیب دی گئی، اور اس کے ساتھ ساتھ صارفین کو ڈیجیٹل ادائیگیوں کی آگاہی فراہم کی گئی۔ ان کوششوں کے نتیجے میں، دسمبر 2024 میں سلک بینک کریڈٹ کارڈز پر ہونے والی مجموعی ادائیگیوں میں سے 87% ڈیجیٹل چینل کے ذریعے کی گئیں۔

کریڈٹ کارڈ کے استعمال کو بڑھانے کے لیے مختلف Bill Payment Spend & کمپینز اور ایونٹ پر مبنی اقدامات کیے گئے۔ آؤٹ باؤنڈ پوسٹس نے نئے سلیمنٹری کارڈز کے حصول اور ویلوائڈ سروسز کے فروغ میں اہم کردار ادا کیا۔ خاص طور پر ایک نیانچر متعارف کرایا گیا جس کے تحت طلبہ کے لیے سلیمنٹری کارڈ کی فیس معاف کی گئی، اور کریڈٹ کارڈ کے ذریعے IBFT ٹرانزیکشنز کو ممکن بنایا گیا۔

سکلب بینک کے کریڈٹ کارڈ الاٹمنٹس نے بھی صارفین کی شمولیت میں نمایاں کردار ادا کیا، جن میں نئے Flexible Instalment Plan آپشنز، آن لائن مرچنٹس کے ساتھ رعایتی پیشکشیں، اور دیگر اسٹریٹجک آفرز شامل تھیں۔ مزید برآں، صارفین کے لیے مزید فوائد فراہم کرنے کے لیے نئے اتحادی شرکت داروں کو موجودہ پورٹ فولیو میں شامل کیا گیا۔

ہول سیل بینکنگ:

ٹریڈری اور مالیاتی ادارے:

ٹریڈری ڈویژن نے سال 2024 میں 236 ملین روپے کا غیر ملکی زرمبادلہ آمدن حاصل کیا، جو سال بھر میں متعدد ایکسیچینج ریٹ میں اتار چڑھاؤ سے فائدہ اٹھا کر ممکن ہوا۔ ہر ریٹ موومنٹ کے ساتھ اضافی آمدن بھی حاصل کی گئی، جبکہ تجارتی کاروبار میں موجودہ کلائنٹس کے ساتھ روابط کو وسعت دینے سے بھی بینک کی آمدن میں مزید اضافہ ہوا۔ بینک نے صارفین کے کل تجارتی حجم میں اپنے حصے کو بڑھانے پر بھی توجہ مرکوز کی۔

900 میں پوائنٹس کی پالیسی ریٹ میں کمی کے باوجود، نیٹ انٹرسٹ انکم (NII) زیادہ فنڈنگ لاگت کے سبب متاثر رہی۔ دریں اثنا، فنانشل انسٹی ٹیوشنز ڈیپارٹمنٹ نے سال کے دوران 59 ملین روپے کا کل انٹریس منافع حاصل کیا اور 66.08 ملین روپے کی نان لنڈڈ انکم پیدا کی۔

ایمان اسلامی بینکنگ (Emaan):

ایمان اسلامی بینکنگ شریعت کے مطابق بینکاری مصنوعات فراہم کرنے کے لیے پرعزم ہے، جبکہ اعلیٰ سطح کی کسٹمر سیٹیلیکشن کو یقینی بنانے پر بھی توجہ دیتی ہے۔ سال بھر میں بینکاری صنعت کو درپیش چیلنجز کے باوجود، ایمان اسلامی بینکنگ نے اپنی پوزیشن برقرار رکھی اور 2024 میں غیر معمولی کارکردگی کا مظاہرہ کیا۔ بینک نے اپنا ڈیپازٹ پورٹ فولیو 12.80 ارب روپے پر مکمل کیا، جس میں کرنٹ اور سیونگز اکاؤنٹس (CASA) کا ٹائم ڈپازٹ کے ساتھ تناسب 84:16 رہا۔

ایمان اسلامی بینکنگ نے اپنی مضبوط ترقی کو جاری رکھا اور سال بھر میں 2,879 نئے اکاؤنٹس کھولے، جس سے کل اکاؤنٹس کی تعداد 47,764 تک پہنچ گئی۔ بینک کے بنیادی اقدار کے مطابق، ہمارے اسٹاف نے ہمیشہ بہترین سروس کی فراہمی کو ترجیح دی ہے۔ اس عزم کا اظہار ایمان کی کسٹمر سروس پروجیکٹ میں ہوتا ہے، جس کے نتیجے میں سال 2024 کے لیے بینک کو "Very Good" درجہ بندی حاصل ہوئی۔

کسٹمر سروسز اور معیار (CS&Q):

کسٹمر کے ساتھ منصفانہ سلوک اور طرز عمل کی تشخیص کے فریم ورک کی تربیت:

سروس کو الٹی نے دسمبر 2024 میں پورے ڈیپ ورک میں کسٹمرز کے ساتھ منصفانہ سلوک کے تربیتی سیشن منعقد کیے۔ ان سیشنز کا مقصد صارفین کے ساتھ منصفانہ برتاؤ کے کلچر کو فروغ دینا اور عملے کی مسلسل علمی بہتری کو یقینی بنانا تھا تاکہ وہ ہمارے صارفین کو درست اور بروقت معلومات فراہم کر سکیں۔ ٹریننگ کے مقاصد درج ذیل نکات کو سمجھنا تھا:

• کسٹمرز کے ساتھ منصفانہ سلوک

• رویے کا جائزہ فریم ورک اور ماڈیولز

• کلچر

• مصنوعات اور خدمات کا ڈیزائن

• صارفین کی شکایات کے ازالے کا نظام

ایم ایس پی پروگرام:

سال 2024 کے لیے مسٹری شاپنگ پروگرام (Mystery Shopping Program) کا آغاز کیا۔ علاقائی کسٹمر ایکسپریئنس فیچر نے تمام براہیج کو ایم ایس پی گائیڈ لائنز اور مصنوعات کی معلومات کے بارے میں راہنمائی فراہم کی۔ سال 2024 کا مجموعی اسکور 93% رہا جو کہ سال 2023 میں 90% تھا۔

ایم ایس پی	2024 کے مجموعی نتائج	2023 کے مجموعی نتائج
کنوینینس اور ایمان بینکنگ	93%	90%

انٹرنل سروس کے اقدامات (ISM):

انٹرنل سروس کے اقدامات ایک ایسا پیکس کا آلہ ہے جو کسی بھی اہم عمل کی "بروقت"، "درست" اور "موثر" پیکس کرتا ہے جس سے کسٹمر کی تسلی ہوتی ہے۔

ایم ایس پی	2024 کے مجموعی نتائج	2023 کے مجموعی نتائج
کنوینینس اور ایمان بینکنگ	89%	90%
سپورٹ سیکسٹ	97%	96%

کمپلیٹ منیجمنٹ یونٹ (CMU) :

کمپلیٹ منیجمنٹ یونٹ (CMU) نے کسٹمر کی تسلی اور موثر شکایت کے حل میں نمایاں کامیابیاں حاصل کیں۔ CMU نے 2024 میں 36,568 کسٹمر کی شکایات کو حل کیا، جو 2023 میں 30,623 تھی، اور شکایت کے حل کا اوسط وقت 2.08 دن رہا۔

سہ ماہی / سالانہ حساب سے شکایات	2023	2024
پابلی سرمایہ	8,761	8,263
دوسری سرمایہ	6,814	9,786
تیسری سرمایہ	7,710	8,319
چوتھی سرمایہ	7,338	10,200
ٹوٹل	30,623	36,568

شکایت کے حل کے عمل نے شاندار کارکردگی کا مظاہرہ کیا، جہاں 98% شکایات کو 8 دنوں کے اندر حل کر لیا گیا، اور صرف 2% شکایات کو اضافی وقت درکار ہوا۔

شکایت پر عمل کا دورانیہ	2023	2024
0-8 دن	97.5%	97.7
8 یا زائد دن	2.5%	2.3%
ٹوٹل	100%	100%

کارپوریٹ سماجی ذمہ داری اور کاروبار کا ماحولیاتی اثر:

گرین بینکنگ مالیاتی شعبے میں ایک انقلابی تبدیلی کی نمائندگی کرتی ہے، جہاں بینک اپنی سرمایہ کاری کی حکمت عملیوں کو پائیدار ٹیکنالوجیز اور ماحول دوست اقدامات کو ترجیح دینے کے لیے ترتیب دیتے ہیں۔ یہ مالیاتی ادارے پائیدار بینکنگ میں پیش پیش ہیں، جو صاف توانائی کو فروغ دے رہے ہیں اور موسمیاتی تبدیلی سے نمٹنے کے لیے جد پدل تلاش کر رہے ہیں۔ پاکستان کے بعض علاقوں میں ایئر کو آلودگی اس سال 1,000 سے تجاوز کر گیا، جس سے سرکاری اور نجی شعبے کے اداروں کی ذمہ داری میں مزید اضافہ ہو گیا ہے۔

پاکستان کی جی ڈی پی میں تقریباً 55 فیصد کا حصہ رکھنے کے باعث، بینکنگ انڈسٹری کا اثر و رسوخ نمایاں ہے۔ پائیدار بینکنگ کی کوششیں مؤثر طریقے سے پاکستان کے مالیاتی شعبے کو ماحولیاتی چیلنجوں کا مقابلہ کرنے کے قابل بناسکتی ہیں۔ سسٹم بینک نے ماحول دوست پالیسیوں کو فروغ دینے اور اپنی مالیاتی سرگرمیوں سے پیدا ہونے والے کاربن فٹ پرنٹ کو کم کرنے کی کوشش کی ہے۔

سولر سسٹمز اس وقت 32 براؤنچر میں استعمال کیے جا رہے ہیں تاکہ ضروری بجلی کی ضروریات جیسے اے ٹی ایم، آئی ٹی سسٹمز، بنیادی ٹیکنالوجی، اور الارم سسٹمز کو پورا کیا جاسکے۔ یہ سسٹمز 3 کلو واٹ کی صلاحیت کے حامل ہیں اور براؤنچر آپریشنز کے لیے ضروری توانائی فراہم کر سکتے ہیں۔ تمام براؤنچر بخوبی کام کر رہی ہیں اور اب تک ہمیں ان سسٹمز کی کارکردگی یا فعالیت کے حوالے سے کوئی مسئلہ درپیش نہیں آیا۔ حالیہ دنوں میں بینک نے کچھ براؤنچر بند کر دی تھیں، لیکن چھت کی محدود جگہ کے باعث سولر سسٹمز کو منتقل نہیں کیا جاسکا۔

یہ براہِ نچر دن کے وقت سولر پاور استعمال کرتی ہیں اور رات کو ٹینٹل گز پر منتقل ہو جاتی ہیں۔ بجلی کی بندش کی صورت میں، یہ براہِ نچر سولر توانائی کو بیک اپ سپرٹ کے طور پر استعمال کرتی ہیں۔ ہمارا سسٹم محفوظ رکھنے کے آخر اور سرکاری تعطیلات کے دوران ایندھن کے اخراجات، بچانے میں بھی مدد دیتے ہیں، کیونکہ ان دنوں براہِ نچر سولر پاور پر منتقل ہو جاتی ہیں۔

بینک نہ صرف ماحول دوست پالیسیوں کو سپورٹ کرتا ہے بلکہ انہیں اپنی آپریشنل پالیسیز میں بھی شامل کرتا ہے۔ کاغذ کے بغیر بینکنگ سسٹم کو اپنانا، براہِ نچر میں توانائی کی بچت والی ٹیکنالوجیز کا استعمال، اور ریوٹ بینکنگ سروسز کو فعال اور فروغ دینا ان اقدامات کا حصہ ہیں جو ماحولیاتی اثرات کو نمایاں طور پر کم کرتے ہیں۔ کارپوریٹ بینکنگ میں کریڈٹ اپروول کا عمل Workstream کے ذریعے کیا جاتا ہے، جو کہ کاغذ سے پاک ڈیجیٹل سسٹم ہے اور گزشتہ دس سال سے نافذ العمل ہے۔ اسی طرح، انٹرنیٹ بینکنگ سروس، جو ویب اور موبائل ایپس دونوں پر دستیاب ہے، اس پالیسی کا ایک اہم حصہ ہے۔

اے ٹی ایم پر پرنٹ شدہ رسیدوں کے بغیر ٹرانزیکشنز کرنے کے رجحان کو فروغ دینے کے لیے، 1 لنک کے ذریعے "Go Green" کا آپشن متعارف کرایا گیا ہے، جس کے تحت صارفین یا تو ڈیجیٹل رسید منتخب کر سکتے ہیں یا پرنٹ شدہ رسید کے لیے 2.5 روپے ادا کر سکتے ہیں۔ یہ اقدام نہ صرف کاغذ کے ضیاع کو کم کرتا ہے بلکہ پرنٹ شدہ مواد کی لاگت کو بھی گھٹاتا ہے، جو عام طور پر فوری طور پر رد کر دیا جاتا ہے۔

یہ چھوٹے اقدامات، جب اسٹیٹ بینک آف پاکستان کی گرین انویشن سٹریٹیجی کے ساتھ ملائے جاتے ہیں، تو یہ ظاہر کرتے ہیں کہ بینک کس طرح ایک صاف اور سرسبز پاکستان کے قیام میں قائدانہ کردار ادا کر سکتے ہیں۔

جنس کی بنیاد پر اجرتوں میں فرق سے متعلق بیان۔ سال 2024

پاکستان سیکورٹیز اینڈ ایکسچینج کمیشن (SECP) کے سرکٹر 10 آف 2024 کے تحت صنف پر مبنی اجرت کے فرق سے متعلق بیان: سبک بینک میں، ہم ایک ایسا جامع ورک پلیس فراہم کرتے ہیں جہاں تمام ملازمین کو ترقی کے یکساں مواقع حاصل ہوں اور ہماری تنخواہ دینے کی پالیسی فطری طور پر صنفی امتیاز سے پاک ہو، یعنی تنخواہ کا تعین صرف کردار کی بنیاد پر کیا جاتا ہے، نہ کہ صنف کی بنیاد پر۔

سال 2024 کے لیے صنف پر مبنی اجرت کے فرق کا حساب درج ذیل ہے:

دسمبر 2024 کے لیے صنف پر مبنی اجرت کا اوسط فرق 50% ہے۔ یہ اعداد و شمار مرد اور خواتین ملازمین کی اوسط تنخواہ میں مجموعی فرق کی عکاسی کرتے ہیں۔

31 دسمبر 2024 تک میڈین (Median) صنف پر مبنی اجرت کا فرق 26% ہے۔ چونکہ میڈین کی بھی آبادی کا درمیانی نقطہ ظاہر کرتا ہے، اس لیے میڈین تنخواہ کا فرق اس عورت اور مرد کی تنخواہ کے درمیان فرق کو ظاہر کرتا ہے جو اپنی متعلقہ تنخواہوں کی تقسیم میں بالکل درمیان میں آتے ہیں۔

صنف پر مبنی اجرت کی رپورٹنگ تمام خواتین کی مجموعی طور پر موصول ہونے والی تنخواہ کا موازنہ تمام مردوں کی مجموعی تنخواہ سے کرتی ہے، بغیر اس بات کو مد نظر رکھے کہ وہ کس عہدے پر ہیں یا ان کا تجربہ کیا ہے۔ اسٹیپ شاٹ ڈیٹ کے مطابق، سبک بینک میں مجموعی طور پر 27% خواتین اور 73% مرد ملازمین تھے، جن میں زیادہ تعداد سینئر عہدوں اور زیادہ معاوضے کے مواقع رکھنے والے ریونیو پیدا کرنے والے شعبوں میں کام کرنے والے مردوں کی تھی۔

بورڈ آف ڈائریکٹرز:

کنیگری

نام

جناب خالد عزیز مرزا

جناب راشد اختر چغتائی

جناب منصور احمد قریشی

جناب زبیر نواز چٹھہ

محترمہ سامعہ شہزاد مراد

جناب گوہر العین الفضل

اظہار پرنٹ ڈائریکٹر

مان ایگزیکٹو ڈائریکٹر

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

1- جناب خالد عزیز مرزا

2- جناب راشد اختر چغتائی

3- جناب منصور احمد قریشی

4- جناب زبیر نواز چٹھہ

5- محترمہ سامعہ شہزاد مراد

6- جناب گوہر العین الفضل

بورڈ کی کمیٹیوں کی ترتیب:

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

آڈٹ کمیٹی:

منصور احمد قریشی

سامعہ شہزاد مراد

ہیڈ آف آڈٹ

چیمبر مین

ممبر

ممبر

ممبر

میکریٹری

معاونات، مشاہرے اور انسانی وسائل کی کمیٹی:

خالد عزیز مرزا

راشد اختر چغتائی

سامعہ شہزاد مراد

ہیڈ آف ایچ آر

میکریٹری

رسمت شجاعت کمیٹی:

ممبر	گوہر العین افضل
ممبر	مسرور احمد قریشی
ممبر	سامعہ شہزاد مراد
سیکرٹری	چیف رسم آفیسر

انفارمیشن ٹیکنالوجی کمیٹی:

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

بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ:

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

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

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:

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

(a) بینک کی انتظامیہ کے ذریعے تیار کردہ مالیاتی بیانات بینک کے اسٹینڈرڈ عملیاتی نتائج، کیش ان فلو اور ایکویٹی میں تبدیلیوں کو درست طور پر ظاہر کرتے ہیں۔

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

(c) مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مسلسل اپنایا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط اندازے پر مبنی ہیں۔

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

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

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

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

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

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

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

- اہم سرمائے کے اخراجات اور دیگر سودوں کے لیے تشخیص اور منظوری کے طریقہ کار
 - مالی کارکردگی کی باقاعدہ رپورٹنگ اور نگرانی، جس میں آپریٹنگ شماریات اور ماہانہ منجمنٹ اکاؤنٹس استعمال کیے جاتے ہیں، جو اہم کارکردگی کے اشارے اور بجٹ اور سرمایہ پیش گوئیوں سے انحراف کو اجاگر کرتے ہیں۔
 - صحت، حفاظت، ماحولیات اور ہنگامی صورتحال کے انتظام کے عمل اور دیگر اہم پالیسیوں کا جائزہ۔
 - مزید برآں، اندرونی کنٹرول کے نظام کا جائزہ داخلی آڈٹ کے شعبے کے ذریعے بھی لیا جاتا ہے اور اندرونی کنٹرول پر انتظامیہ کے مینجنگ کوڈ ویرنل منجمنٹ کے ذریعے بورڈ کو تصدیق کیا جاتا ہے۔
 - بینک کی جاری سرگرمی کے طور پر چلنے کی صلاحیت پر کوئی اہم شک نہیں ہے۔
 - کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں ہوا ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل سے بیان کیا گیا ہے۔
- (f) پروڈیونٹ فنڈ اور گریجویٹ فنڈ کی سرمایہ کاری کی قیمت بالترتیب 680 ملین روپے اور 655 ملین روپے ہے، جیسا کہ ان فنڈز کے آڈیٹ مالیاتی بیانات میں 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے ظاہر کیا گیا ہے۔

رہنما بینکنگ فریم ورک:

سالوں کے دوران رہنما بینکنگ کے مجموعی نفع میں بہتری کے لیے مسلسل کوششیں کی گئی ہیں، جس کے نتیجے میں کنٹرول اور رہنما کے ماحول میں بہتری آئی اور بینک میں ایک مضبوط "رہنما کلچر" کی تخلیق ہوئی۔ نیشنل کی پالیسی پر ہندرج عمل درآمد اور رہنما کے انتظام میں مربوط طریقہ کار پر بدھتی ہوئی توجہ کے ساتھ، رہنما بینک لمیٹڈ کے رہنما بینکنگ نفع کے کچھ اہم پہلو درج ذیل ہیں:

کرڈٹ رہنما

کرڈٹ رہنما کا انتظام RMG کے اہم فرائض میں سے ایک سمجھا جاتا ہے۔ کارپوریٹ، کمرشل، ایس ایم ای، اور کنزرویٹو بینکنگ کے لیے آزاد رہنما بینکنگ یونٹس مکمل طور پر فعال ہیں اور اسٹیٹ بینک آف پاکستان کی موجودہ ہدایات کے مطابق بنائی گئی پالیسیز/مینوز اور پروڈکٹ پروگرامز کی واضح طریقہ کار کے تحت عمل کرتے ہیں۔ کرڈٹ رہنما کو متعلقہ منظوری دینے والے یونٹس کے ذریعے مستقل طور پر مانیٹر کیا جاتا ہے۔ مختلف منظوری دینے والوں کو کرڈٹ اپروول اتھارٹیز بھی تفویض کی گئی ہیں تاکہ منظوری کا عمل آسان ہو۔ مزید برآں، بینک کے تمام سیکٹ کے لیے کرڈٹ ایڈمنسٹریشن یونٹس موجود ہیں، جو دستاویزات اور محفوظ رکھنے کے عمل کو موثر طریقے سے سنبھالتے ہیں۔ بینک نے ان ہاؤس اسٹیکر رہنما بینک (ORR) ماڈلز/اسٹریٹجیز تیار کیے ہیں جو کارپوریٹ، کمرشل، اور ایس ایم ای کے لیے مخصوص ہیں اور وقتاً فوقتاً نظر ثانی اور بہتری کے لیے آپ ڈیٹ کیے جاتے ہیں۔ اس کے علاوہ، آر ایم جی نے ایک مضبوط ابتدائی وارننگ سسٹم (EWS) بھی نافذ کیا ہے۔ آر ایم جی نے ایک فیڈبک رہنما بینک (FRR) ماڈل بھی متعارف کرایا ہے، جو اب بینک کی سطح پر مکمل طور پر نافذ ہو چکا ہے اور تمام کسٹمرز کو دی جانے والی کیش فیڈبک کے رہنما کو موثر طریقے سے مانگتا ہے۔ یہ عمل مسئلہ زدہ قرضوں کو ابتدائی مرحلے میں شناخت کرنے کے قابل بناتے ہیں تاکہ بروقت اصلاحی اقدامات کیے جاسکیں۔ ان نظاموں کے قیام کے نتائج اب بیرونی آڈیٹرز کی بینکنگ لیٹرز اور اسٹیٹ بینک آف پاکستان کی انکوائری ٹیموں کی سالانہ رپورٹس میں ظاہر ہونے لگے ہیں، جہاں سسٹم اور طریقہ کار کی ناکامیوں کی تعداد میں کمی دیکھی جا رہی ہے۔

IFRS-9 کے نفاذ پر خصوصی توجہ کے ساتھ، RMG اس اکاؤنٹنگ معیار کے تحت اسٹیٹ بینک آف پاکستان (SBP) کی مقرر کردہ اضافی ضروریات کو پورا کرنے کے لیے مکمل طور پر تیار ہے۔ متعلقہ محکمے IFRS-9 کے مینڈیٹ کے مطابق ڈیٹا اکٹھا کرنے اور ترتیب دینے میں مصروف ہیں۔ بینک نے ابتدائی کام کے لیے ایک معتبر چارٹرڈ اکاؤنٹنٹس فرم کی خدمات حاصل کیں، جبکہ اس کام کو بروقت اور درست طریقے سے مکمل کرنے کے لیے مناسب وسائل بھی فراہم کیے گئے۔ خصوصی کٹ آف تاریخوں پر کامیابی سے ہیرالڈ ٹیسٹ دز کیے جا چکے ہیں۔

مکمل اور درست رپورٹنگ کو یقینی بنانے کے لیے، بینک ایک مکمل خود کار عمل کی خریداری کے لیے مختلف ویڈیوز سے مذاکرات کر رہا ہے۔ اس مقصد کے لیے ایک ویڈیو کی خدمات بھی حاصل کر لی گئی ہیں تاکہ سسٹم میں مدخل فراہم کیا جاسکے۔ تاہم، اس منصوبے کے نفاذ میں تاخیر SBP کی جانب سے CAPEX اخراجات کی منظوری کے انتظار کے باعث ہوئی ہے، جس کے بعد بینک نظر ثانی شدہ تاریخ کے مطابق اس پر عملدرآمد کر سکے گا۔

کنزرویٹو بینکنگ کے تحت، قرضوں کی فالو اپ اور وصولی کے لیے ایک علیحدہ کلیکشن یونٹ کام کر رہا ہے، جو تحریری طور پر ختم کیے گئے کنزرویٹو لوز کی مضبوط وصولی کو یقینی بناتا ہے اور بینک کی کاروباری ترقی میں کلیدی کردار ادا کرتا ہے۔ ایک مرکزی ایجنٹس بینکنگ یونٹ بھی قائم کیا گیا ہے، جو بنیادی طور پر نان پرفارمنگ لوز (NPL) کے اکاؤنٹس اور مجموعی ریکوری کے عمل کو سنبھالنے کی ذمہ داری ادا کر رہا ہے۔ یہ یونٹ اپنے فرائض کو پیشہ ورانہ اور موثر انداز میں انجام دے رہا ہے۔ RMG نے ان اکاؤنٹس پر بھی گہری نظر رکھی ہوئی ہے جو "ممکنہ کنزرویٹو" کے آثار ظاہر کر رہے ہیں۔ بزنس یونٹس سے کہا جاتا ہے کہ وہ ہر سہ ماہی میں ان

اکاؤنٹس کے بارے میں تازہ ترین معلومات فراہم کریں، جس کے بعد RMG نہیں فیصلی طور پر جانچتا ہے اور تمام متعلقہ فریقوں کے ساتھ مستقل کی حکمت عملی پر مشاورت کرتا ہے۔ یہ فہرست بینک کے رسک کمیٹی کے بورڈ کے ساتھ بھی شیئر کی جاتی ہے اور ہر سال ایسی اجلاس میں ان کی قیمتی رائے حاصل کی جاتی ہے تاکہ مستقل میں اسٹریٹجی کے نفاذ کو بہتر بنایا جاسکے۔

بینک کی مختلف مینجمنٹ کمیٹیوں کے علاوہ، کریڈٹ رسک کا مسلسل جائزہ رسک کمیٹی آف دی بورڈ کے ذریعے لیا جاتا ہے۔ بورڈ سے کریڈٹ سے متعلق معاملات پر رہنمائی حاصل کی جاتی ہے اور ان کی ہدایات پر مکمل عملدرآمد کیا جاتا ہے۔ سال بھر، مجموعی کریڈٹ پورٹ فولیو کی صحت کو قابل قبول سطح پر برقرار رکھنے کے لیے میکرو مسائل پر خاص توجہ دی گئی۔

متعدد صارفین کو مالی ریلیف فراہم کرنے کے لیے ان کے قرضے ری اسٹرکچر/ری شیڈول کیے گئے۔ ان صارفین کی مسلسل نگرانی کی جارہی ہے تاکہ کاروباری صورتحال سے متعلق تازہ ترین پیش رفت سے باخبر رہا جاسکے اور بروقت ادائیگیوں کو یقینی بنایا جاسکے۔ ان صارفین کی فہرست ہر ماہ SBP کے ساتھ بھی شیئر کی جاتی ہے۔

مزید برآں، کئی دیگر صارفین نے بھی بینک سے اپنے قرضوں اور ایڈوانسز کی ری اسٹرکچرنگ کی درخواست کی۔ کاروباری برادری کو درپیش معاشی مشکلات کو مد نظر رکھتے ہوئے، بینک نے SBP کے موجودہ ضوابط کے مطابق اور مکمل میرٹ پر ان صارفین کی مدد کرنے کی کوشش کی ہے۔ اس اقدام سے یقینی بنایا گیا ہے کہ پورٹ فولیو کی موجودہ حیثیت تازہ ترین اور درست رہے۔

اس کے علاوہ، RMG نے اس بات پر بھی گہری نظر رکھی ہے کہ زیادہ خطرے والے قرضے نہ دیے جائیں اور مقررہ حدود کی مکمل پاسداری کی جائے۔ چنانچہ، بینک نے صارفین کو ایک متعین اور محتاط طریقے سے قرضے فراہم کر رہا ہے۔

مارکیٹ رسک

بینک کے اندر ایک ڈیل آفس فنکشن قائم کیا گیا ہے جو ریٹری سے آزاد ہے اور اس کا بنیادی کام مارکیٹ رسک کے عمل کی نگرانی اور چیف رسک آفیسر، انویسٹمنٹ کمیٹی، مارکیٹ رسک پالیسی کمیٹی، اور اثاثہ واجبات کمیٹی کو رپورٹ کرنا ہے، جو مارکیٹ رسک کی نمائندگی کی نگرانی اور منظوری کے لیے بھی فعال ہیں۔ رسک بینک میں ایک واضح لیکویڈیٹی پالیسی موجود ہے جو بورڈ سے منظور شدہ ہے۔ اس وقت مختلف ایکسل بیڈ ٹولز استعمال کیے جا رہے ہیں، جنہیں وقتاً فوقتاً اپڈیٹ کیا جاتا ہے، تاکہ مارکیٹ رسک پر مینجمنٹ انفارمیشن سسٹم تیار کیا جاسکے اور سینٹر مینجمنٹ اور ریگولیٹرز کو رپورٹ کیا جاسکے۔ ہم نے کامیابی سے "ویب ایک سسٹم" بھی قائم کیا ہے، جو جدید ماڈلنگ رپورٹس تیار کرنے اور مختلف ریٹری فنکشنز کی آزادگرانی کو لائیو ماحول میں انجام دینے کی صلاحیت رکھتا ہے۔

آپریٹنگ رسک

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

آپریٹل رسک کے تحت، بینک کی سطح پر آپریٹل رسک کے انتظام کے لیے مناسب پالیسیز اور طریقہ کار دستاویزی شکل میں تیار اور تقسیم کیے گئے ہیں۔ آپریٹل رسک مینول تیار کیا گیا ہے اور بورڈ سے اس کی منظوری حاصل کی گئی ہے۔ رسک کنٹرول سہولت اسسٹم کے سولہ سالے بینک کے مختلف شعبوں میں بھیجے گئے ہیں، اور موصولہ فیڈ بیک کی بنیاد پر ہم اس عمل کو وقت کے ساتھ بینک کی سطح پر ایڈیٹ کرنے کا ارادہ رکھتے ہیں۔

آپریٹل رسک رپورٹنگ کا آغاز بینک میں OLED کے تحت کیا گیا ہے، اور ایک تفصیلی طریقہ کار گائیڈ لائن سینٹر مینجمنٹ سے منظور کی گئی ہے۔ بینک کے تمام شعبوں اور ڈیپارٹمنٹس کو ہدایت دی گئی ہے کہ وہ باقاعدگی سے رپورٹنگ کریں۔ رپورٹنگ پورٹل کی سہولت اور فہم کے لیے تمام متعلقہ عملے کے لیے درکشائیں منعقد کی جارہی ہیں، تاکہ وہ تمام واقعات کی رپورٹنگ آراہیم جی کو کر سکیں اور بینک کے اندر نقصان کا ڈیٹا ریکارڈ کیا جاسکے۔

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

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

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

ڈائریکٹرز کی ٹریننگ:

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

بورڈ آف ڈائریکٹرز اور کمپنیوں کے اجلاس 2024 کے دوران:

سال 2024 کے دوران، بورڈ اور اس کی کمپنیوں کے درج ذیل اجلاس منعقد کیے گئے۔ ڈائریکٹرز اور صدر وی ای او کی شرکت کی تفصیلات درج ذیل ہیں:

نمبر شمار	ڈائریکٹر	بورڈ میٹنگز	آڈٹ کمیٹی میٹنگ	ایس وی سی کمیٹی میٹنگ	ریسک کمیٹی میٹنگ	آئی ٹی کمیٹی میٹنگ
		منعقدہ شرکت	منعقدہ شرکت	منعقدہ شرکت	منعقدہ شرکت	منعقدہ شرکت
1	جناب خالد عزیز مرزا	10	10	-	5	5
2	جناب راشد اختر چٹاکی	10	10	-	5	5
4	جناب ذہیر نواز چٹھہ	10	8	-	-	2
5	جناب سرور احمد قریشی	10	10	5	-	2
6	محترمہ سامعہ مراد	10	10	5	5	-
7	جناب گوہر الحسن فضل	10	10	-	-	2

پیٹرن آف شیئر ہولڈنگ:

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

31 دسمبر 2023 تک CDC اور فزیکل شیئر ہولڈنگ کا مشترکہ پیٹرن

نمبر شمار	شیئر ہولڈرز کی کیٹیگریز	شیئر ہولڈرز کی تعداد	رکھے گئے شیئرز کی تعداد	پرنسپل %
01	ڈائریکٹرز، چیف ایگزیکٹو آفیسر اور ان کے شریک حیات اور نابالغ بچے	06	431,870,796	4.76
02	دائستہ کمپنیاں، انڈر ٹیکنگ اور متعلقہ فریقین	12	5,568,157,208	61.31
03	ایگزیکٹوز	04	325,020	0.00
04	بینکس ڈیپوسٹ فنانشیل انسٹی ٹیوشنز، نان بینکنگ فنانشیل انسٹی ٹیوشنز	03	45,820,663	0.50
05	انسورنس کمپنیاں	03	516,071	0.01
06	مضاربہ اور میوچل فنڈز	02	22,380,417	0.25
07	عوام الناس - غیر ملکی	172	317,777,598	3.50
08	عوام الناس - مقامی	10,238	2,441,184,515	26.88
09	دیگر	72	253,828,949	2.79
	ٹوٹل	10,512	9,081,861,237	100.00

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

31 دسمبر 2023 تک ڈائریکٹرز، چیف ایگزیکٹو، ان کے شریک حیات، ماہانہ بچے، متعلقہ کمپنیاں، ادارے، متعلقہ فریقین اور میوچل فنڈز کے زیر ملکیت کل شیئرز کی

تفصیلات درج ذیل ہیں۔

نمبر شمار	شیئر ہولڈرز کی کمپنیاں پر	موجودہ شیئرز کی تعداد	کمپنی کے حساب سے رہنے والے شیئرز	پرستیج %
1	ڈائریکٹرز، چیف ایگزیکٹو آفیسر ان کے شریک حیات اور ماہانہ بچے		431,870,796	4.76
	جناب خالد عزیز مرزا	500		0
	جناب مسرور احمد قریشی	500		0
	جناب ذہیر نواز چٹھہ	415,626,000		4.58
	جناب راشد اختر چغتائی	500		0
	محترمہ سامعہ شہزاد مراد	3,200,000		0.04
	جناب گوہر امین افضل	12,543,796		0.14
	جناب شہزاد انور مراد	500,000		0.01
	(محترمہ سامعہ شہزاد مراد کے شوہر)			
2	وابستہ کمپنیاں، انڈر ٹیکنگ اور متعلقہ فریقین (5% اور زیادہ شیئر ہولڈنگ)		5,568,157,208	61.31
	عارف حبیب کارپوریشن لمیٹڈ	2,563,901,924		28.23
	جناب شوکت ترین	904,591,791		9.96
	انٹر نیشنل فنانس کارپوریشن	702,689,067		7.74
	جناب ذوقیر مین نواز چٹھہ	704,508,000		7.76
	نومورا ایورین الومینٹ لمیٹڈ	356,676,342		3.93
	بینک مسقط S.A.O.G	315,776,969		3.48
	عظمت شہزاد احمد ترین	20,013,115		0.22
3	ایگزیکٹوز	325,020		0
4	ہیکس ڈو ایلمنٹ ٹرانزیشنل انشوری شہزاد ٹان بینک ٹرانزیشنل انشوری شہزاد	45,820,663		0.5
5	اشورس کمپنیز	516,071		0.01
6	مضاربہ اور میوچل فنڈز	22,380,417		0.25
7	عوام الناس - غیر ملکی	317,777,598		3.50
8	عوام الناس - ملکی	2,441,184,515		26.88
9	دیگر	253,828,949		2.79
	ٹوٹل	9,081,861,237		100

یورپی آڈیٹرز:

ریٹائر ہونے والے آڈیٹرز میسرز گرانٹ تھارنٹن انجمن رحمان چارٹرڈ اکاؤنٹنٹس، جو دوبارہ تقرری کے لیے اہل ہیں، بینک کی اگلی سالانہ جنرل میٹنگ کے اختتام تک اپنی خدمات جاری رکھنے کی پیشکش کرتے ہیں۔ آڈٹ کمیٹی اور بورڈ نے مالی سال 2025 کے لیے انہیں بینک کے قانونی آڈیٹرز کے طور پر مقرر کرنے کی سفارش کی ہے۔

کم از کم سرمایہ کی ضرورت (MCR) اور کمپنل ایڈیکویسی ریٹو (CAR) پر عملدرآمد:

31 دسمبر 2024 تک، بینک کی ایکویٹی منفی 40.44 ارب روپے رہی، جس میں اثاثوں کی ریویلوایشن پر حاصل شدہ سربس شامل نہیں ہے۔ اس میں شیئر کمپنل (لتصانات اور شیئرز پر ڈسکاؤنٹ نکال کر) منفی 41.27 ارب روپے شامل ہے۔ اس کے تحت، بینک کا کمپنل ایڈیکویسی ریٹو (CAR) منفی 149.78% ہے۔

کریڈٹ ریٹنگ:

بینک کی طویل مدتی ادائیگی ریٹنگ - A (سنگل اے مائنس) اور مختصر مدتی ریٹنگ A-2 (اے مائنس ٹو) ہے، جیسا کہ "بے سی آروی آئی ایس" کریڈٹ ریٹنگ کمپنی لمیٹڈ نے طے کیا ہے۔

مستقبل کا منظر نامہ:

جیسا کہ تفصیل سیکشن میں بیان کیا گیا ہے، یو بی ایل نے باضابطہ طور پر سلک بینک لمیٹڈ کے یو بی ایل میں انضمام کے لیے پیشکش جمع کروادی ہے۔ یہ اہم معلومات یو بی ایل نے پاکستان اسٹاک ایکسچینج کو فراہم کیں، اور بینک نے بھی یکم نومبر 2024 کو یہی معلومات PSX کو پہنچائیں۔

اس کے بعد، سلک بینک کے بورڈ آف ڈائریکٹرز نے اپنی 6 نومبر 2024 کو ہونے والی میٹنگ میں اصولی منظوری دے دی۔ یہ انضمام Scheme of Amalgamation کے ذریعے عمل میں لایا جائے گا، جس کے لیے بینکنگ کمپنیز آرڈیننس 1962 ("BCO") کے سیکشن 48 کے تحت اسٹیٹ بینک آف پاکستان کی منظوری درکار ہوگی۔ بینک نے اس فیصلے سے پاکستان اسٹاک ایکسچینج کو اسی دن آگاہ کر دیا تھا۔

اس کے بعد، یو بی ایل اور سلک بینک نے بالترتیب 2 دسمبر اور 4 دسمبر 2024 کو اپنے بورڈ اجلاس منعقد کیے، جن میں دونوں بینکوں کے بورڈز نے شیئر سویپ آریمینڈ کے ذریعے انضمام کی منظوری دے دی۔ اس کے تحت سیکشن 48 کے مطابق معاہدہ برائے انضمام (Agreement to Amalgamate)، اسکیم آف امیگیشن اور دیگر متعلقہ دستاویزات پر عمل درآمد کی اجازت دی گئی۔

منظور شدہ شیئر سویپ تناسب کے مطابق، یو بی ایل کے ہر ایک (1) نئے عام شیئر (جس کی قیمت 10 روپے ہے) کے بدلے سلک بینک کے 325 شیئرز (ہر ایک کی قیمت 10 روپے) جاری کیے جائیں گے۔ اس کے نتیجے میں، یو بی ایل کے 27,944,188 نئے عام شیئرز جاری کیے جائیں گے، جس میں کوئی رائٹ ایٹو شامل نہیں ہوگا۔

شیئر ہولڈرز کی منظوری کے لیے، غیر معمولی اجلاس عام کا انعقاد کیا گیا، جو کہ سلک بینک کی 26 دسمبر 2024 کو اور یو بی ایل کی 30 دسمبر 2024 کو ہے۔ ان اجلاسوں میں دونوں بینکوں کے شیئر ہولڈرز نے انضمام کی باضابطہ منظوری دی، اور ان فیصلوں کو PSX پر ظاہر کر دیا گیا۔

اگر چیئرمین ہولڈرز پہلے ہی سبک بینک لمیٹڈ کے یو بی ایل میں انضمام کی منظوری دے چکے تھے، لیکن BCO کے سیکشن 48 کی تعمیل کے تحت غیر معمولی اجلاس عام دوبارہ بلائے کی ضرورت پیش آئی تاکہ مطلوبہ قراردادیں منظوری کی جائیں۔ اس شرط کو پورا کرنے کے لیے، بینک نے 18 فروری 2025 کو ایک اور غیر معمولی اجلاس عام منعقد کی، جہاں 99.997% ووٹوں کی اکثریت کے ساتھ انٹیشنل ریزولوشن کی منظوری دی گئی۔

چیئرمین ہولڈرز کی منظوری حاصل ہونے کے بعد، اسب انضمام کو تمام قانونی تقاضے، کارپوریٹ، ریگولیٹری اور فریق ثالث کی منظوریوں کی تکمیل کا انتظار ہے۔ حتمی منظوری کے بعد، بینک کے اثاثے، واجبات اور ذمہ داریاں یو بی ایل میں ضم ہو جائیں گی، جو کہ انضمام شدہ ادارے کے معمول کے کاروباری طریقہ کار کے تحت منتظم اور ملے کی جائیں گی۔

ہم اپنے شیئرمین ہولڈرز کو انضمام کی پیش رفت سے متعلق مزید اطلاعات کے ذریعے آگاہ کرتے رہیں گے۔

اظہار تشکر:

ہم ایک بار پھر اپنے صارفین اور کاروباری شراکت داروں کا ان کے مسلسل تعاون اور اعتماد کے لیے دل کی گہرائیوں سے شکریہ ادا کرتے ہیں، اور اسٹیٹ بینک آف پاکستان کے رہنمائی اور تعاون پر اپنی خلوصانہ قدردانی کا اظہار کرتے ہیں۔

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

بینک کے بورڈ کی جانب سے:

سبک بینک لمیٹڈ

خالد عزیز مرزا

چیئرمین

شہرام رضا مختاری

پریذیڈنٹ اینڈ سی ای او

26 فروری 2025



Grant Thornton

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SILKBANK LIMITED**

Report on the Audit of the Financial Statements

Grant Thornton Anjum
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Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

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Opinion

We have audited the annexed financial statements of Silkbank Limited (the Bank), which comprise the statement of financial position as at December 31, 2024, and the profit and loss account, the statement of comprehensive income the statement of changes in equity and the statement of cash flows for the year then ended, along with unaudited certified returns received from the branches except for the 10 branches which have been audited by us and notes to the financial statements, including 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, profit or loss account, the statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and, give the information required by the Banking Companies Ordinance, 1962 and the Companies Act, 2017(XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at December 31, 2024, and of the loss, the other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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



Material Uncertainty Related to Going Concern

We draw attention to notes 1.3 to the financial statements, which indicates, among other things, that the Bank has incurred a net loss of Rs. 13,042.6 million (2023: Rs. 12,786.4 million) for the year ended December 31, 2024, resulting in accumulated losses of Rs. 64,700.2 million (2023: Rs. 51,635.2 million) and negative net equity of Rs. 38,220.5 million (2023: negative net equity of Rs. 26,352.04 million) as at December 31, 2024. Furthermore, the Bank's paid-up capital (net of losses), Capital Adequacy Ratio (CAR), and Minimum Capital Requirement (MCR) do not meet the thresholds prescribed by the State Bank of Pakistan (SBP) as of December 31, 2024.

Further, we draw attention to note 1.4 to the financial statement, regarding the proposed amalgamation of the Bank with and into UBL. This amalgamation remains subject to obtaining all necessary regulatory approvals and the completion of legal formalities, including the sanction of the Scheme of Amalgamation by the State Bank of Pakistan (SBP).

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

Emphasis of Matters

We draw attention to:

1. Note 3.5 to the financial statements, which elaborate on the applicability and exemption of IFRS-09.
2. Note 12.3 of the financial statements, there is an ongoing litigation between the buyer and the Bank on the sales transaction of the office building.
3. Note 15.1 of the financial statements, which states that the deferred tax asset has been recorded on the basis of the proposed merger of the Bank.
4. Note 16.1.4 to the financial statements that fully elaborate the non-compliance of Debt Property Swap Regulations by the Bank.
5. Note 26.3 to the financial statements describes the claims against the Bank an aggregating amount to Rs. 1.06 billion (2023: Rs. 1.04 billion) and note 26.3.1 to the financial statements describes the effects of the suits for damages filed against the Bank an aggregating amount of Rs. 25.60 billion as of December 31, 2024 (2023: Rs. 24.29 billion) by various borrowers and employees in respect of certain disputes relating to loans and advances.

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

Key Audit Matters

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



The following are the key audit matters:

Key Audit Matters	How our audit addressed the key audit matters
1. Provision against advances Refer notes 5.1.1 and 11.3 to the financial statements for the accounting policy and particulars of provision against advances, respectively. The Bank's gross advances at cost amounted to Rs. 80,407 million as of December 31, 2024 (2023: Rs. 83,745 million), while the provision against advances stood at Rs. 40,439 million (2023: Rs. 34,051 million), representing 13.8% (2023: 11.7%) of total assets as presented in the statement of financial position. As described in note 11 to the financial statements, the Bank makes provision against advances on a time-based criteria that involves ensuring all non-performing loans and advances are classified in accordance with the ageing criteria specified in the Prudential Regulations (PRs) issued by the State Bank of Pakistan. 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. The PRs also require the creation of general provision for certain categories of advances. The Bank has recognized a net provision against advances amounting to Rs. 7,117 million (2023: Rs. 4,830 million) in the profit and loss account for the year ended December 31, 2024. The determination of provision against advances based on the above criteria remains a significant area of judgement and estimation. Because of the significance of the impact of these judgements / estimations and the materiality of advances relative to the overall statement of financial position of the Bank, we considered the area of provision against advances as a key audit matter.	Our audit procedure to assess the provision against advances amongst others include the following: • We obtained an understanding of the procedures and evaluated the design and implementation of relevant internal controls over classification and grouping of customers. • We selected a sample of loan accounts and performed the following substantive procedures: ◦ checked repayments of loan / mark-up installments and tested classification of non-performing loans based on the number of days overdue; ◦ evaluated the management's assessment for classification of customers' loan facilities as performing or non-performing based on review of repayment pattern, inspection of credit documentation and through discussions with the management. • We checked the accuracy of specific provision made against non-performing advances and of general provision by recomputing the provision amount in accordance with the criteria prescribed under the PRs. • We assessed the adequacy and completeness of the Bank's disclosures in respect of credit risk, structure and quality of loan portfolio and impairment allowance in accordance with PRs and applicable financial reporting standards.

Key Audit Matters	How our audit addressed the key audit matters
2. Valuation of investments Refer to note 10 to the financial statements, the carrying value of investments held by the Bank amounted to Rs. 174,490 million, which constitutes 60% of the Bank's total assets as at December 31, 2024. The significant portion of the investments comprise of government securities. Investments are carried at cost / amortised cost or fair value in accordance with the Bank's accounting policy relating to their recognition. Provision against investments is made based on impairment policy of the Bank which includes both objective and subjective factors. 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.	Our audit procedures to verify valuation of investments, amongst others, included the following: • Obtained independent external reports for verifying the existence of the investment portfolio as at December 31, 2024, and reconciled it with the books and records of the Bank. Where such independent external reports were not available, alternate procedures were performed. • Traced the amount of coupon received and investments matured during the year from the Bank statements. • Traced the value of investments to externally quoted market price for investments classified as available for sale and held for trading. • Re-performed valuation to assess that the investments are carried as per the valuation methodology specified in the accounting policies. • Evaluated the Bank's assessment of available for sale and held to maturity financial assets for any additional impairment in accordance with the accounting and reporting standards as applicable in Pakistan and performed an independent assessment of the assumptions and conclusions. • Considered the Bank's disclosures of investments in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.



Key Audit Matters	How our audit addressed the key audit matters
3. Information Technology General Controls (ITGCs) The Bank's financial reporting process is heavily dependent on its Information Technology (IT) systems for processing and recording transactions. Given the complexity of the IT environment, there is a risk that deficiencies in ITGCs, particularly in areas such as user access management, change management, and IT operations, could impact the integrity and reliability of financial information. Due to the significance of IT systems to the Bank's operations and the potential impact of control deficiencies on financial reporting, we have determined this to be a key audit matter.	As part of our audit, we engaged an IT expert to assess the design and test the operating effectiveness of ITGCs relevant to financial reporting. Our procedures included: • Evaluating the Bank's IT governance framework and policies. • Assessing controls over logical access management, including user provisioning, access reviews, and segregation of duties. • Testing change management controls to assess whether program changes were authorized, tested, and implemented appropriately. • Evaluating IT operations controls, including backup and recovery processes, job scheduling, and incident management. • Reviewing the results of the IT expert's testing of ITGCs and assessing their impact on the audit approach. • Assessing the significance of identified control deficiencies and performing targeted substantive procedures to address the risk of material misstatement in the financial statements.

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

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

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

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

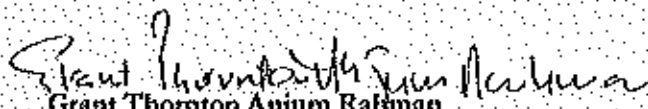
Report on Other Legal and Regulatory Requirements

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Shaukat Naseeb.


Grant Thornton Anjum Rafiq
Chartered Accountants
Karachi

Date: March 05, 2025

UDIN: AR202410126ciOKKORhE

SILKBANK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

		2024	2023
	Note	Rupees in '000	
ASSETS			
Cash and balances with treasury banks	7	10,020,502	14,055,139
Balances with other banks	8	1,134,189	1,839,082
Lendings to financial institutions	9	4,620,995	491,450
Investments	10	174,480,890	173,339,468
Advances	11	39,968,189	49,694,132
Property and equipment	12	2,486,517	2,681,797
Right-of-use assets	13	1,635,478	1,924,136
Intangible assets	14	253,676	317,415
Deferred tax assets	15	42,972,148	30,498,301
Other assets	16	14,764,449	17,229,757
Total Assets		293,136,953	292,070,677
LIABILITIES			
Bills payable	18	4,406,391	3,141,983
Borrowings	19	158,460,798	147,380,746
Deposits and other accounts	20	157,486,110	154,262,305
Lease liabilities	21	2,106,362	2,369,107
Subordinated debt	22	2,438,666	2,438,666
Deferred tax liabilities	23	6,459,131	8,829,877
Other liabilities		331,357,458	318,422,724
Total Liabilities		(38,220,505)	(26,352,047)
NET ASSETS			
REPRESENTED BY			
Share capital - net	24	23,431,374	23,431,374
Statutory reserves		820,890	820,890
Surplus on revaluation of assets - net of tax	25	2,227,439	1,030,934
Accumulated losses		(64,700,208)	(51,635,245)
		(38,220,505)	(26,352,047)

CONTINGENCIES AND COMMITMENTS

The annexed notes from 1 to 51 and annexures I and II form an integral part of these financial statements.

Chief Financial Officer

President & Chief Executive Officer

Director

Director

Director

SILKBANK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		Rupees in '000	
Mark-up / return / profit / interest earned	28	40,167,417	41,134,988
Mark-up / return / profit / interest expensed	29	(53,237,590)	(53,180,446)
Net mark-up / return / profit / interest expense		(13,070,173)	(12,045,457)
NON MARK-UP / INTEREST INCOME			
Fee and commission income	30	3,014,614	3,022,754
Dividend income	31	53,733	23,881
Foreign exchange income		327,780	514,204
Income / (Loss) from derivatives		1	(1,020)
Loss on securities	32	(30,098)	(23,119)
Other income	33	109,673	215,679
Total non-markup / interest income		3,476,703	3,751,579
Total loss		(9,594,470)	(8,293,878)
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	34	(8,545,917)	(7,775,955)
Workers Welfare Fund		-	-
Other charges	35	(26,083)	(71,832)
Total non-markup / interest expenses		(8,572,000)	(7,847,797)
Loss before provisions, extra ordinary / unusual item and taxation		(18,166,470)	(16,141,675)
Provisions and write off - net	36	(7,783,306)	(4,513,860)
Extra ordinary / unusual items		-	-
LOSS BEFORE TAXATION		(25,949,775)	(20,655,535)
Taxation	37	12,907,101	7,869,098
LOSS AFTER TAXATION		(13,042,674)	(12,786,437)
Basic and Diluted Loss Per Share			
	38	(1.44)	(1.41)

The annexed notes from 1 to 51 and annexures I and II form an integral part of these financial statements. *Q/M*

Chief Financial Officer

Director

President & Chief Executive Officer

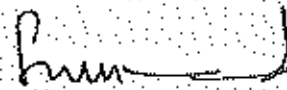
Director

Director

SILKBANK LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024**

	2024	2023
	Rupees in '000	
Loss after taxation for the year	(13,042,674)	(12,786,437)
Other comprehensive income / (loss)		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus / (deficit) on revaluation of investments - net of tax	1,091,778	384,115
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement (loss) / gain on defined benefit obligations - net of tax	(27,891)	18,853
Movement in surplus on revaluation of property and equipment - net of tax	(2,612)	(2,183)
Movement in surplus on revaluation of non-banking assets - net of tax	107,339	(1,236)
	76,836	15,434
Total comprehensive loss	(11,874,060)	(12,388,888)

The annexed notes from 1 to 51 and annexures I and II form an integral part of these financial statements. *ET*


Chief Financial Officer
Director
President & Chief Executive Officer
Director
Director

SILKBANK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

	Share Capital		Statutory Reserve*	Surplus / (deficit) on revaluation of		Accumulated losses	Total
	Issued, subscribed and paid up capital	Discount on issue of shares		Investments	Property & Equipment / Non Banking Assets		
Rupees in '000							
Opening balance as at January 01, 2023	59,818,612	(57,387,333)	820,600	(1,270,252)	1,920,830	(58,873,264)	(13,810,762)
Loss after taxation for the year ended December 31, 2023						(12,766,437)	(12,766,437)
Other comprehensive loss - net of tax				384,115			384,115
Movement in deficit on revaluation of investments - net of tax						58,853	58,853
Remeasurement gain on defined benefit obligations - net of tax					(2,183)		(2,183)
Movement in surplus on revaluation of property and equipment - net of tax					(1,235)		(1,235)
Movement in surplus on revaluation of non-banking assets - net of tax							
Transfer to statutory reserves							
Transfer from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax	25.1					3,578	3,578
Transfer from surplus on revaluation of non-banking assets on account of incremental depreciation - net of tax	25.2					2,024	2,024
Closing balance as at December 31, 2023	59,818,612	(57,387,333)	820,600	(885,177)	1,917,111	(91,615,745)	(16,352,942)
Loss after taxation for the year ended December 31, 2024						(13,042,674)	(13,042,674)
Other comprehensive income / (loss) - net of tax				3,691,774			3,691,774
Movement in deficit on revaluation of investments - net of tax						(27,651)	(27,651)
Remeasurement gain on defined benefit obligations - net of tax					(2,542)		(2,542)
Movement in surplus on revaluation of property and equipment - net of tax					107,333		107,333
Movement in surplus on revaluation of non-banking assets - net of tax							
Transfer to statutory reserves							
Transfer from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax	25.1					3,529	3,529
Transfer from surplus on revaluation of non-banking assets on account of incremental depreciation - net of tax	25.2					2,023	2,023
Closing balance as at December 31, 2024	59,818,612	(57,387,333)	820,600	2,806,601	2,021,814	(65,790,268)	(13,239,583)

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

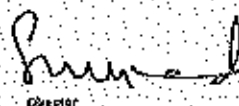
Every banking company incorporated in Pakistan is required to transfer 10% of its profit after tax to a statutory reserve until the amount of the reserve equals the paid-up share capital. Thereafter, 10% of the profit after tax of the Bank is required to be transferred to this reserve. Consequently to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

The above notes form an integral part of these financial statements. *Ex-1*


 Chief Financial Officer


 President & Chief Executive Officer


 Director


 Director


 Director

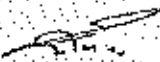
SILKBANK LIMITED

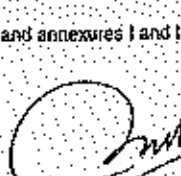
CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2024

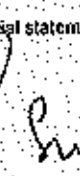
		2024	2023
	Note	Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(25,949,775)	(20,655,535)
Less: dividend income		(53,733)	(23,881)
		(26,003,508)	(20,679,416)
Adjustments:			
Net mark-up / return / profit / interest expense		13,070,173	12,045,457
Depreciation on property and equipment	12.2	214,125	262,546
Depreciation on right-of-use assets	34	530,923	550,748
Depreciation on non-banking assets acquired in satisfaction of claims	34	34,203	34,202
Amortization of intangible assets	14.1	66,268	63,088
Provisions against loans & advances	36	7,116,608	4,830,259
Gain on sale of property and equipment	33	(62)	(7,742)
Unrealized gain on revaluation of investments - held-for-trading	10.1	(1)	(5,783)
Unrealized loss on revaluation of investments - REIT Units	32	21,841	44,592
Provision against other assets - net	36	744,209	59,614
Write offs against property and equipment	36	-	9,102
Write offs against property and equipment - Capital work-in-progress	36	-	5,887
Provision against off-balance sheet obligations - net	36	272,342	-
		22,070,649	17,890,970
		(3,932,859)	-2,788,446
(Increase) / Decrease in operating assets			
Lendings to financial institutions		(4,129,545)	7,656,746
Net investments in held-for-trading securities		230,227	8,064,353
Advances		2,609,335	9,692,611
Other assets (excluding advance taxation)		827,462	(1,026,712)
		(662,621)	24,287,198
Increase / (Decrease) in operating liabilities			
Bills payable		1,284,428	101,472
Borrowings from financial institution		11,080,052	(635,394)
Deposits		3,223,745	8,963,471
Other liabilities (excluding current taxation)		4,822	348,518
		15,573,147	8,778,065
		10,977,767	30,276,817
Interest received		41,838,719	41,507,819
Interest paid		(56,122,454)	(50,202,683)
Income tax paid		(511,633)	(578,988)
Net cash flow (used in) / generated from operating activities		(4,117,601)	21,002,965
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in available-for-sale securities		(3,145,156)	(15,092,744)
Net investment in held-to-maturities securities		4,102,958	100,128
Dividend received		63,733	23,881
Net investment in property, equipment and intangible assets		(42,609)	(58,747)
Proceeds on disposal of property and equipment		21,277	100,074
Net cash flow generated from / (used in) investing activities		990,203	(14,927,408)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(812,212)	(988,602)
Net cash flow used in financing activities		(812,212)	(988,602)
(Decrease) / Increase in cash and cash equivalents		(3,939,610)	5,108,955
Cash and cash equivalents at the beginning of the year		15,894,221	10,785,266
Cash and cash equivalents at the end of the year	30	11,954,611	15,894,221

The annexed notes from 1 to 51 and annexures I and II form an integral part of these financial statements. City


Chief Financial
Officer


President & Chief
Executive Officer


Director


Director

SILKBANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

1 STATUS AND NATURE OF BUSINESS

1.1 Silkbank Limited ("the Bank") was incorporated in Pakistan on April 04, 1994 as a public limited company under the Companies Act, 2017. The Bank commenced commercial operations on May 07, 1995. The Bank's shares are quoted on Pakistan Stock Exchange Limited. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Bank operates through 105 branches (2023: 105 branches) including 23 (2023: 23) Islamic banking branches in Pakistan. The Bank's registered office is located at Silkbank Building, 13-L, F-7 Markaz, Islamabad.

Major shareholders of the Bank as on December 31, 2024 are Sinthos Capital (comprising of Mr. Shaikat Tarin, Mr. Sadeq Sayeed and Mr. Azmat Tarin), Aul Habib Corporation Limited, International Finance Corporation (IFC), Nomura European Investment Limited, Bank Muscat S.A.O.G and Mr. Zulqarnain Nawaz Chatta / Mr. Zubair Nawaz Chatta of Gourmet Group.

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

1.3 As at December 31, 2024, the equity of the Bank is negative Rs. 40.45 billion (December 31, 2023: Rs. 27.38 billion) excluding surplus on revaluation of assets. This includes share capital (net of losses and discount on shares) of negative Rs. 41.27 billion (December 31, 2023: Rs. 28.2 billion) against the Minimum Capital Requirement (MCR) of Rs. 10 billion as prescribed by State Bank of Pakistan (SBP). Further, the Capital Adequacy Ratio (CAR) of the Bank is negative 149.78% (December 31, 2023: negative 68.05%) as against the minimum CAR requirement of SBP of 11.50% (December 31, 2023: 11.50%). Consequently, the Bank is non-compliant with MCR and CAR at December 31, 2024 which resulted in various reduced prudential limits and may expose the Bank to regulatory actions under the Banking laws. These material uncertainties and conditions may cast significant doubts on the Bank's ability to continue as a going concern.

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

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

The amalgamation of the Bank with and into UBL through a share swap arrangement in accordance with section 48 of the Banking Companies Ordinance, 1962;

Execution of the Amalgamation Agreement, Scheme of Amalgamation and other ancillary documentation in connection with the Amalgamation;

The swap ratio of one (1) new ordinary share of UBL having face value of PKR 10/- (Pakistan Rupee Ten Only) in exchange of three hundred and twenty five (325) already issued shares of the Bank, each share having a face value of PKR 10/- (Pakistan Rupee Ten Only), resulting in the issuance of 27,944,188 ordinary shares of UBL, other than by way of right issue; and

Convening of Extraordinary General Meeting (EOGM) of UBL on December 30, 2024 and of the Bank on December 26, 2024 for consideration and approval of the Amalgamation and above-mentioned matters by the respective shareholders of UBL and the Bank.

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

On December 18, 2024, a suit was filed in the Honorable Sindh High Court and the Court passed an ad-interim imposing restrictions on certain shareholders from acting on the instructions of certain other shareholders, however, no order was passed against the Bank or the holding of the Extraordinary General Meeting (EOGM). The litigation is still pending to date before the Court.

Subsequently, on the given dates the shareholders of the UBL and the Bank have approved the Amalgamation as per the Scheme of Amalgamation approved by the respective Boards of Directors. However, in order to comply with certain requirements of section 48 of the Banking Companies Ordinance, 1962, the Bank has reconvened its EOGM on February 18, 2025, wherein all the resolutions with respect to Amalgamation have again been passed. Further, the Competition Commission of Pakistan has granted its approval on the Amalgamation on February 26, 2025.

The Amalgamation shall remain subject to all requisite regulatory approvals and completion of legal formalities including sanction of scheme of Amalgamation by SBP.

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

2 BASIS OF PRESENTATION

- 2.1 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.
- 2.2 The Islamic banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified under the provisions of the Companies Act, 2017 except for the adoption of IFAS-3 'Profit & Loss Sharing on Deposits' as disclosed in note 3.4.
- 2.3 The financial results of the Islamic banking branches have been included in these financial statements for reporting purposes, after eliminating material inter-branch transactions / balances. Key financial figures of the Islamic banking branches are disclosed in Annexure II to these financial statements.

3 STATEMENT OF COMPLIANCE

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

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

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

- 3.2 The disclosures made in these financial statements have been based on a format prescribed by SBP vide BPRD Circular No. 02 dated February 09, 2023, with further addition made vide BPRD Circular Letter No. 13 of 2024, dated July 01, 2024, and accounting and financial reporting standards as applicable in Pakistan.
- 3.3 The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. Further, the SECP has deferred the applicability of IFRS 7 'Financial Instruments: Disclosures' on banks through S.R.O. 411(1) / 2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.
- 3.4 The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of IFAS-3 for Profit & Loss Sharing on Deposits issued by the ICAP and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for institutions offering Islamic Financial Services (IFS). The disclosures requirements for Islamic Banking Business relating to annual and quarterly financial statements have been based on a format prescribed by SBP vide BPRD Circular Letter No. 02 dated 09 February, 2023.
- 3.5 The SBP through BPRD Circular No. 07 of 2023 dated April 13, 2023, has required all the Banks to implement IFRS 9 'Financial Instruments' from January 01, 2024. IFRS 9 addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on an 'Expected Credit Losses' (ECL) approach rather than the 'incurred credit losses' approach as currently followed. The ECL has impact on all assets of the Bank which are exposed to credit risk.

With respect to IFRS 9 implementation at the Bank, the SBP has granted relaxation to the Bank from the requirements of IFRS 9 till the completion of the merger of the Bank. Accordingly, with respect to the classification, valuation and presentation of financial instruments, these financial statements follow the accounting policies and disclosures which are consistent with prior years and mainly based upon SBP circulars and regulations that were applicable to Banks before the implementation of IFRS 9.

Therefore, now disclosure elements which are IFRS 9 related and introduced in the now prescribed format as disclosed in note 3.2 to these financial statements have not been considered in these financial statements.

4 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO ACCOUNTING AND REPORTING STANDARDS

- 4.1 Standards, amendments and interpretations to the published standards that are relevant to the Bank and adopted in the current year
- There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2024. These are considered either not as relevant or not to have any significant impact on these financial statements.

4.2 Standards, amendments to published standards and interpretations that are effective but not relevant

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on January 01, 2024 are considered not to be relevant or to have any significant effect on the Bank's financial reporting and operations and are therefore not presented here.

4.3 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Bank

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation

Effective Date
(Annual periods beginning
on or after)

- Lack of exchangeability - Amendments to IAS 21

January 01, 2025

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture -
Amendments to IFRS 10 and IAS 28

Not yet finalized

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

Standard or Interpretation

IASB Effective Date
(Annual periods beginning
on or after)

- IFRS 1 - First time adoption of IFRSs

January 01, 2024

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

5 BASIS OF MEASUREMENT

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

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

5.1 Use of critical accounting estimates and judgments

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

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

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

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

5.1.2 Fair value of derivatives (note 27)

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

5.1.3 Classification of Investments (note 10.1)

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

Investments classified as 'held-for-trading' are securities which are acquired with an intention to trade by taking advantage of short term market / interest rate movements and are to be sold within 90 days of acquisition.

Investments classified as 'held-to-maturity' are non-derivative financial assets with fixed or determinable payments and fixed maturity. In making this judgment, the Bank evaluates its intention and ability to hold such investments to maturity.

The investments which are not classified as 'held-for-trading' or 'held-to-maturity' are classified as 'available-for-sale'.

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

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

5.1.5 Defined benefit plan (note 41)

The liability of the defined benefit plan (gratuity) is determined using actuarial advice using the Projected Unit Credit Method. The actuarial valuation involves making certain actuarial assumptions as disclosed in note 41. Actuarial assumptions are Bank's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits. Changes in these assumptions in future years may affect the liability / asset under the plan in those years.

5.1.6 Income taxes (note 37)

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

5.1.7 Depreciation, amortization and revaluation of property and equipment (note 12 and note 14)

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

5.1.8 Fair value hierarchy of assets and liabilities (note 44)

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

a) Level 1:

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

b) Level 2:

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

c) Level 3:

These are unobservable inputs for the asset or liability.

5.1.9 Depreciation, amortization and revaluation of non-banking assets acquired under satisfaction of claims (note 16.1)

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

5.1.10 Right-of-use assets and their related lease liability (note 13 and note 21)

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

5.1.11 Contract Assets (note 8, 27 and note 16)

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

6 MATERIAL ACCOUNTING POLICY INFORMATION

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

6.1 Changes in accounting policies

6.1.1 Revised format of financial statements

The SBI¹ wide BPRD Circular No. 02 of 2023 dated February 09, 2023 has amended the format of annual financial statements of banks. All banks are required to prepare their annual financial statements on the revised format effective from the accounting year ending January 01, 2024. Accordingly, the Bank has prepared these financial statements on the new format prescribed by the SBP.

The adoption of new format required certain recognition requirements, reclassification of comparative information and also introduced additional disclosure requirements. The adoption of revised format has resulted in following material changes (due to which the corresponding presentations have also been changed):

Right-of-use-assets (note 13) amounting to Rs. 1,635.48 million (2023: Rs. 1,924.14 million) which were previously shown as part of property and equipment are now shown separately on the statement of financial position.

Lease liabilities (note 21) amounting to Rs. 2,106.36 million (2023: Rs. 2,369.11 million) which were previously shown as part of other liabilities are now shown separately on the statement of financial position.

6.2 Cash and cash equivalents

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

6.3 Lendings to / borrowings from financial institutions

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

6.3.1 Sale under repurchase agreements (repo)

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

6.3.2 Purchase under resale agreements (reverse repo)

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

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

6.3.3 Bai Muajjal

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

6.3.4 Other lendings

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

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

6.3.5 Other borrowings

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

6.4 Trade and settlement date accounting

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

6.5 Investments

The Bank classifies its investments as follows:

a) Held-for-trading

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

b) Held-to-maturity

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

c) Available-for-sale

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

6.5.1 Initial measurement

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

6.5.2 Subsequent measurement

Held-for-trading

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

Held-to-maturity

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

Available-for-sale

Quoted securities classified as available-for-sale investments are measured at subsequent reporting dates at fair value. Any surplus / deficit arising thereon is kept in a other comprehensive income and taken to the profit and loss account when actually realised upon disposal or when the investment is considered to be impaired.

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

6.5.3 Investment in associates

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

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

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

6.5.5 Impairment

6.5.5.1 Impairment of available for sale equity investments

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

6.5.5.2 Impairment of debt investments

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

6.5.5.3 Impairment of investments in subsidiaries and associates

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

6.6 Advances

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

6.6.1 Murabaha

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

6.6.2 Diminishing Musharaka

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

6.6.3 Musawammah

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

6.7 Property and equipment

a) Owned assets

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

Measurement subsequent to initial recognition

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

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

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to the profit and loss account as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

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

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

Depreciation

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

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

b) Capital work-in-progress

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

8.8 Lease liability and right to use assets

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

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

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

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

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payment.

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

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

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

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

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

8.9 Intangible assets

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

These are amortised over their finite useful lives and amortisation is charged to the profit and loss account using the straight line method so as to write down the cost of the assets to their residual values over their estimated useful lives at the rates given in note 14.3 to these financial statements. Amortisation is charged from the month of acquisition. The useful lives and amortisation method are reviewed and adjusted, if appropriate, at each reporting date.

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

6.10 Impairment of non-financial assets

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

6.11 Taxation

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

6.11.1 Current

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

6.11.2 Prior

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

6.11.3 Deferred

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

Deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

6.12 Provision from claims under guarantees

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

6.13 Other provisions

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

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

6.14 Staff retirement benefits

6.14.1 Defined contribution plan

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

6.14.2 Defined benefit plan

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

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

6.14.3 Benefits for contractual staff

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

6.15 Revenue recognition

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

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

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

At the time of acquisition of non-banking asset, it is recognized on the basis of value determined by independent evaluators on the panel of PBA. At the time of settlement, The Bank carries out valuation as per following criteria:

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

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

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

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

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

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

6.17 Foreign currencies

6.17.1 Foreign currency transactions

Transactions in foreign currencies are translated into Pakistani rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in Pakistani Rupee terms at the rates of exchange prevailing on the reporting date. Non-monetary assets and liabilities are translated using exchange rates that prevailed when the values were determined. Translation gains and losses are included in profit and loss account.

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

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

6.17.2 Contingencies and commitments

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

6.18 Financial instruments

6.18.1 Financial assets and liabilities

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

6.18.2 Derivative financial instruments

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

6.19 Off-setting

Financial assets and financial liabilities are set-off and the net amount is reported in the financial statements when there is legally enforceable right to set-off and the Bank intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously.

6.20 Deposits

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

6.21 Segment reporting

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

6.21.1 Business segments

Wholesale Banking

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

Treasury

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

Consumer / SME Banking

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

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

6.21.2 Geographical segment

The Bank conducts all its operations in Pakistan.

6.22 Share capital

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

6.23 Earnings per share

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

6.24 Fiduciary assets

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

6.25 Subordinated debts

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

6.26 Acceptances

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

6.27 Variable considerations

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

			2024	2023
	Note		Rupees in '000	
7 CASH AND BALANCES WITH TREASURY BANKS				
In hand				
Local currency			2,037,468	2,344,461
Foreign currencies			939,302	801,847
			2,976,760	3,146,308
With State Bank of Pakistan in				
Local currency current account	7.1		5,168,168	8,495,110
Foreign currency current account			761,768	960,737
Foreign currency deposit account	7.2		959,646	1,206,584
			7,829,571	10,662,431
With National Bank of Pakistan in				
Local currency current account			3,019	238,306
National Prize Bonds			11,162	8,094
			10,820,602	14,055,139
7.1	Deposits with SBP are maintained to comply with the statutory requirements of SBP issued from time to time (section 22 of Banking Companies Ordinance, 1962).			
7.2	This represents account maintained with SBP to comply with Special Cash Reserve requirement (FE-25 scheme, as prescribed by SBP). It carries interest rates ranging from 3.53% to 4.35% (2023: 3.39% to 4.34%).			

			2024	2023
	Note		Rupees in '000	
8 BALANCES WITH OTHER BANKS				
In Pakistan				
In current account			116,534	3,627
In deposit account			118	87
			116,652	3,724
Outside Pakistan				
In current account			1,018,467	1,835,358
			1,134,109	1,839,082
9 LENDINGS TO FINANCIAL INSTITUTIONS				
Repurchase agreement lendings (Reverse repo)	9.2		4,620,995	491,450
			4,620,995	491,450
9.1 Particulars of lending				
In local currency			4,620,995	491,450
In foreign currencies				
			4,620,995	491,450

9.2 Securities held as collateral against lending to financial institutions					
			2024	2023	
			Held by Bank	Further given as collateral	Total
			Rupees in '000		
Market Treasury Bills	9.2.1		4,620,995	-	4,620,995
			4,620,995	-	4,620,995
Total			4,620,995	491,450	491,450

9.2.1 These have been purchased under the reverse repurchase agreement at the mark-up rate at 13.25% (2023: 22.9%) per annum with maturities upto January-2025.

10 INVESTMENTS

10.1 Investments by type:

Held-for-trading securities

Federal Government Securities
Market Treasury Bills
GDPjarah Sukuk

2024				2023			
Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Note							
Rupees in '000							
1,476	-	1	1,477	1,880	-	1	1,881
224,040	-	-	224,040	225,822	-	-	225,822
1,476	-	1	1,477	225,822	-	5,783	231,605

Available-for-sale securities

Federal Government Securities
Pakistan Investment Bonds
GDPjarah Sukuk

Shares

Listed

Unlisted

Real Estate Investment Trust Units

Non Government Debt Securities

Term Finance Certificates - Listed

Term Finance Certificates - Unlisted

Non-convertible preference shares - unlisted

10.4	151,453,846	-	241,344	151,695,289	148,525,027	-	(1,433,415)	147,091,612
10.4	4,128,686	-	31,168	4,159,854	3,358,421	-	(40,414)	3,328,007
10.4	110,468	-	81,827	192,283	110,466	-	20,005	131,361
10.4	5,680	(5,680)	-	-	5,680	(5,680)	-	-
10.4	910,032	-	(80,993)	829,039	910,032	-	(58,152)	850,880
10.4	60,028	-	147	60,175	60,000	-	175	60,175
10.4	8,780	(8,780)	-	-	8,780	(8,780)	-	-
10.4	172,779	(172,779)	-	-	-	-	-	-
	166,840,387	(187,230)	273,493	165,928,641	162,978,386	(14,660)	(1,511,901)	161,452,035

Held-to-maturity securities

Federal Government Securities
Pakistan Investment Bonds

Non Government Debt Securities

Shares repurchase (fully provided)

10.5	17,562,772	-	-	17,562,772	21,655,730	-	-	21,655,730
10.6	74,910	(74,910)	-	-	74,910	(74,910)	-	-
	17,627,682	(74,910)	-	17,552,772	21,730,640	(74,910)	-	21,655,730
	174,469,545	(282,149)	273,493	174,460,890	174,934,956	(89,370)	(1,503,118)	173,339,468

Total Investments

10.2 Investments by Segments:

Federal Government Securities
Market Treasury Bills
Pakistan Investment Bonds
GDPjarah Sukuk

Shares

Listed companies

Unlisted companies

Non Government Debt Securities

Term Finance Certificates - Listed

Term Finance Certificates - unlisted

Non-convertible preference shares - unlisted

Shares repurchase (fully provided)

Real Estate Investment Trust Units

Total Investments

1,476	-	1	1,477	1,880	-	1	1,881
189,906,718	-	241,344	189,248,062	170,180,757	-	(1,433,415)	168,747,342
4,128,686	-	31,168	4,159,854	3,592,451	-	(34,832)	3,557,629
173,136,880	-	272,513	173,409,393	173,775,038	-	(1,468,048)	172,307,052
110,468	-	81,827	192,283	110,466	-	20,005	131,361
5,680	(5,680)	-	-	5,680	(5,680)	-	-
116,138	(6,660)	81,827	192,283	116,136	(5,680)	20,005	131,361
60,028	-	147	60,175	60,000	-	175	60,175
8,780	(8,780)	-	-	8,780	(8,780)	-	-
172,779	(172,779)	-	-	-	-	-	-
231,587	(181,559)	147	60,175	68,700	(8,780)	175	60,175
74,910	(74,910)	-	-	74,910	(74,910)	-	-
910,032	-	(80,993)	829,039	910,032	-	(58,152)	850,880
174,469,545	(282,149)	273,493	174,460,890	174,934,956	(89,370)	(1,503,118)	173,339,468

		2024	2023
		Rupees in '000	
10.2.1 Investments given as collateral			
Pakistan Investment Bonds		156,803,083	143,008,883
		<u>156,803,083</u>	<u>143,008,883</u>
10.3 Provision for diminution in value of investments			
10.3.1 Opening balance		89,370	89,370
Charge / (reversals)			
Charge for the year			
Reversals for the year			
Amounts written off			
Transfer from provision against advances	11.3 & 10.4.3	128,798	
Transfer from Markup Suspension - Other Assets	18 & 10.4.3	43,981	
Closing balance		<u>262,149</u>	<u>89,370</u>

10.3.2 Particulars of provision against debt securities

	2024		2023	
Category of classification	Non Performing Investments	Provision	Non Performing Investments	Provision
	Rupees in '000			
Domestic:				
Substandard				
Doubtful				
Loss	256,469	256,469	83,690	83,690
Total	<u>256,469</u>	<u>256,469</u>	<u>83,690</u>	<u>83,690</u>

10.4 Quality of Available for Sale Securities

Details regarding quality of Available for Sale (A-S) securities are as follows

		Cost	
		2024	2023
		Rupees in '000	
Federal Government Securities - Government guaranteed	Note		
Pakistan Investment Bonds	10.4.1	151,453,948	140,525,027
Ijarah Sukuks		4,128,685	3,388,421
		<u>155,582,632</u>	<u>151,893,448</u>
Shares			
Listed Companies			
Chemical and Pharmaceuticals		6	5
Insurance		110,451	110,451
		<u>110,456</u>	<u>110,456</u>

	2024		2023	
	Cost	Breakup value	Cost	Breakup value
	Rupees in '000			
Unlisted Companies				
Pakistan Export Finance Guarantee Limited (fully provided)	5,680	-	5,680	-
	<u>5,680</u>	<u>-</u>	<u>5,680</u>	<u>-</u>

	2024		2023	
	Cost	Breakup value	Cost	Breakup value
	Rupees in '000			
Real Estate Investment Trust Units				
Silk World Islamic REIT - unlisted	910,032	829,039	910,032	850,880

		Cost	
		2024	2023
		Rupees in '000	
Non Government Debt Securities			
Listed			
- AA+		60,028	60,000
Unlisted			
- Unrated (fully provided)	10.4.2	181,559	6,760

10.4.1 These include securities having face value of Rs. 1,440 million (2023: Rs. 1,440 million) pledged with United Bank Limited for Global Industrial and Defence Solutions, Pakistan and LESCO as Guarantor

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

10.4.3 This represents 17,277,866 redeemable, non-convertible and cumulative preference shares of Agritech Limited (AL) of Rs. 10 each with limited voting rights issued to the Bank under the Scheme of Arrangement sanctioned by the Honorable Lahore High Court based on the agreement between AL and its certain creditors for restructuring, conversion and settlement of related financing liabilities. Out of the total nominal value of preference shares issued to the Bank i.e. Rs. 172,278 million, preference shares having value of Rs. 128.80 million are issued against the outstanding principal of the Term finance facility extended by the Bank to AL and which is held as fully provided non-performing loans whereas the remaining preference shares are issued against the markup accrued against the outstanding exposure till December 31, 2013. The preference shares would carry a dividend of 1 year KIBOR minus 1% per annum on cumulative basis for first seven years after issuance raised to 1 year KIBOR plus 4% per annum from 8th year onwards, payable subject to profitability of AL. Dividend rate is subject to a floor of 9% with no cap. The AL shall have the option to redeem the preference shares in full or part subject to payment of redemption payment equivalent to face value of the preference shares being redeemed plus accumulated unpaid dividends up to the date of redemption.

As these preference shares are issued against conversion of the Bank's non-performing advances and certain profit accrued thereupon with currently no visibility on AL's future profitability and distribution of related dividends, the investment in these preference shares are held as fully provided by way of transfer of provision and suspended markup held against respective defaulted exposures so converted to provision for diminution in value of investment.

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

Federal Government Securities

Pakistan Investment Bonds

Others

Shares repurchase (fully provided)

Cost	
2024	2023
Rupees in '000	
17,552,772	21,855,730
74,910	74,910
17,627,682	21,730,640

10.5.1 The market value of securities classified as held-to-maturity is Rs. 15,557 million (2023: Rs. 17,124 million).

ADVANCES

	Note	Performing		Non Performing		Total	
		2024	2023	2024	2023	2024	2023
		Rupees in '000					
Loans, cash credits, running finances, etc.		28,772,786	36,636,041	51,308,586	46,743,203	80,081,370	83,379,310
Islamic financing and related assets	11.5	3,900	4,375	193,000	195,000	196,900	199,375
Bills discounted and purchased		125,669	163,738	1,694	2,893	127,253	166,631
Advances - gross		28,902,344	36,804,154	51,505,179	46,941,102	80,407,523	83,745,316
Provision against advances	11.3			(39,886,994)	(33,459,650)	(39,886,994)	(33,459,650)
- Specific		(552,340)	(591,534)			(552,340)	(591,534)
- General		(552,340)	(591,534)	(39,886,994)	(33,459,650)	(40,439,334)	(34,051,184)
Advances - net of provision		28,350,004	36,212,620	11,618,185	13,481,512	39,968,189	49,694,132

		2024	2023
		Rupees in '000	
11.1	Particulars of advances (gross)		
	In local currency	80,407,523	83,745,316
	In foreign currencies		
		80,407,523	83,745,316
11.1.1	Advances to Women, Women-owned and Managed Enterprises		
	Woman	1,098,588	1,255,866
	Woman Owned and Managed Enterprises	43,020	44,157
		1,141,608	1,300,123

11.1.2 Gross loans disbursed to women, women-owned and managed enterprises to date amounts to Rs. 276.01 million (2023: Rs. 224.21 million).

11.2 Advances include Rs. 51.51 billion (2023: Rs. 46.94 billion) which have been placed under non-performing status as detailed below:

		2024		2023	
		Non Performing Loans	Provision	Non Performing Loans	Provision
		Rupees in '000			
Category of classification - specific					
		Note			
Domestic					
Substandard		249,366	37,473	2,390,468	63,078
Doubtful		5,768,123	72,881	550,978	111,089
Loss		46,487,700	39,776,640	43,990,716	33,285,473
Total	11.3	51,505,179	39,886,994	46,941,162	33,459,650

11.3 Particulars of provision against advances

		2024			2023		
		Specific	General	Total	Specific	General	Total
		Rupees in '000					
Opening balance	Note	33,459,650	591,534	34,051,184	29,495,607	705,074	30,200,681
Charge for the year		7,241,335	-	7,241,335	5,215,884	-	5,216,884
Reversals		(85,533)	(39,194)	(124,727)	(272,085)	(113,540)	(385,625)
	36	7,155,802	(39,194)	7,116,608	4,943,799	(113,540)	4,830,259
Amounts written off	11.4.1	(599,660)	-	(599,660)	(879,756)	-	(879,756)
Transfer to provision against investments	30.3.1	(126,798)	-	(126,798)	-	-	-
Closing balance		39,886,994	552,340	40,439,334	33,459,650	591,534	34,051,184

11.3.1 Particulars of provision against advances

		2024			2023		
		Specific	General	Total	Specific	General	Total
		Rupees in '000					
In local currency		(39,886,994)	(552,340)	(40,439,334)	(33,459,650)	(591,534)	(34,051,184)
In foreign currencies		(39,886,994)	(552,340)	(40,439,334)	(33,459,650)	(591,534)	(34,051,184)

11.3.2 It includes non-performing advances amounting to Rs. 19,283 million (2023 : Rs. 19,283 million) extended to certain borrowers ("Respective borrowers") who are engaged primarily in trading and real estate businesses which are mainly secured against the mortgage of land. These exposures are classified under 'Loss' category. The Bank intends to settle these exposures through Real Estate Investment Trust (REIT) arrangements (Note 16.3) which have been approved by the SBP with certain conditions precedent. Under the arrangement, two separate schemes of REITs, i.e. Silk Islamic Development REIT (SIDR) and Silk World Islamic REIT (SWIR) have been established. Out of the total land mortgaged with the Bank as a collateral securing these non-performing exposures, the land measuring 14.34 acres and 32.28 acres have been released and transferred in favour of SIDR and SWIR respectively. However, the Bank still hold other land of the Related Borrowers under mortgage having market value of around Rs. 24 billion.

11.3.2.1 After formation of SIDR, and transfer of land, an initial sale proceed of Rs. 878 million have been realised to the Bank against these respective non-performing exposures.

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

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

11.3.4 As of December 31, 2024, the Bank has availed FSV benefits against all non performing advances. Had the benefit not been taken by the Bank, loss after tax would have been higher by Rs. 5,301 million (2023 : 7,457 million), which shall not be available for payment of cash or stock dividend / bonus to employees.

11.3.5 General provision represents provision amounting to Rs. 552 million (2023: Rs. 592 million) against consumer finance portfolio as required by the Prudential Regulations issued by the SBP.

	Note	2024	2023
		Rupees in '000	
11.4. Particulars of write off:			
11.4.1 Against Provisions	11.3	593,660	979,756
Directly charged to profit & loss account			
		<u>593,660</u>	<u>979,756</u>
11.4.2 Domestic			
Write Offs of Rs. 500,000 and above	11.4.3	182,457	410,034
Write Offs of Below Rs. 500,000		417,203	569,722
		<u>599,660</u>	<u>979,756</u>
11.4.3 Detail of loan write off of Rs. 500,000 and above			

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 the Statement in respect of written-off loans or any other financial relief of rupees five hundred thousand or above allowed to a person(s) during the year ended is given in Annexure 1.

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

	Note	2024	2023
		Rupees in '000	
12. PROPERTY AND EQUIPMENT			
Capital work-in-progress	12.1	435	3,080
Property and equipment	12.2	2,486,082	2,678,717
		<u>2,486,517</u>	<u>2,681,797</u>
12.1 Capital work-in-progress			
Civil works		55	3,043
Advances to suppliers and contractors		379	37
		<u>435</u>	<u>3,080</u>

12.2 Property and equipment

2024

At January 1, 2024

	Freehold land	Leasehold land	Building on Freehold land	Building on Leasehold land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Leasehold improvements	Total
Cost / revalued amount		1,907,321	15,425	581,534	422,423	2,159,084	406,252	1,235,464	6,727,603
Accumulated depreciation			(2,723)	(158,591)	(348,356)	(1,887,821)	(219,602)	(884,738)	(3,716,819)
Accumulated impairment				(331,887)					(331,887)
Net book value		1,907,321	5,702	93,076	74,067	171,263	186,550	240,726	2,678,717

Year ended December 2024

Opening net book value		1,907,321	5,702	93,076	74,067	171,263	186,550	240,726	2,678,717
Additions					264	40,597		3,842	44,703
Disposals - WDV							(21,215)		(21,215)
Write offs - WDV				(2,588)	(10,927)	(73,128)	(58,595)	(49,949)	(214,125)
Depreciation charge					85	3,001	(6,082)	928	12,089
Other adjustment									
Closing net book value		1,907,321	3,114	82,149	55,849	141,732	180,558	185,649	2,488,062

At December 31, 2024

Cost / revalued amount		1,907,321	15,425	581,534	422,677	2,201,041	285,492	1,241,197	6,554,687
Accumulated depreciation			(12,311)	(167,518)	(357,128)	(2,059,309)	(184,924)	(1,045,548)	(3,834,738)
Accumulated impairment				(331,887)					(331,887)
Net book value		1,907,321	3,114	82,149	65,549	141,732	180,558	185,649	2,488,062

Rate of depreciation

	5%	5%	10%	14.28%-33.33%	20%	10%-20%
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2023

At January 1, 2023

Cost / revalued amount		1,907,321	15,425	581,534	428,511	2,172,550	507,804	1,240,638	6,631,809
Accumulated depreciation			(8,902)	(145,663)	(333,031)	(1,830,671)	(253,631)	(87,308)	(3,557,258)
Accumulated impairment				(331,887)					(331,887)
Net book value		1,907,321	5,473	104,004	93,480	233,985	333,973	283,530	2,662,768

Year ended December 2023

Opening net book value		1,907,321	6,473	104,004	93,480	233,985	333,973	283,530	2,662,768
Additions					895	23,934	25,847	19,888	70,062
Disposals - WDV					(637)	(1,374)	(60,381)	(10)	(62,322)
Write offs - WDV								(8,102)	(8,102)
Depreciation charge				(771)	(10,928)	(19,758)	(88,643)	(87,607)	(202,548)
Other adjustment					87	1,911	(352)	(1,737)	(131)
Closing net book value		1,907,321	5,702	93,076	74,067	171,263	186,550	240,726	2,678,717

At December 31, 2023

Cost / revalued amount		1,907,321	15,425	581,534	422,423	2,159,084	406,252	1,235,464	6,727,603
Accumulated depreciation			(2,723)	(158,591)	(348,356)	(1,887,821)	(219,602)	(884,738)	(3,716,819)
Accumulated impairment				(331,887)					(331,887)
Net book value		1,907,321	5,702	93,076	74,067	171,263	186,550	240,726	2,678,717

Rate of depreciation

	5%	5%	10%	14.28%-33.33%	20%	10%-20%
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12.2.1 These include land and buildings revalued in 2008 by Habib Associates, an independent valuer. The revaluation resulted in a surplus of Rs. 118.87 million. Had there been no revaluation, the carrying value of the revalued land and buildings would have been lower by Rs. 37.69 million (2023: Rs. 41.17 million). The Bank's land and buildings were again revalued in 2022 on the basis of December-2020, however, no revaluation surplus or deficit was recorded as the revalued amounts were not materially different from carrying values.

12.3 On September 10, 2016, the Bank entered into an Agreement to Sell (the Agreement) with respect to its previous Head Office Land and Building (the Property) situated at I. I. Chundrigar Road against sale consideration of Rs. 2,370 million. Pursuant to the terms of the Agreement, the Bank received a down payment of Rs. 118.60 million, which is currently reported in 'Other Liabilities' (note 23). The remaining balance was required to be paid by the buyer within 5 years from the date of the Agreement. Under the agreement, the counter-party is permitted for new construction at the Property site while keeping the building facade intact being the heritage and required to be protected under Heritage regulations.

12.3.1 Certain Construction Petition was filed against the high rise construction at the Property. These include the petition filed by SBP on October 2, 2018 in Honorable High Court of Sindh which granted Stay on October 4, 2018 against any construction at the Property site. Repeteadly, the counter party had accepted the objections of SBP and had resolved respective concerns/issues about which SBP was duly communicated through their letter dated October 23, 2021. However, the matter is still pending at SBP and the Court's Stay on construction is still in place.

12.3.2 Due to the Court's stay along with severe economic slowdown occurred due to COVID-19, the construction activities at the Property site were badly hampered at various intervals due to which the counter-party has requested the Bank to extend the term of the agreement. Accordingly, the agreement was initially extended for one year and thereafter till September 2024.

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

12.4 The cost of fully depreciated property and equipment that are still in use is as follows:

Building on Freehold land	
Furniture, electrical, office, computer equipment and others	
Leasehold improvements	
Vehicles	

2024 2023
Rupees in '000

10,306	1,810,803
2,050,060	745,207
51,427	61,576
2,862,099	2,716,249

12.5 Details of disposal of property and equipment to related parties

Particulars of assets	Cost	Book value	Sale proceeds	Mode of disposal	Particulars of purchaser
Rupees in '000					
Vehicle					
Changan Qshan X7 Suv	4,000	2,133	2,133	As per Policy	Mureed Hussain
KIA Sportage	3,824	892	892	As per Policy	Muhammad Qaseem
Honda Civic VII P/T Oriel	1,895	233	233	As per Policy	Faizul Hassan Hashmi
	9,819	3,258	3,258		
Electrical, office and computer equipment					
Laptop Apple Macbook Pro	204		10	As per Policy	Muhammad Adnan Siddiqui
Total	10,023	3,258	3,268		

			2024	2023
			Rupees in '000.	
	Note			
13		RIGHT-OF-USE ASSETS		
		At January 01		
		Cost	4,699,538	4,828,982
		Accumulated depreciation	(2,676,402)	(2,398,728)
		Net book value at the beginning of the year	1,924,136	2,432,254
		Year ended December		
		Additions during the year	243,365	240,656
		Deletions during the year	(1,100)	(203,097)
		Depreciation charge for the year	(530,823)	(558,748)
		Other adjustment		14,071
		Net book value at the end of the year	1,635,478	1,924,136
14		INTANGIBLE ASSETS		
		Capital work-in-progress	6,217	4,573
		Software	247,459	312,842
			253,676	317,415
14.1		Software		
		At January 1		
		Cost	1,346,334	1,258,837
		Accumulated amortisation	(1,032,492)	(969,404)
		Net book value at the beginning of the year	312,842	289,433
		Year ended December		
		Opening net book value	312,842	289,433
		Additions	905	86,497
		Amortisation charge	(66,288)	(63,088)
		Closing net book value	247,459	312,842
		At December 31		
		Cost	1,346,239	1,345,334
		Accumulated amortisation	(1,098,780)	(1,032,492)
		Net book value at the end of the year	247,459	312,842
		Rate of amortisation	10%-20%	10%-20%
		Useful life (in years)	5-10	5-10
14.2		The cost of fully amortised intangible assets that are still in the Bank's use amounted to Rs. 869.81 million (2023: Rs. 826.52 million).		

DEFERRED TAX ASSETS

Deductible Temporary Differences on

- Tax losses carried forward
- Provision for diminution in value of investments
- Provision against non-performing advances
- Provision against Workers' Welfare Fund (WWF)
- Provision against other assets
- Depreciation on non-banking assets
- Deficit on revaluation of investments
- Unabsorbed tax depreciation
- Impairment in value of property and equipment

		2024			
		At Jan 1	Recognised in P&L A/C	Recognised in OCI	At Dec 31
		Rupees in '000			
Note					
		15,093,845	9,156,672	-	24,250,517
		3,424	254	-	3,688
		13,254,535	3,511,008	-	16,765,543
		52,476	4,037	-	56,513
		363,388	340,621	-	703,909
		119,327	23,645	-	142,872
25		566,572	-	(566,572)	-
		1,022,580	161,369	-	1,183,949
		129,428	9,956	-	139,384
		30,605,575	13,207,372	(566,572)	43,246,375
			-	(148,885)	(148,885)
25.2		(13,431)	-	(36,432)	(49,863)
25.1		(6,979)	-	967	(6,012)
		(35,255)	-	15,520	(19,736)
		(51,609)	1,877	-	(49,732)
		(107,274)	1,877	(168,830)	(274,227)
		30,498,301	13,209,249	(735,402)	42,972,148

Taxable Temporary Differences on

- Surplus on revaluation of investments
- Surplus on revaluation of non-banking assets
- Surplus on revaluation of property and equipment
- Post retirement employee benefits
- Accelerated tax depreciation

Deductible Temporary Differences on

- Tax losses carried forward
- Provision for diminution in value of investments
- Provision against non-performing advances
- Provision against Workers' Welfare Fund (WWF)
- Provision against other assets
- Depreciation on non-banking assets
- Deficit on revaluation of investments
- Unabsorbed tax depreciation
- Impairment in value of property and equipment

		2023			
		At Jan 1	Recognised in P&L A/C	Recognised in OCI	At Dec 31
		Rupees in '000			
		8,510,286	6,575,579	-	15,093,845
		3,424	-	-	3,424
		11,871,817	1,382,018	-	13,254,535
		52,476	-	-	52,476
		340,139	23,249	-	363,388
		105,988	13,339	-	119,327
25		812,153	-	(245,581)	566,572
		940,051	82,529	-	1,022,580
		129,428	-	-	129,428
		22,773,542	8,077,014	(245,581)	30,605,575
25.2		(14,219)	-	788	(13,431)
25.1		(8,375)	-	1,396	(6,979)
		(23,202)	-	(12,053)	(35,255)
		(65,905)	14,297	-	(51,609)
		(111,702)	14,297	(9,869)	(107,274)
		22,661,840	8,091,311	(255,450)	30,498,301

Taxable Temporary Differences on

- Surplus on revaluation of non-banking assets
- Surplus on revaluation of property and equipment
- Post retirement employee benefits
- Accelerated tax depreciation

15.1 The Bank has an aggregate amount of deferred tax assets of Rs. 42,972 million (2023: Rs. 30,498 million) out of which an amount of Rs. 16,766 million (2023: 13,255 million) has been recorded in accordance with the provision of the Seventh Schedule to the Income Tax Ordinance, 2001, which require that Provisions for advances and off-balance sheet items shall be allowed upto a maximum of 1% of total advances and provisions for advances and off-balance sheet items shall be allowed at 5% of total advances for consumers and small and medium enterprises. Pursuant to the Amalgamation arrangement as detailed in Note 1.4, the amalgamated entity is expected to realise these deferred tax assets mainly against its future years tax liabilities and available tax benefits with respect to non-performing loans.

15.2 Status of tax and other details are disclosed in note 37 to these financial statements.

			2024	2023
		Note	Rupees In '000	
16	OTHER ASSETS			
	Income / mark-up accrued in local currency - net	10.3.1	6,892,771	8,264,073
	Income / mark-up accrued in foreign currency - net		-	-
	Accrued rent		18,210	18,210
	Advances, deposits, advance rent and other prepayments		2,100,918	1,974,079
	Profit paid in advance on fixed deposits		90,983	175,749
	Advance taxation (payments less provisions)		2,808,829	2,599,144
	Net defined benefit assets	41.4	46,987	80,389
	Non-banking assets	16.1	2,949,197	2,081,375
	Branch adjustment account		401,060	857,247
	Mark to market gain on forward contracts		6,141	2,122
	Acceptances		41,399	331,084
	Contract assets	16.2	-	-
	Receivable from sale of non-banking assets acquired in satisfaction of claims		1,850	10,250
	Fee receivable from Credit Card members		278,309	198,124
	Others		591,890	593,323
			<u>16,228,312</u>	<u>18,095,179</u>
	Less: Provision held against other assets	16.4	<u>(1,659,055)</u>	<u>(916,846)</u>
	Other assets - net of provisions		<u>14,569,257</u>	<u>17,178,333</u>
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims		<u>195,192</u>	<u>51,424</u>
	Other assets - total		<u>14,764,449</u>	<u>17,229,757</u>
16.1	Market value of Non-banking assets acquired in satisfaction of claims	16.1.2 & 16.1.4	<u>1,597,422</u>	<u>2,183,567</u>
16.1.1	The valuation of non-banking assets acquired in satisfaction of the claims has been carried out by Oceanic Surveyors (Private) Limited and Progressive Facts (Private) Limited from among the approved list of valuer of Pakistan Bankers Association. The revaluation was carried out on the basis of an assessment of present market values and based on present physical condition and location of non-banking assets.			
16.1.2	Non-banking assets acquired in satisfaction of claims			
	Opening balance		2,183,667	2,217,769
	Additions		145,794	-
	Revaluation		-	-
	Disposals	16.1.3	(607,736)	-
	Reversal / (provision)		(34,203)	(34,202)
	Depreciation		-	-
	Closing balance		<u>1,597,422</u>	<u>2,183,567</u>
16.1.3	Gain on Non-banking assets acquired in satisfaction of claims			
	Disposal proceeds		-	-
	less			
	- Cost		-	-
	- Impairment / Depreciation		-	-
	- Surplus on revaluation		-	-
	- Write off provision		-	-
	- Loss on reversal of sale		-	-
	Gain on Non-banking assets acquired in satisfaction of claims		<u>-</u>	<u>-</u>

- 16.1.4 The non-banking assets acquired in satisfaction of claims (NBAs) aggregating to Rs. 1,090 million (2023: Rs. 1,802 million) are currently undeveloped and have been evaluated based on the valuation reports from the valuers on Pakistan Bank Association list of approved valuers. The Bank exposure exceeds the prescribed limit of 2.5% of aggregate advances and investments (excluding investment in Government securities) as prescribed by SBP under regulation Debt Property Swap.
- 16.2 The Contract assets represent the variable consideration, receivable to the Bank from SIDR, against the land transferred to it under the REIT arrangement as discussed in Note 16.3 below.
- 16.3 In 2021, the Bank disposed certain undeveloped land measuring 35.95 acres and 4.93 acres which were owned and held by the Bank under non-banking assets (NBA). At disposal, these lands were transferred to the two REIT schemes i.e. SIDR (35.95 acres) and SWIR (4.93 acres) under the REIT arrangement involving the Bank, M/s Anif Habib Dolmen REIT Management Company ("RMC") and the Respective borrowers paying certain Bank's non-performing exposures (Note 11.3.2). The arrangement has been approved by the SBP vide its letter dated November 19, 2020 ("the SBP approval") with certain conditions precedent. These REIT schemes shall develop the transferred land for commercial and residential projects, which according to the RMC's assessment, are expected to be completed within a tenure of eight years, once the respective projects are launched, after which these REIT schemes shall be liquidated. The projects to be built upon would be offered for sale in the market. Both REITs' projects have not been launched to date.
- 16.3.1 The agreed consideration of the land transferred to SIDR constitutes an upfront payment of Rs. 1.56 billion (which has already been realized) and certain deferred payments which shall be realized over SIDR's tenure. These deferred payments are subject to the condition that REIT's scheme hold sufficient cash at annual payment dates and yields an internal rate of return of 40% over the investment tenor to the REIT unit holders. Therefore, the deferred payments correspond to variable consideration requiring to account for Contract assets as per the requirements given in Note 6.27.
- 16.3.1.1 In estimating variable payments to be recorded as Contract assets which are to be realized over the future periods, the Bank has evaluated financial and economic variables affecting the Project. Significant time has now been lapsed in launch of SIDR's project which have multiple implications on the project's required profitability level and payouts to SIDR unit holders as given in Note 16.3.1, due to which the management assessed the expected value of Contract assets as equivalent to Nil as at the Balance sheet date. If subsequently, the management makes an assessment that it is highly probable for the Project would pay off the required yield (40% IRR) to the SIDR unit holders, the Bank shall record the Contract Assets through profit and loss account to the extent to which the project's cashflows exceed the required yield and to which significant reversal is not expected as required in Note 6.27.
- 16.3.2 In consideration to the land transferred to SWIR, REIT units of SWIR having par value equivalent to Rs.910 million have been issued to the Bank and held as investments (Note 10.4). The Bank is expected to realize dividends over the REIT units held during the tenure and liquidation proceeds at the culmination of the respective REIT.

Note	2024		2023	
	Rupees in '000			
16.4	Provision held against other assets			
	Non-banking assets acquired in satisfaction of claims		1,546,967	840,232
	Advances, deposits, advance rent and other prepayments		17,408	3,699
	Income / mark-up accrued in local currency - net		922	-
	Others		93,758	63,915
			<u>1,659,055</u>	<u>916,846</u>
16.4.1	Movement in provision held against other assets			
	Opening balance		916,846	857,232
	Charge for the year		784,708	59,614
	Reversals for the year		(40,499)	-
	Net charge for the year		744,209	59,614
	Write off		(2,000)	-
	Closing balance		<u>1,659,055</u>	<u>916,846</u>
17	CONTINGENT ASSETS			
	There were no contingent assets as at December 31, 2024 (December 31, 2023: Nil)			
18	BILLS PAYABLE			
	In Pakistan		4,406,391	3,141,963
	Outside Pakistan		-	-
			<u>4,406,391</u>	<u>3,141,963</u>

			2024	2023
			Rupees in '000	
10	BORROWINGS			
19.1	Details of borrowings			
	Secured			
	Borrowings from State Bank of Pakistan			
	- under export refinance scheme	19.1.1	2,110,605	2,241,941
	- under Credit Guarantee Scheme for Small and Rural Enterprises		-	333
			2,110,605	2,242,274
	Repurchase agreement borrowings	19.1.2	158,170,298	144,894,585
	Total secured		158,280,903	147,136,839
	Unsecured			
	Overdrawn nostro accounts		179,253	232,961
	Overdrawn local bank accounts		642	10,946
	Total unsecured		179,895	243,907
			158,460,798	147,380,746
19.1.1	The Bank has entered into agreements for financing with the SBP for extending export finance to customers. As per the agreements, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of the finance by directly debiting the current account maintained by the Bank with SBP. These borrowings are repayable within six months. These carry mark-up rates ranging from 9% to 16.5% per annum (2023: 17% to 18%) per annum.			
19.1.2	These represent funds borrowed from the local interbank money market against government securities carrying interest rate ranging from 13.06% to 13.07% (2023: 22.11% to 22.14%) per annum with maturity upto January 2025.			
19.1.3	The market value of securities given as collateral against the repurchase agreement borrowings is Rs. 158,803 million (2023 : Rs. 143,007 million).			
			2024	2023
			Rupees in '000	
19.2	Particulars of borrowings with respect to currencies			
	In local currency		158,281,645	147,147,785
	In foreign currencies		179,253	232,961
			158,460,798	147,380,746

20 DEPOSITS AND OTHER ACCOUNTS

	2024			2023		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
Rupees in '000						
Customers						
Current deposits	27,291,634	4,198,308	31,489,942	32,250,858	7,066,794	39,307,652
Savings deposits	75,878,268	3,079,117	79,857,385	66,348,961	4,624,602	70,973,563
Term deposits	39,463,446	1,213,036	40,676,482	36,238,545	1,606,215	37,844,760
Margin deposits	1,129,947	-	1,129,947	1,289,544	-	1,289,544
Call deposits	957,479	-	957,479	1,328,153	-	1,328,153
	144,720,774	8,390,461	154,111,235	137,456,061	13,287,611	150,743,672
Financial Institutions						
Current deposits	139,618	13,486	153,103	145,180	21,328	166,517
Savings deposits	1,670,789	185	1,670,974	1,705,257	186	1,705,443
Term deposits	395,930	1,154,888	1,550,798	900,930	745,803	1,646,733
	2,206,337	1,168,538	3,374,875	2,751,376	767,317	3,518,693
	146,927,111	10,558,999	157,486,110	140,207,437	14,054,928	154,262,365

		2024	2023
		Rupees in '000	
20.1 Composition of deposits			
- Individuals		92,395,300	84,838,536
- Government (Federal and Provincial)		21,301,979	19,794,388
- Public Sector Entities		2,264,228	3,376,703
- Banking Companies		1,704	1,524
- Non-Banking Financial Institutions		3,373,171	3,517,169
- Private Sector		38,149,726	42,934,045
		167,486,110	154,262,365

20.2 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 91.58 billion (2023: Rs. 109.48 billion).

		2024	2023
		Rupees in '000	
21 LEASE LIABILITIES			
Outstanding amount at the start of the year		2,359,107	2,969,815
Additions during the year		243,365	411,890
Deletions during the year		(1,100)	(314,028)
Lease payments including interest		(812,212)	(966,602)
Interest expense		307,202	314,629
Other adjustments		-	(45,697)
Outstanding amount at the end of the year	21.1	2,106,362	2,369,107
21.1 Contractual maturity of lease liabilities			
Short-term lease liabilities - within one year		648,144	488,645
Long-term lease liabilities			
Later than one year and upto five years		1,273,907	1,512,562
Later than five years and upto ten years		184,189	367,900
Over ten years		2,122	-
Total lease liabilities		2,106,362	2,369,107
22 SUBORDINATED DEBT			
Subordinated Term Finance Certificates	22.1	1,998,400	1,998,400
Subordinated loan from Sponsors	22.2	440,266	440,266
		2,438,666	2,438,666

22.1 The Bank has issued privately placed, unsecured and subordinated Term Finance Certificates (TFCs) as instruments of redeemable capital under section 60 of the Companies Act, 2017 and the Basel III guidelines issued by the SBP. The key features of the issue are as follows:

Issue amount Rs. 2,000 million

Issue date	August 10, 2017
Maturity date	Up to 8 years from date of issue.
Rating	BBB+ (Triple B Plus) by VIS Credit Rating Company Limited (VIS) was announced on October 12, 2020, based on condensed interim financial statements of Silk Bank Limited as of June 30, 2020. Later on, the same rating was harmonized by VIS according to their revised methodology and assigned rating at 'B' (Single B) with a 'Rating Watch-Negative' status on June 16, 2023. The VIS shall review the ratings once these financial statements are issued.
Security	The instrument is unsecured and subordinated as to payment of principal and profit to all other indebtedness of the Bank, including deposits.
Profit payment frequency	Profit will be payable semi-annually in arrears on the outstanding principal amount and will be calculated on a 365 day year basis.
Redemption	0.14% of the issue amount during the first 7 years and remaining 99.86% in last two equal semi-annual installments of 49.93% each.
Mark-up	6 months KIBOR plus 1.85% per annum.
Call option	The Bank may call TFCs in part or in full, after 5 years from date of issue on any profit payment date, subject to SBP approval and with not less than 30 days prior notice to the Trustee and Investors. The call option once announced will be irrevocable.
Lock-in-clause	As per the lock-in requirement for Tier II issues, neither profit nor principal will be payable (even at maturity) in respect of the TFC, if such payment will result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or results in an increase in any existing shortfall in MCR or CAR.
Loss absorbency clause	The instrument will be subject to loss absorbency and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rule, the SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by fair value per share of the Bank's common equity on the date of trigger of the non-viability event as declared by the SBP, subject to a cap of 1,238,390,093 shares.

- 22.2 Due to the lock-in-clause as mentioned in note 22.1 and as per SBP instructions, the Bank has received an unsecured and interest free subordinated loan from the sponsor in order to make the payment of the installments including profit thereon in respect of the above mentioned TFC's. Upon compliance with Capital Adequacy Ratio (CAR), this subordinated loan will be repaid to the Sponsor.

		Note	2024	2023
			Rupees in '000	
23	OTHER LIABILITIES			
	Mark-up / return / interest payable in local currency		2,814,731	5,457,062
	Mark-up / return / interest payable in foreign currencies		11,617	16,496
	Unearned commission and income on bills discounted		65,376	71,538
	Accrued expenses		1,170,255	990,858
	Acceptances		41,399	331,084
	Mark to market loss on forward contracts		218	53,650
	Payable to defined benefit plan - contractual staff		147,595	121,035
	Provision against off-balance sheet obligations	23.1	382,154	109,812
	Workers' Welfare Fund (WWF)		37,126	64,857
	Advance received against future sale of non banking assets		62,399	58,198
	Advance received against future sale of property and equipment	12.3	118,500	118,600
	Deferred income against non-banking assets		128,848	120,848
	Islamic pool management reserve		13,003	10,994
	Non checking account		101,849	64,400
	PRI remitting account		27,194	27,550
	Funds received against application of Housing Scheme		55,982	56,852
	Others		1,280,885	1,146,365
			<u>6,459,131</u>	<u>8,829,877</u>
23.1	Provision against off-balance sheet obligations			
	Opening balance		109,812	109,812
	Charge for the year	36	272,342	-
	Reversals		-	-
			<u>272,342</u>	<u>-</u>
	Amount written off			
	Closing balance	23.1.1	<u>382,154</u>	<u>109,812</u>

- 23.1.1 This includes provisions made against letters of guarantee issued by the Bank.

24	SHARE CAPITAL- NET			
24.1	Authorised capital			
	2024	2023	2024	2023
	Number of shares in '000		Rupees in '000	
	10,500,000	10,500,000	105,000,000	105,000,000
	Ordinary shares of Rs. 10 each			
24.2	Issued, subscribed and paid up capital			
	2024	2023		
	Number of shares in '000			
	9,081,861	9,081,861	90,818,612	90,818,612
	Ordinary shares of Rs. 10 each			
	Fully paid in cash		(67,387,238)	(67,387,238)
	Less: discount on issue of shares		23,431,374	23,431,374
24.3	Arif Habib Corporation Limited i.e. associated company held 2,563,901,924 (2023: 2,563,901,924) shares which represents 28.23% (2023: 28.23%) of the equity stake of the Bank.			
	Note	2024	2023	
		Rupees in '000		
25	SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX			
	Surplus / (deficit) on revaluation of			
	- Available for sale securities		384,486	(1,452,749)
	- Property and equipment		37,590	41,169
	- Non-banking assets acquired in satisfaction of claims		2,040,123	1,896,352
			2,432,199	484,772
	Deferred tax on (surplus) / deficit on revaluation of			
	- Available for sale securities		(148,885)	566,572
	- Property and equipment		(6,012)	(6,979)
	- Non-banking assets acquired in satisfaction of claims		(49,863)	(13,431)
			(204,760)	548,162
			2,227,439	1,030,934
25.1	Surplus on revaluation of Property and equipment			
	Surplus on revaluation of property and equipment as at January 01		41,169	44,748
	Recognised during the year		-	-
	Realised on disposal during the year - net of deferred tax		-	-
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(2,183)	(2,183)
	Related deferred tax liability on incremental depreciation charged during the year		(1,396)	(1,396)
	Related deferred tax liability on surplus realised on disposal		-	-
	Surplus on revaluation of property and equipment as at December 31		37,590	41,169
	Less: related deferred tax liability on:			
	- revaluation as at January 01		(6,979)	(8,375)
	- revaluation recognised during the year		(428)	-
	- surplus realised on disposal during the year		-	-
	- incremental depreciation charged during the year		1,396	1,396
			(6,012)	(6,979)
			31,578	34,180
25.2	Surplus on revaluation of non-banking assets acquired in satisfaction of claims			
	Surplus on revaluation as at January 01		1,896,352	1,898,378
	Recognised during the year		145,794	-
	Realised on disposal / impairment during the year - net of deferred tax		-	-
	Realised on transferred to property and equipment during the year - net of deferred tax		-	-
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(1,235)	(1,236)
	Related deferred tax liability on incremental depreciation charged during the year		(788)	(788)
	Related deferred tax liability on surplus realised on disposal / impairment		-	-
	Related deferred tax liability on surplus realised on transferred to property and equipment		-	-
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims as at December 31		2,040,123	1,896,352
	Less: related deferred tax liability on:			
	- revaluation as at January 01		(13,431)	(14,219)
	- revaluation recognised during the year		(37,220)	-
	- surplus realised on disposal during the year		-	-
	- surplus realised on transferred to property and equipment during the year		-	-
	- incremental depreciation charged during the year		788	788
			(49,863)	(13,431)
			1,990,260	1,882,921

	Note	2024	2023
		Rupees in '000	
26 CONTINGENCIES AND COMMITMENTS			
Guarantees	26.1	10,053,069	11,302,878
Commitments	26.2	7,499,147	10,928,279
Contingent liabilities	26.3	1,058,973	1,038,843
		<u>18,611,189</u>	<u>23,270,000</u>
26.1 Guarantees:			
Financial guarantees		874,379	854,940
Performance guarantees		6,139,718	7,248,600
Other guarantees		2,938,972	3,199,329
		<u>10,053,069</u>	<u>11,302,878</u>
26.2 Commitments:			
Documentary credits and short-term trade-related transactions - letters of credit		1,715,257	1,793,868
Commitments in respect of: - forward foreign exchange contracts	26.2.1	5,444,630	9,134,411
- forward government securities transactions	26.2.2		
Commitments for acquisition of: - property and equipment		117,275	-
- intangible assets		221,985	-
		<u>7,499,147</u>	<u>10,928,279</u>
26.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		5,444,630	8,560,493
Sale		-	573,918
		<u>5,444,630</u>	<u>9,134,411</u>
26.2.2 Commitments in respect of forward government securities transactions			
Purchase		-	-
Sale		-	-
		<u>-</u>	<u>-</u>
26.2.3 The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.			
		2024	2023
		Rupees in '000	
26.3 Contingent liabilities:			
Claims against the Bank not acknowledged as debt		823,973	803,843
Claims against the Bank by Competition Commission of Pakistan & others		235,000	235,000
		<u>1,058,973</u>	<u>1,038,843</u>
26.3.1 Suits for damages of Rs. 25.60 billion (2023: Rs. 24.29 billion) have been filed against the Bank by various borrowers / employees in respect of certain disputes relating to loans and advances. The management of the Bank and its legal counsel consider that the suits are a counterblast in response to the recovery suits filed by the Bank. The Bank and its legal counsel are confident that the cases will be dismissed as actual damages have to be proven in such suits.			
26.4 For contingencies relating to taxation refer note 37.2-37.5.			

27 DERIVATIVE INSTRUMENTS

27.1 Product Analysis Counterparties

Hedging

- Banks
- Other entities

Total

Note	2024	
	Forward Contracts	
	Notional Principal	Mark to Market gain / (loss)
	Rupees in '000	
	5,310,065	5,347
	134,565	576
27.2	5,444,630	5,923

Counterparties

Hedging

- Banks
- Other entities

Total

Note	2023	
	Forward Contracts	
	Notional Principal	Mark to Market gain / (loss)
	Rupees in '000	
	6,675,054	(44,972)
	2,459,367	(6,556)
27.2	9,134,411	(51,528)

27.2 Maturity Analysis

Maturity Analysis		2024			
Remaining Maturity	No. of Contracts	Notional Principal	Mark to Market		
			Negative	Positive	Net
		Rupees In '000			
Upto 1 month	8	5,350,440	-	5,611	5,611
1 to 3 months	4	94,190	(218)	530	312
3 to 6 months	-	-	-	-	-
6 month to 1 year	-	-	-	-	-
	12	5,444,630	(218)	6,141	5,923

2023					
Remaining Maturity	No. of Contracts	Notional Principal	Mark to Market		
			Negative	Positive	Net
		Rupees in '000			
Upto 1 month	20	9,090,237	(53,650)	1,150	(52,500)
1 to 3 months	1	29,283	-	531	531
3 to 6 months	-	-	-	-	-
6 month to 1 year	1	14,891	-	441	441
	22	9,134,411	(53,650)	2,122	(51,528)

27.3 Risk management related to derivatives is discussed in note 49.5.

	Note	2024	2023
		Rupees in '000	
28	MARK-UP / RETURN / PROFIT / INTEREST EARNED		
Loans and advances		7,523,976	6,396,512
Investments		32,429,824	34,372,284
Lendings to financial institutions		163,310	321,428
Balances with banks		50,307	44,766
		<u>40,167,417</u>	<u>41,134,990</u>
29	MARK-UP / RETURN / PROFIT / INTEREST EXPENSED		
Deposits		20,602,852	19,333,987
Borrowings		31,118,543	32,160,264
Subordinated debt		466,368	431,701
Cost of foreign currency swaps against foreign currency deposits / borrowings		741,825	931,139
Lease liability against right-of-use assets		307,202	314,264
		<u>53,237,590</u>	<u>53,180,445</u>
30	FEE & COMMISSION INCOME		
Branch banking customer fees		255,116	263,875
Card related fees (debit and credit cards)		2,081,709	2,077,424
Credit related fees		301,618	328,517
Commission on trade		133,104	145,186
Commission on guarantees		78,775	80,292
Commission on remittances including home remittances		13,517	16,633
Commission on bancassurance		28,181	38,314
Others		124,594	72,513
		<u>3,014,614</u>	<u>3,072,754</u>
		<u>53,733</u>	<u>23,881</u>
31	DIVIDEND INCOME		
The United Insurance Company of Pakistan Limited			
32	LOSS ON SECURITIES		
Realised	32.1	(8,258)	15,690
Unrealised - held for trading	10.1	1	5,783
Unrealised - REIT Units		(21,841)	(44,592)
		<u>(30,098)</u>	<u>(23,119)</u>
32.1	Realised (loss) / gain on:		
Federal Government Securities		(8,258)	28,500
Shares		-	(13,810)
		<u>(8,258)</u>	<u>15,690</u>
33	OTHER INCOME		
Rent on property and non-banking assets		1,728	637
Gain on sale of property and equipment - net		82	7,742
Rent on lockers		25,364	22,603
Postage, telex and other service charges recovered		61,859	51,868
Early loan termination charges		12,768	23,516
Gain on termination / adjustment of leases		-	109,315
Gain on derecognition of liabilities - net		8,094	-
		<u>109,673</u>	<u>215,679</u>

OPERATING EXPENSES

Note	2024	2023
	Rupees in '000	
34.1	3,403,428	3,044,008
Total compensation expense		
Property expense	18,877	9,703
Rent & taxes		559
Insurance on non banking assets acquired in satisfaction of claims	294,469	237,204
Utilities cost	164,761	134,533
Security (including guards)	130,585	115,860
Repair & maintenance (including janitorial charges)	63,464	63,536
Depreciation on buildings	530,923	550,748
Depreciation on right-of-use assets	34,203	34,702
Depreciation on non-banking assets acquired in satisfaction of claims	1,227,282	1,155,537
Information technology expenses	419,696	524,773
Software maintenance	163,962	157,504
Hardware maintenance	44,506	56,505
Depreciation	66,288	63,088
Amortisation		48
Website development charges	694,342	801,918
Other operating expenses	87,330	69,986
Directors' fees and allowances	12,778	14,821
Fees and allowances to Shariah Board	142,324	108,141
Legal & professional charges	36,111	30,523
Outsourced services costs	113,060	85,670
Travelling & conveyance	21,798	16,475
NIFT clearing charges	106,166	132,503
Depreciation	6,196	1,825
Training & development	8,349	4,373
Postage & courier charges	1,726,832	1,324,802
Communication	124,679	98,468
Stationery & printing	144,786	107,671
Marketing, advertisement & publicity	34,104	30,901
Auditors Remuneration	221,017	224,638
Insurance (including deposit protection)	101,778	92,887
Repairs & maintenance	2,648	8,253
Brokerage and commission	19,891	20,560
Subscriptions and news papers	41,453	36,094
Entertainment	33,536	43,389
Vehicle running & maintenance	213,863	270,407
Card related expenses (debit and credit cards)	41,773	40,622
Security	4,816	4,135
Others	3,220,866	2,774,502
	8,546,917	7,775,085
34.1	42,141	23,381
Fees and allowances etc.		
Managerial remuneration	1,507,398	1,383,522
i) Fixed		
ii) Variable	308,985	185,802
a) Cash bonus / awards etc.	124,046	152,915
Charge for defined benefit plan	85,947	82,834
Contribution to defined contribution plan	733,041	678,080
Rent and house maintenance	7,172	6,932
Utilities	161,219	143,654
Medical	376,282	334,624
Conveyance	86,136	61,282
Insurance	2,281	11,242
Others		
Total	3,403,428	3,044,008

- 34.2 Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 35.11 million (2023 : Rs. 39.52 million) pertains to the payment to companies incorporated in Pakistan. The material outsourcing arrangements along with their nature of services are as follows:

Name of company	Nature of service	Note	2024	2023
			Rupees in '000	
M & P	Printing and Dispatch of Statement of Accounts & Courier		1,181	1,343
TCS (Private) Limited	Printing and Dispatch of Statement of Accounts & Courier		18,835	17,505
ASC First Solutions	Providing Book Keeping/Record Management service for all Bank Contract staff		7,712	9,692
Leopard Courier	Dispatch of documents		2,708	3,717
TPL Logistics Services	Credit card delivery service		71	167
			<u>30,506</u>	<u>32,424</u>

34.3	Auditors' remuneration		11,000	10,000
	Audit fee		4,400	4,000
	Review fee		9,900	9,900
	Fee for other statutory certifications		3,521	2,111
	Special certifications and sundry advisory services		5,283	4,890
	Out-of-pocket and other expenses		<u>34,104</u>	<u>30,901</u>

35	OTHER CHARGES		61	1,805
	Penalties imposed by State Bank of Pakistan		26,032	70,027
	Operational loss		<u>26,083</u>	<u>71,832</u>

36	PROVISIONS & WRITE OFFS - NET			
	Provisions against loans & advances	11.3	7,116,808	4,830,259
	Provision against other assets	16.4.1	744,209	59,614
	Write offs against property and equipment	12.2	-	9,102
	Write offs against property and equipment - Capital work-in-progress		-	5,887
	Provision against off-balance sheet obligations	23.1	272,342	-
	Recovery of written off loans		(349,854)	(391,002)
			<u>7,783,305</u>	<u>4,513,860</u>

37	TAXATION			
	Current		302,148	222,813
	Prior years		(13,209,249)	(8,091,911)
	Deferred		<u>(12,907,101)</u>	<u>(7,869,098)</u>

37.1	Relationship between tax expense and accounting profit			
	Loss before taxation		<u>(26,949,775)</u>	<u>(20,655,535)</u>
	Tax rate		<u>42%</u>	<u>39%</u>
	Tax at applicable rate		(10,888,906)	(8,055,659)
	Permanent difference		21	(41,929)
	Deferred tax asset / minimum tax credit written off / adjusted		302,148	222,813
	Impact of change in tax rate		(2,306,723)	-
	Others		(3,641)	5,877
			<u>(12,907,101)</u>	<u>(7,869,098)</u>

- 37.1.1 Under the Income Tax (Amendment) Ordinance, 2024, promulgated on December 29, 2024, the Federal Government increased the tax rate for banking companies from 39% to 44%. As per the Ordinance, 44% tax rate applies for the tax year 2025 and will be reduced by 1% for each of the tax years 2028 and 2027. Since the Bank has incurred a taxable loss, no current tax has been accounted for. However, the Bank being prudent, has recognized deferred tax on eligible temporary differences at the rate of 42% as the acquiring Bank (UBL) is expected to realize the related deferred tax benefits after merger, as disclosed in note 16.

37.2 The prior year tax amounting to Rs. 302 million pertains to minimum tax for the financial year 2019 as the Bank charges such tax in the year when the five year carry forward period expires under section 113 of the Income Tax Ordinance, 2001. The income tax returns of the Bank have been a-filed upto the tax year 2024. The Commissioner Inland Revenue has made amendments in the assessments, and the Bank has filed appeals against these amendments. The appeals are pending before Appellate Tribunal Inland Revenue (ATIR) against certain disallowances amounting to Rs.3,026 million (2023: Rs. 3,026 million) relating to Assessment / Tax Year(s) 2000-2001, 2001-2002, 2002-2003, 2004 and 2015 to 2018. The appeals which are pending before Commissioner-Appeals (CIR-A) against the disallowances amounting to Rs.682 million (2023: Rs.682 million) relating to tax years 2003 and 2006. The management of the Bank, in consultation with its tax advisor, is confident that the decisions in respect of these appeals would be in the Bank's favor.

37.3 For the tax year 2020, tax audit and amendment in assessment proceedings has been concluded and order under section 122(f) of the Income Tax Ordinance, 2001 is passed disallowing certain items aggregating to Rs. 707.933 million. An appeal against the order is likely to be filed by the Bank. For the tax years 2021, 2022, 2023 and 2024 returns of income filed by the Bank are deemed to be assessment orders under section 120 of the Income Tax Ordinance, 2001.

37.4 The proceedings regarding monitoring of withholding taxes pertaining to the Tax Years 2011 to 2019 were initiated and completed. Orders were issued by the Assessing Officer (AO) creating total tax demands of Rs. 241.880 million inclusive of penalties and default surcharges. Against these tax demands, the Bank has paid an amount of Rs. 189.312 million. The matters pertaining to the tax years 2011 and 2012 have been concluded. The Bank has not contested the matters in appeals and has paid the demands created by the AO. The Bank's appeals for Tax Years 2013 and 2014 before the CIR-A were rejected after which appeals before the ATIR, Karachi have been filed. The ATIR has remanded back the case to the AO, however, no proceedings were initiated. With respect to Tax Years 2016 and 2018, the Bank has filed appeals against orders before CIR-A. The CIR-A remanded back the matter to the AO, however, no proceedings were initiated. With respect to Tax Years 2017 to 2019, the Bank has filed appeals against orders before CIR-A, the CIR-A remanded back the matter to the AO. The AO afterwards passed the orders by creating tax demands of Rs. 499,631 for tax year 2017, Rs. 363,191 for tax year 2018 and no tax demand for tax year 2019. Since, the orders passed by the AO are in favor of the Bank, therefore, no appeals were preferred. However, these orders are subject to rectification, accordingly, applications under section 221 of the Income Tax Ordinance, 2001 were filed in each case, though no rectified orders have been passed.

The proceedings regarding monitoring of withholding taxes for the tax year 2020 has been initiated and notice under section 161(1A) of the Ordinance has been issued. However, no order has been passed by the AO.

37.6 The income tax returns of the Bank's Azad Kashmir operations have been filed up to the tax year 2021. The Commissioner Inland Revenue have annulled the assessments from the tax years 2016 to 2020 and passed orders under section 122(5A) of the Ordinance (for tax years 2016 and 2017) and under section 122(f) of the Income Tax Ordinance, 2001, (for the tax years 2016, 2019 and 2020). Appeals against orders were filed and these matters are pending for adjudication before the CIR-A and ATIR. The CIR-A has remanded back the matter in respect of tax years 2016, 2017 and 2020 for re-examination. The management of the Bank, in consultation with its tax advisor, is confident that the decisions in respect of these appeals would be in the Bank's favor.

	2024	2023
38 BASIC AND DILUTED LOSS PER SHARE		
Loss after taxation for the year (Rupees in '000)	<u>(13,042,674)</u>	<u>(12,788,437)</u>
Weighted average number of ordinary shares (Number of shares in '000)	<u>9,081,861</u>	<u>9,081,861</u>
Basic and diluted loss per share (Rupee)	<u>(1.44)</u>	<u>(1.41)</u>

38.1 There were no convertible dilutive potential ordinary shares outstanding as at December 31, 2024 and December 31, 2023.

	Note	2024 Rupees in '000	2023 Rupees in '000
39 CASH AND CASH EQUIVALENTS			
Cash and balance with treasury banks	7	10,820,502	14,055,139
Balance with other banks	8	1,134,109	1,839,082
		<u>11,954,611</u>	<u>15,894,221</u>
40 STAFF STRENGTH			
		Number of persons	
Permanent		1,009	1,056
On Bank contract		1,312	1,327
Bank's own staff strength at the end of the year		2,321	2,383
Outsourced			
Total staff strength		<u>2,321</u>	<u>2,383</u>

41. DEFINED BENEFIT PLAN

41.1. General description

As disclosed in note 6.14.2, the Bank operates an approved funded gratuity scheme for all its regular employees. The entitlement of the employees commences on completion of five years with the Bank beginning from January 01, 2005. Projected Unit Credit Actuarial Cost Method has been used for actuarial valuation dated December 31, 2023. The financial statements of the fund are separately prepared and audited and are not included as part of these financial statements. Contributed funds are placed in separate bank accounts maintained with the Bank in fixed deposit and super saver scheme at the rates ranging from 10.18% to 22% (2023: 7.12% to 22%) per annum.

41.2. Number of employees under the scheme

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

	2024	2023
	Number of employees	
Gratuity fund	1,007	1,056

41.3. Principal actuarial assumptions

The actuarial valuations have been carried out as at December 31, 2024 using the following significant assumptions:

	Note	2024	2023
Financial assumptions			
Discount rate	41.3.1	12.25%	15.50%
Expected rate of return on plan assets		17.69%	18.01%
Expected rate of salary increase		13.25%	14.50%
Demographic assumptions			
Mortality rates (for death in service)		SLIC (2001-05)-1	SLIC (2001-05)-1
Rates of employee turnover		Ultra Heavy Rates	Ultra Heavy Rates
Normal retirement age (years)		60 years	60 years

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

41.3.1. The discount rate of 12.5% per annum compound (2023: 15.5% per annum compound) is representative of yields on Pakistan Investment Bonds.

		2024	2023
	Note	Rupees in '000	
41.4	Reconciliation of payable to / (receivable from) defined benefit plans		
Present value of obligations	41.5	977,418	795,278
Fair value of plan assets	41.6	(1,024,405)	(885,677)
Receivable		<u>(46,987)</u>	<u>(90,399)</u>
41.5	Movement in defined benefit obligations		
Obligations at the beginning of the year		795,278	759,277
Current service cost		79,236	83,586
Interest cost		117,532	109,260
Benefits paid by the Bank		(85,269)	(134,006)
Re-measurement gain	41.6.2	70,841	(22,837)
Obligations at the end of the year		<u>977,418</u>	<u>795,278</u>
41.6	Movement in fair value of plan assets		
Fair value at the beginning of the year		885,677	818,770
Interest income on plan assets		130,569	117,322
Contribution by the Bank - net		66,198	75,523
Benefits paid by the Bank		(85,269)	(134,006)
Re-measurements: Net return on plan assets over interest loss	41.6.2	27,230	8,070
Fair value at the end of the year	41.9	<u>1,024,405</u>	<u>885,677</u>

	Note	2024 Rupees in '000	2023
41.7 Movement in (receivable) / payable under defined benefit schemes			
Opening balance		(90,399)	(59,493)
Charge for the year	41.8.1	66,100	75,624
Contribution by the Bank - net		(68,198)	(75,523)
Re-measurement gain recognised in OCI during the year	41.8.2	43,411	(30,907)
Benefits paid by the Bank			
Closing balance	41.4	<u>(46,987)</u>	<u>(90,399)</u>
41.8 Charge for defined benefit plans			
41.8.1 Cost recognised in profit and loss			
Current service cost		79,236	83,586
Net interest on defined benefit asset / liability		<u>(13,037)</u>	<u>(8,062)</u>
		<u>66,199</u>	<u>75,524</u>
41.8.2 Re-measurements recognised in OCI during the year			
Loss / (gain) on obligation			
- Demographic assumptions			
- Financial assumptions		86,002	3,844
- Experience adjustment		<u>(26,361)</u>	<u>(26,681)</u>
Return on plan assets over interest loss		<u>(27,230)</u>	<u>(8,070)</u>
Total re-measurements recognised in OCI		<u>43,411</u>	<u>(30,907)</u>
41.9 Components of plan assets			
Cash and cash equivalents - net		577,687	206,108
Government Securities		371,396	585,607
Term Deposit Receipt			
National Investment Trust Units			
Sukuk		16,613	16,601
Mutual Funds		<u>59,607</u>	<u>70,361</u>
	41.6	<u>1,024,405</u>	<u>885,677</u>

	2024	2023	2022	2021	2020
Present value of defined benefit obligation	977,418	795,278	759,277	888,910	720,915
Fair value of plan assets	<u>(1,024,405)</u>	<u>(885,677)</u>	<u>(818,770)</u>	<u>(749,697)</u>	<u>(755,441)</u>
	<u>(46,987)</u>	<u>(90,399)</u>	<u>(59,493)</u>	<u>(60,697)</u>	<u>(34,526)</u>

41.9.1 The significant risk associated with the plan assets are disclosed in note 41.15.

41.10 Sensitivity analysis

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

	2024	
	Rupees in '000	
1% increase in discount rate	(53,167)	
1% decrease in discount rate	58,847	
1% increase in expected rate of salary increase	62,324	
1% decrease in expected rate of salary increase	(57,247)	
	80,673	
41.11 Expected contributions to be paid to the fund in the next financial year	80,673	
41.12 Expected charge for the next financial year	80,673	
	2024	2023
41.13 Maturity profile		
The weighted average duration of the obligation (in years)	6.71	5.22

41.14 Funding policy

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

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

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

Asset volatility	The Defined Benefit Gratuity Fund is invested heavily in cash or cash like investments which carry minute volatility risk. Around thirty six percent is invested in PIB's & only six percent is invested in mutual funds giving rise. The asset class is volatile with reference to the yield on this class. This risk should be viewed together with change in the bond yield risk to market volatility risk for this asset class. There is no corporate bond exposure. Thus, no settlement risk.
Changes in bond yields	There are two dimensions to the changes in bond yields: first, as described above; second, the valuation of the gratuity liability is discounted with reference to these bond yields. So any increase in bond yields will lower the gratuity liability and vice versa, but, it will also lower the asset values.
Inflation risk	The salary inflation is the major risk that the gratuity fund liability carries. In a general economic sense and in a longer view, there is a case that if bond yields increase, the change in salary inflation generally offsets the gains from the decrease in discounted gratuity liability. But viewed with the fact that asset values will also decrease, the salary inflation does, as an overall affect, increases the net liability of the Bank.
Life expectancy / withdrawal rate	The gratuity is paid off at the maximum of age 50. The Life expectancy is in almost minimal range and is quite predictable in the ages when the employee is in the accredited employment of the Bank for the purpose of the gratuity. Thus, the risk of life expectancy is almost negligible. However, had a post-retirement benefit been given by the Bank like monthly pension, post-retirement medical etc., this would have been a significant risk which would have been quite difficult to value even by using advance mortality improvement models. The withdrawal risk is dependent upon the benefit structure, age and retention profile of the staff, the valuation methodology, and long-term valuation assumptions. In this case, it is not a significant risk.
Retention risk	The risk that employee will not be motivated to continue the service or start working with the Bank if no market comparable retirement benefit is provided.
Final salary risk	The risk, for defined benefit gratuity, that any disproportionate salary merit increases in later service years will give rise to multiplicative increase in the gratuity liability as such increase is applicable to all the past years of service.
Model risk	The defined benefit gratuity liability is usually actuarially valued each year. Further, the assets in the Gratuity Fund are also marked to market. This two-tier valuation gives rise to the model risk.
Operational Risk related to a separate entity	Retirement benefits are funded through a separate trust fund which is a different legal entity than the Bank. Generally, the protocols, processes and conventions used throughout the Bank are not applicable or are not actively applied to the retirement benefit funds. This gives rise to some specific operational risks.
Compliance risk	The risk that retirement benefits offered by the Bank does not comply with minimum statutory requirements.
Legal / political risk	The risk that the legal/political environment changes and the Bank is required to offer additional or different retirement benefits than what the Bank projected.
Concentration risk of investment itself	Though the gratuity fund is a separate entity, 56% of the Fund is invested or placed with the Bank itself giving rise to a concentration risk that gratuity fund may not be able to payoff its liability if Bank defaults.

42 DEFINED CONTRIBUTION PLAN

The Bank operates an approved funded contributory provident fund for all its permanent employees to which equal monthly contributions are made both by the Bank and the employees at the rate of 6.93% of basic salary. The financial statements of the fund are separately prepared and audited and are not included as part of these financial statements. Contribution funds are placed with separate bank accounts maintained with the Bank in fixed deposit and super saver scheme at the rates ranging from 7.12% to 22% (2023: 10.18% to 22%) per annum.

43 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

43.1 Total Compensation Expense

Total Compensation Expense				2024			
Items	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Others material risk taker / controller
	Chairman	Executives (other than CEO)	Non- Executives				
Rupees in '000							
Fees and allowances	8,076	-	41,325	11,231	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	761	33,333	125,729	103,681
ii) Cash bonus / awards etc.	-	-	-	134	-	-	-
Contribution to defined contribution plan	-	-	-	63	2,777	9,094	8,637
Rent & house maintenance	-	-	-	374	16,667	62,864	51,841
Utilities	-	-	-	-	5,030	-	-
Medical	-	-	-	76	3,333	12,873	10,388
Conveyance	-	-	-	160	6,667	26,146	20,739
Car	-	-	-	-	9,493	8,247	9,002
Bonus and Others	-	-	-	-	-	922	10,779
Total	8,076	-	41,325	12,778	77,300	244,575	215,044
Number of Persons	1	-	4	3	1	18	36

2023							
Items	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Others material risk taker / controller
	Chairman	Executives (other than CEO)	Non- Executives				
Rupees in '000							
Fees and allowances	8,455	-	50,825	12,180	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	1,089	33,858	116,252	107,220
ii) Cash bonus / awards etc.	-	-	-	70	-	-	-
Contribution to defined contribution plan	-	-	-	83	2,804	8,666	8,622
Rent & house maintenance	-	-	-	645	16,828	58,126	53,810
Utilities	-	-	-	-	4,704	-	-
Medical	-	-	-	109	3,366	11,625	10,722
Conveyance	-	-	-	218	6,731	23,250	21,444
Car	-	-	-	327	7,821	5,123	5,175
Bonus and Others	-	-	-	-	-	496	8,581
Total	8,455	-	50,825	14,621	75,910	223,560	215,574
Number of Persons	1	-	5	3	1	23	41

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

2024								
Sr. No.	Name of Director	Meeting fees and allowances paid						
		Board meetings	Board Committees					Total Amount Paid
			Human Resource Committee	Risk Committee	Audit Committee	IT Committee	Special Risk Committee	
Rupees in '000								
1	Mr. Khalid Aziz Mirza - Chairman	5,700	2,375	-	-	-	-	8,075
2	Mrs. Samia Murad- Director	4,750	2,375	2,850	2,850	-	475	13,300
3	Mr. Rashid Akhtar Chughtai – Director	4,750	2,375	-	-	-	-	7,125
4	Mr. Masroor Ahmed Qureshi – Director	4,750	-	2,850	2,850	950	475	11,875
5	Mr. Goharulayn Afzal – Director	4,750	-	2,850	-	950	475	9,025
Total		24,700	7,125	8,550	5,700	1,900	1,425	49,400

		2023						
Sr. No.	Name of Director	Meeting fees and allowances paid						
		Board Committees						
		Board meetings	Human Resource Committee	Risk Committee	Audit Committee	IT Committee	Special Risk Committee	Total Amount Paid
Rupees in '000								
1	Mr. Khalid Aziz Mirza - Chairman	5,130	2,375	475	-	-	475	8,455
2	Mrs. Samia Muneer- Director	4,275	2,375	475	1,425	-	475	9,025
3	Mr. Rashid Akhtar Chughtai- Director	4,275	2,375	-	-	-	1,900	8,550
4	Mr. Masroor Ahmed Qureshi - Director	4,275	-	2,850	1,425	475	2,850	11,875
5	Mr. Tariq Iqbal Khan -Director	3,800	-	2,375	1,425	-	2,850	10,450
6	Mr. Goharulayn Afzal - Director	4,275	-	3,325	-	475	2,850	10,925
Total		28,030	7,125	9,500	4,275	950	11,400	69,200

43.3 Remuneration paid to Shariah Board Members

Items	2024			2023		
	Chairman	Resident Members	Non-Resident Member(s)	Chairman	Resident Members	Non-Resident Member(s)
Rupees in '000						
Fees and Allowances	8,862	2,379	-	9,000	2,580	-
Managerial Remuneration	-	-	-	-	-	-
i) Fixed	-	-	751	-	1,089	-
ii) Cash Bonus / Awards	-	-	134	-	70	-
Contribution to defined contribution plan	-	-	63	-	83	-
Rent & house maintenance	-	-	374	-	546	-
Medical	-	-	75	-	109	-
Conveyance	-	-	150	-	218	-
Car	-	-	-	-	327	-
Total Amount	8,862	2,379	1,547	9,600	5,021	-
Total Number of Persons	1	2	-	1	2	-

44 FAIR VALUE MEASUREMENTS

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

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

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

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short-term in nature or in the case of customer loans and deposits are frequently re-priced.

44.1 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:

	2024				
	Carrying Value	Level 1	Level 2	Level 3	Total
	Rupees in '000				
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments:					
Federal Government Securities					
Market Treasury Bills	1,477	-	1,477	-	1,477
Pakistan Investment Bonds	169,248,062	-	169,248,062	-	169,248,062
GOP Ijarah Sukuks	4,159,854	-	4,159,854	-	4,159,854
Sharps					
Listed companies	192,283	192,283	-	-	192,283
Non-Government Debt Securities					
Term Finance Certificates - listed	60,176	-	60,176	-	60,176
	173,651,861	192,283	173,469,688	-	173,651,861
Financial assets - disclosed but not measured at fair value					
Cash and balances with treasury banks	10,820,592	-	-	-	10,820,592
Balances with other banks	1,134,109	-	-	-	1,134,109
Loanings to financial institutions	4,620,995	-	-	-	4,620,995
Advances	39,968,129	-	-	-	39,968,129
Other assets	7,197,261	-	-	-	7,197,261
	63,741,076	-	-	-	63,741,076
	237,392,927	192,283	173,469,688	-	173,651,861
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	6,444,630	-	6,444,630	-	6,444,630
Forward sale of foreign exchange	-	-	-	-	-
Forward purchase of government securities transactions	-	-	-	-	-
Forward sale of government securities transactions	-	-	-	-	-

2023					
	Carrying Value	Level 1	Level 2	Level 3	Total
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments:					
Federal Government Securities					
Market Treasury Bills	1,881	-	1,881	-	1,881
Pakistan Investment Bonds	168,747,342	-	168,747,342	-	168,747,342
GOP Ijarah Sukuks	3,557,829	-	3,557,829	-	3,557,829
Shares					
Listed companies	131,361	131,361	-	-	131,361
Non-Government Debt Securities					
Term Finance Certificates - listed	50,175	-	50,175	-	50,175
	172,488,588	131,361	172,357,227	-	172,488,588
Financial assets - disclosed but not measured at fair value					
Cash and balances with treasury banks	14,655,139	-	-	-	-
Balances with other banks	1,039,082	-	-	-	-
Lendings to financial institutions	491,450	-	-	-	-
Advances	49,684,132	-	-	-	-
Other assets	8,492,779	-	-	-	-
	74,672,582	-	-	-	-
	247,061,170	131,361	172,357,227	-	172,488,588

Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	8,680,493	-	8,680,493	-	8,680,493
Forward sale of foreign exchange	573,918	-	573,918	-	573,918
Forward purchase of government securities transactions	-	-	-	-	-
Forward sale of government securities transactions	-	-	-	-	-

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

Item	Valuation approach and input used
Market Treasury Bills and Pakistan Investment Bonds	Fair values are derived using the PKRV rates.
GOP Ijarah Sukuks	Fair values of GOP Ijarah Sukuks are derived using the PKSRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from eight different pre-defined / approved dealers / brokers.
Shares - listed	Fair values of investments in listed shares are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.
Sukuks - Listed and Term Finance Certificates - Listed	Investments in debt securities i.e. term finance certificates and sukuk certificates issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by the State Bank of Pakistan.

44.2 Fair value of non-financial assets

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

	Carrying Value	Level 1	Level 2	Level 3	Total
Rupees in '000					
2024					
Property and equipment - land and buildings	1,992,584	-	-	1,992,584	1,992,584
Non-banking assets acquired in satisfaction of claims	1,597,422	-	-	1,597,422	1,597,422
	3,590,006	-	-	3,590,006	3,590,006
2023					
Property and equipment - land and buildings	2,006,099	-	-	2,006,099	2,006,099
Non-banking assets acquired in satisfaction of claims	2,183,567	-	-	2,183,567	2,183,567
	4,189,666	-	-	4,189,666	4,189,666

44.2.1 Certain categories of property and equipment (land and buildings), non-banking assets acquired in satisfactions of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in note 12.2.1 and note 16.1.1

45 SEGMENT INFORMATION

Segment Details with respect to Business Activities

	Consumer / SME	Whole Sale Banking	Treasury	Total
	Rupees '000			
2024				
Profit and Loss Account				
Net mark-up / return / profit / (expense)	4,656,961	(16,750,647)	(976,487)	(13,070,173)
Inter segment revenue - net	-	-	-	-
Non-markup / interest income	2,806,399	378,692	290,612	3,475,703
Total income / (loss)	7,463,360	(16,371,955)	(685,875)	(9,594,470)
Segment direct expenses	(4,614,707)	(3,852,426)	(104,867)	(8,572,000)
Inter segment expense allocation	(2,148,535)	2,251,214	(102,679)	-
Total expenses	(6,763,242)	(1,601,212)	(207,546)	(8,572,000)
Provisions	(271,940)	(7,511,365)	-	(7,783,305)
Profit / (Loss) before tax	428,178	(25,484,532)	(893,421)	(25,949,775)
Statement of Financial Position				
Cash & Bank balances	-	3,221,555	8,733,056	11,954,611
Investments	-	-	174,480,890	174,480,890
Net inter segment lending	129,866,375	(267,981,978)	138,115,603	-
Lendings to financial institutions	-	-	4,620,995	4,620,995
Advances - performing	16,675,645	11,674,359	-	28,350,004
Advances - non-performing	959,300	10,658,885	-	11,618,185
Others	1,330,840	60,558,206	223,222	62,112,268
Total Assets	148,832,160	(181,868,973)	326,173,766	293,136,953
Borrowings	385,864	1,724,741	156,350,193	158,460,798
Subordinated debt	-	2,438,666	-	2,438,666
Deposits & other accounts	128,756,316	28,729,794	-	157,486,110
Net inter segment borrowing	13,010,694	(181,124,692)	168,113,998	-
Others	6,679,286	4,322,013	1,970,585	12,971,884
Total liabilities	148,832,160	(143,909,478)	326,434,776	331,357,458
Equity	-	(37,959,495)	(261,010)	(38,220,505)
Total Equity & liabilities	148,832,160	(181,868,973)	326,173,766	293,136,953
Contingencies & Commitments	823,973	12,342,586	5,444,630	18,611,189

SEGMENT INFORMATION

Segment Details with respect to Business Activities

	Consumer / SME	Whole Sale Banking	Treasury	Total
Rupees '000				
2023				
Profit and Loss Account				
Net mark-up / return / profit / (expense)	7,725,676	(17,847,766)	(1,923,367)	(12,045,457)
Inter segment revenue - net	-	-	-	-
Non-markup / interest income	2,799,791	451,664	500,124	3,751,579
Total income / (loss)	10,525,467	(17,396,102)	(1,423,243)	(8,293,878)
Segment direct expenses	(4,417,357)	(3,317,694)	(112,746)	(7,847,797)
Inter segment expense allocation	(1,743,718)	1,840,467	(96,749)	-
Total expenses	(6,161,075)	(1,477,227)	(209,495)	(7,847,797)
Provisions	(298,766)	(4,215,094)	-	(4,513,860)
Profit / (Loss) before tax	4,065,626	(23,088,423)	(1,632,738)	(20,655,535)
Statement of Financial Position				
Cash & Bank balances	-	4,888,901	11,005,320	15,894,221
Investments	-	-	173,339,468	173,339,468
Net inter segment lending	126,498,328	(250,795,195)	124,298,867	-
Lendings to financial institutions	-	-	491,450	491,450
Advances - performing - net	16,187,088	18,025,532	-	36,212,620
Advances - non-performing - net	890,824	12,590,688	-	13,481,512
Others	1,535,989	49,358,854	1,758,563	52,651,406
Total Assets	147,110,229	(165,933,220)	310,893,668	292,070,677
Borrowings	402,033	1,840,241	145,138,472	147,380,746
Subordinated debt	-	2,438,666	-	2,438,666
Deposits & other accounts	128,764,812	25,497,753	-	154,262,365
Net inter segment borrowing	13,848,290	(175,963,420)	162,115,130	-
Others	4,095,294	5,623,579	4,622,074	14,340,947
Total liabilities	147,110,229	(140,563,181)	311,875,676	318,422,724
Equity	-	(25,370,039)	(982,008)	(26,352,047)
Total Equity & liabilities	147,110,229	(165,933,220)	310,893,668	292,070,677
Contingencies & Commitments	803,843	13,331,746	9,134,411	23,270,000

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

46 TRUST ACTIVITIES

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

47 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its associates, employee benefit plans and its directors and key management personnel.

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

Majority of the transactions with related parties comprise loans and advances, deposits and investments. Advances for the house building, conveyance and for personal use have also been provided to the staff and executives at reduced rates in accordance with the employment and pay policy and such advances have not been disclosed in the following schedule. Facility of group life insurance and hospitalisation insurance is also provided to staff and executives. In addition to this, executives of the Bank have been provided with Bank maintained cars.

Details of balances and transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements are as follows:

	2024				2023			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
	Rupees in '000							
Investments								
Opening balance	-	-	-	-	-	-	123,509	4
Investment made / share profit during the year	-	-	-	-	-	-	(123,509)	(4)
Investment redeemed / disposed off during the year	-	-	-	-	-	-	-	-
Revaluation of investment during the year	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-
Advances								
Opening balance	163	13,285	-	1,164,592	1,892	40,858	-	2,009,638
Addition during the year	893	104,577	-	530,193	5,585	94,720	-	248,464
Repaid during the year	(3)	(108,997)	-	(845,125)	(7,414)	(122,291)	-	(1,191,508)
Closing balance	1,064	8,865	-	839,660	1,063	13,285	-	1,154,592
Provision held against advances	-	-	-	-	-	-	-	680,667
Other Assets								
Interest / mark-up accrued	-	247	-	24,528	-	-	-	53,408
Subordinated debt								
Opening balance	-	-	-	440,266	-	-	-	440,266
Issued / purchased during the year	-	-	-	-	-	-	-	-
Redemption during the year	-	-	-	-	-	-	-	-
Closing balance	-	-	-	440,266	-	-	-	440,266
Deposits and other accounts								
Opening balance	25,381	29,844	-	717,916	21,521	79,485	20,749	557,218
Received during the year	281,188	889,710	-	2,409,526	178,588	603,330	22,486	1,962,783
Withdrawal during the year	(281,386)	(885,654)	-	(1,984,077)	(174,728)	(653,171)	(43,214)	(1,862,085)
Closing balance	16,183	33,600	-	1,243,364	25,381	29,844	-	717,916
Other Liabilities								
Interest / mark-up payable	-	282	-	119	-	904	-	128
Contingencies and Commitments								
Other contingencies	-	-	-	17,389	-	-	-	17,389
Income								
Mark-up / return / interest earned	-	1,998	-	173,309	-	5,608	(13,323)	206,083
Net loss on sale of securities	-	-	-	-	-	-	-	-
Expense								
Mark-up / return / interest paid	1,455	6,227	-	167,198	2,536	4,008	182	109,036
Short term employment benefits	74,623	236,482	-	-	73,105	260,888	-	-
Contribution to Defined Benefit Plan	2,777	8,094	-	-	2,804	9,632	-	-
Meeting fee	49,400	-	-	-	59,280	-	-	-

48 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

2024 2023
Rupees in '000

(41,268,834) (28,203,871)

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CE1 1) Capital

(84,551,705) (59,076,634)

Eligible Additional Tier 1 (AD1 1) Capital

- -

Total Eligible Tier 1 Capital

(84,551,705) (59,076,634)

Eligible Tier 2 Capital

- -

Total Eligible Capital (Tier 1 + Tier 2)

(84,551,705) (59,076,634)

Risk Weighted Assets (RWAs):

Credit Risk

53,819,885 60,372,908

Market Risk

543,139 540,494

Operational Risk

2,094,302 5,181,636

Total

56,457,326 67,095,038

Common Equity Tier 1 Capital Adequacy ratio

-140.76% -88.05%

Tier 1 Capital Adequacy Ratio

-149.76% -88.05%

Total Capital Adequacy Ratio

-149.76% -88.05%

The State Bank of Pakistan (SBP) vide SBD Circular No. 07 dated April 15, 2009 set the Minimum Capital Requirement (MCR) for Banks of Rs. 10 billion (net of losses) for all locally incorporated banks to be achieved upto December 31, 2013. The capital of the Bank (net of losses and discount on shares) as of December 31, 2024 is negative Rs. 41.27 billion excluding general reserve of Rs. 821 million.

The Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10.0% plus capital conservation buffer of 1.5% of the risk weighted exposures of the Bank. Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CE1 1) ratio and Tier 1 ratio of 6% and 7.5%, respectively, as at December 31, 2024.

The Basel-III Framework is applicable to the Bank on a stand alone basis and the Bank has adopted the Standardised approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk while using the simple approach for Credit Risk Mitigation as per SBP guidelines.

Leverage Ratio (LR):

Tier-1 Capital

2024 2023
Rupees in '000

(84,551,705) (59,076,634)

Total Exposures

306,123,115 304,960,416

Leverage Ratio

-27.71% -19.37%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

9,498,942 17,858,081

Total Net Cash Outflow

21,729,374 24,499,180

Liquidity Coverage Ratio

43.71% 72.89%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

165,726,866 167,259,444

Total Required Stable Funding

99,098,736 98,023,595

Net Stable Funding Ratio

167.23% 170.63%

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

49 RISK MANAGEMENT

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

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

49.1 Credit Risk

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

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

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

The Bank manages credit risk through:

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

Credit risk management objectives and policies are:

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

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

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

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

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

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

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

49.1.1 Lendings to financial institutions

Credit risk by public / private sector

Public / Government
Private

Gross lendings		Non-performing lendings		Provision held	
2024	2023	2024	2023	2024	2023
Rupees in '000					
4,620,998	481,450	-	-	-	-
4,620,998	481,450	-	-	-	-

49.1.2 Investment in debt securities

Credit risk by industry sector	Gross investments		Non-performing investments		Provision held	
	2024	2023	2024	2023	2024	2023
	Rupees in '000					
Textile	8,780	8,780	8,780	8,780	8,780	8,780
Financial	124,930	124,910	74,910	74,910	74,910	74,910
Chemical and Pharmaceuticals	172,779	-	172,779	-	172,779	-
Government	173,136,880	173,775,090	-	-	-	-
	173,443,377	173,908,788	256,469	83,690	256,469	83,690
Credit risk by public / private sector						
Public / Government	173,136,880	173,775,090	-	-	-	-
Private	308,497	133,690	256,469	83,690	256,469	83,690
	173,443,377	173,908,788	256,469	83,690	256,469	83,690

49.1.3 Advances

Credit risk by industry sector	Gross advances		Non-performing advances		Provision held	
	2024	2023	2024	2023	2024	2023
	Rupees in '000					
Agriculture, Forestry, Hunting and Fishing	672,084	569,494	607,999	418,873	481,624	373,703
Mining and Quarrying	255,196	255,195	255,195	-	15,275	-
Textile	4,013,803	3,904,800	2,031,712	2,689,088	1,853,322	2,264,348
Chemical and Pharmaceuticals	1,337,091	1,694,812	1,291,472	164,304	609,945	172,934
Cement	112,195	112,195	98,287	59,786	82,579	59,786
Sugar	4,988,719	4,991,118	4,650,380	4,875,852	3,691,708	3,688,488
Footwear and Leather garments	579,419	592,323	502,396	437,002	409,062	361,038
Automobile and transportation equipment	1,000,595	944,719	958,054	922,861	891,696	891,072
Electronics and electrical appliances	2,555,111	2,129,879	2,344,660	2,119,808	2,261,680	2,093,508
Real Estate and Construction	19,478,657	18,383,289	19,314,398	13,052,917	11,897,441	7,910,108
Power (electricity), Gas, Water, Sanitary	617,940	645,135	264,968	192,714	246,431	192,714
Wholesale and Retail Trade	13,704,020	13,846,890	13,070,956	13,347,847	13,032,545	12,531,986
Transport, communication and travelling	932,594	863,685	443,832	296,306	359,337	298,388
Financial	716,747	728,232	128,185	129,185	110,417	101,833
Services	5,639,197	6,381,088	1,834,503	1,652,690	1,088,775	526,192
Individuals	16,915,836	17,812,839	884,939	2,021,931	754,688	826,115
Hotel & Resorts	543,685	708,295	180,829	104,360	13,487	15,972
Telecommunications	140,349	165,309	-	-	-	-
Printing and Publishing	19,400	19,400	19,400	-	19,400	-
Hospital and medical	19,700	40,257	-	-	-	-
Food and beverages	1,558,403	1,618,796	799,348	303,473	765,643	288,250
Rubber and plastics	188,389	450,537	99,986	-	128,246	-
Iron, steel & engineering	3,327,155	3,538,982	1,335,978	1,298,687	655,047	351,352
Education	464,289	186,972	-	-	-	-
Others	827,861	3,075,135	488,722	2,874,738	490,746	660,787
	80,407,623	83,745,316	51,605,179	46,941,182	39,885,994	33,459,650
Credit risk by public / private sector						
Public / Government	80,407,623	83,745,316	51,605,179	46,941,182	39,885,994	33,459,650
Private	-	-	-	-	-	-
	80,407,623	83,745,316	51,605,179	46,941,182	39,885,994	33,459,650

49.1.4 Contingencies and Commitments

	2024	2023
	Rupees in '000	
Credit risk by industry sector	21,119	21,119
Agriculture, Forestry, Hunting and Fishing	1,006,501	1,206,406
Textile	89,274	339,615
Chemical and Pharmaceuticals	14,990	110,000
Cement	16,400	16,054
Automobile and transportation equipment	811,841	907,672
Electronics and electrical appliances	1,126,615	1,053,543
Real Estate and Construction	142,778	68,778
Power (electricity), Gas, Water, Sanitary	697,172	729,908
Wholesale and Retail Trade	5,480,930	19,115,580
Financial Services	4,168,298	3,638,080
Individuals	600	-
Transport, communication and travelling	109,736	125,855
Hospital and medical	112,848	255,797
Food and beverages	281,837	126,347
Others	4,443,261	4,556,208
	18,611,189	23,270,000
Credit risk by public / private sector		
Public / Government	8,205,903	9,307,808
Private	10,405,286	13,962,192
	18,611,189	23,270,000

49.1.5 Concentration of Advances

The bank top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 22,260 million (2023: Rs. 22,331 million) are as following:

	2024	2023
	Rupees in '000	
Funded	22,266,461	22,331,445
Non Funded	16,000	-
Total Exposure	22,280,461	22,331,445

The sanctioned limits against these top 10 exposures aggregated to Rs. 22,468 million (2023: Rs. 22,331 million)

	2024		2023	
	Non Performing Loans	Provision held	Non Performing Loans	Provision held
	Rupees in '000			
Total funded classified therein				
Substandard	-	-	1,887,795	-
Doubtful	-	-	-	-
Loss	20,468,023	18,087,992	20,443,650	19,218,067
Total	20,468,023	18,087,992	22,331,445	19,218,067

49.1.6 Advances - Province / Region-wise Disbursement & Utilization

Province / Region	Disbursement	Utilization				
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad
						AJK including Gilgit-Balistan
		Rupees '000				
2024						
Punjab	2,146,737	2,146,737	-	-	-	-
Sindh	16,481,788	-	16,481,788	-	-	-
KPK including FATA	-	-	-	-	-	-
Balochistan	-	-	-	-	-	-
Islamabad	1,877,805	-	-	-	1,877,805	-
AJK including Gilgit-Balistan	-	-	-	-	-	-
Total	19,606,330	2,146,737	16,481,788	-	1,877,805	-
2023						
Punjab	7,621,701	7,621,701	-	-	-	-
Sindh	14,238,816	-	14,238,816	-	-	-
KPK including FATA	298	-	-	298	-	-
Balochistan	-	-	-	-	-	-
Islamabad	980,825	-	-	-	980,825	-
AJK including Gilgit-Balistan	1,400	-	-	-	-	1,400
Total	22,851,040	7,621,701	14,238,816	298	980,825	1,400

49.2 Market Risk

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

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

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

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

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

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

49.2.1 Balance sheet split by trading and banking books

	2024			2023		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	Rupees in '000					
Cash and balances with treasury banks	10,820,602	-	10,820,602	14,055,139	-	14,055,139
Balances with other banks	1,134,109	-	1,134,109	1,839,082	-	1,839,082
Lendings to financial institutions	4,620,885	-	4,620,885	491,460	-	491,460
Investments	174,478,415	1,477	174,480,892	173,107,765	231,703	173,339,468
Advances	39,848,189	-	39,848,189	49,094,132	-	49,094,132
Property and equipment	2,488,517	-	2,488,517	2,601,797	-	2,601,797
Right-of-use assets	1,835,478	-	1,835,478	1,024,138	-	1,024,138
Intangible assets	253,676	-	253,676	317,415	-	317,415
Deferred tax assets	42,972,148	-	42,972,148	30,498,301	-	30,498,301
Other assets	14,764,449	-	14,764,449	17,229,757	-	17,229,757
	293,135,476	1,477	293,136,953	291,838,674	231,703	292,070,377

49.2.2 Foreign Exchange Risk

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

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

	2024				2023			
	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure
	Rupees in '000							
Pakistan Rupee	287,628,072	320,333,249	(8,842)	(32,705,177)	285,400,022	303,605,052	(7,949,714)	(18,205,730)
United States Dollar	4,117,944	9,609,273	8,842	(16,489,171)	4,607,216	12,524,501	7,785,005	(132,200)
Great Britain Pound Sterling	828,643	845,222	-	(16,579)	1,302,123	1,307,772	14,344	8,595
Euro	689,735	689,185	-	550	600,490	884,864	-	(1,366)
Japanese Yen	8,083	18	-	8,065	12,414	20	-	12,394
Other currencies	86,498	811	-	85,687	68,404	515	160,325	218,214
	5,698,881	11,024,209	8,842	(5,498,486)	6,670,855	14,517,672	7,949,754	(102,737)
	293,135,953	331,357,458	-	(38,221,505)	292,070,877	319,422,724	-	(26,351,847)

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 1% change in foreign exchange rates on Profit and loss account				
+1% change		7,790		1,052
-1% change		(7,790)		(1,052)

49.2.3 Equity position Risk

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

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 5% change in equity prices on Other comprehensive income				
+5% change	8,514	-	8,568	-
-5% change	(8,514)	-	(8,568)	-

43.2.6 Yield Interest Rate Risk (in the Banking Book) (BBB)-Basel III Specific

The effects of interest rate changes on both earnings and economic value in ways that are consistent with the scope of its activities. The Bank used to highlight explanation of its current and anticipated levels of interest rate risk exposure. The Bank has a well-defined interest rate risk management philosophy and methodology. Tools at its disposal include scenario and stress testing. The Bank follows an integrated approach towards interest rate risk management and pricing and monitors it accordingly. The key assumptions for interest rate risk management are:

- Determine the range of potential interest rate movements over which the bank will accept its exposure i.e. from a single parallel movement scenario to a wide complex rate scenarios
- Ensure that risk is measured over a reasonable range of potential rate changes including meaningful stress scenarios
- Consider a variety of factors such as the shape and level of the current term structure of interest rate, historical and projected movements of interest rates
- Estimate the risk of loss or gain in the current risk positions
- Select scenarios that provide a wide range of risk estimates

	2024	2023
	Banking book	Trading book
	Trading book	Banking book
	Trading book	Trading book
	(Rupees in '000)	
Impact of 1% change in interest rates on		
Profit and loss account		
+1% change		3,412
-1% change		(3,472)
Other comprehensive income		
+1% change	(1,265,650)	(2,508,322)
-1% change	1,265,650	2,508,322

43.2.6.3 Simulated Interest rate sensitive assets and liabilities

Sensitivity of Interest rate to sensitive assets and liabilities		2024										
Effective Yield Interest rate	Total	Exposured to Yield Interest rate										Not exposed to Yield Interest rate
		Up to 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years		
Rupees in '000												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		10,630,502						652,645				9,610,857
Advances to other banks		1,524,122										1,524,122
Loans to financial institutions	20.67%	4,020,555	4,020,555									
Investments	18.79%	174,450,864	469	974	15,623,424	3,272,072	45,399,945	3,628,110	93,463,343	823,033		
Advances	9.14%	33,954,189	714,563	2,090,095	3,452,667	2,177,730	5,605,014	5,035,842	11,712,761	4,234,052	4,142,400	851,338
Other assets		14,764,449										14,764,449
		245,364,194	8,235,639	2,091,583	23,255,923	9,444,815	51,204,938	43,612,997	99,195,513	5,043,095	4,142,400	28,351,758
Liabilities												
Bills payable		4,408,391										4,408,391
Deposits	19.69%	136,440,738	156,358,137	461,460	1,677,791							
Deposits and other accounts	13.62%	137,416,110	10,663,713	9,613,443	12,033,979	19,345,659	10,479,549	11,351,453	27,970,532	33,181,642	18,441,841	33,730,471
Loans to banks	17.37%	2,405,202		25,943	19,020	41,439	42,165	69,460	727,070	63,401	452,470	
Subordinated debt	19.12%	2,418,550	8,709	938,600		4,438,663						8,409,131
Other liabilities		8,459,353										
		131,767,433	167,256,675	10,499,795	13,738,236	20,785,235	56,082,125	51,457,651	24,697,651	55,417,043	53,644,002	44,353,991
On-balance sheet gap		113,596,761	(159,021,036)	(8,408,212)	9,517,687	(11,300,416)	(4,877,187)	(8,834,654)	74,517,862	(48,372,948)	(49,501,602)	(16,002,233)

Off-balance sheet financial instruments

Commitments in respect of forward currency contracts - Purchase	8,560,493	8,548,319	22,883	11,681
Commitments in respect of forward currency contracts - Sale	(573,914)	(573,914)		
Commitments in respect of forward government securities transactions - Purchase				
Commitments in respect of forward government securities transactions - Sale				
Off-balance sheet gap	7,986,579	7,974,405	22,883	11,681
Total Yield/Interest Risk Sensitivity Gap	(143,947,073)	(7,815,323)	(110,847,457)	28,218,762
Cumulative Yield/Interest Risk Sensitivity gap	(143,947,073)	(151,762,457)	(162,605,824)	(130,283,342)

	2024	2023		2024	2023
Reconciliation of total assets		Report in '000	Reconciliation of total liabilities		Report in '000
Balance as per statement of financial position	292,138,043	202,679,677	Balance as per statement of financial position	331,352,458	318,422,724
Less: Non-financial assets			Less: Non-financial liabilities		
Property and equipment	2,401,917	2,681,707	Other liabilities		
Right of use assets	1,631,478	1,824,130			
Intangible assets	750,878	817,415			
Deferred tax assets	42,972,145	39,688,331			
	67,857,418	35,012,583			
Total financial assets	284,280,625	250,648,020	Total financial liabilities	331,352,458	318,422,724

Yield Risk is the risk of decline in earnings due to adverse movement of the price of the instrument. Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates.

The objective of interest rate risk management is to formulate risk decision-making and risk management processes, which includes identification, measurement, monitoring and control of interest rate risk across the bank and establishing governance roles providing interest rate risk management.

49.3 Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people or systems or from external events.

The Bank has in place robust, duly approved various policies, procedures and a Business Continuity Plan. These are continuously reviewed to strengthen operational controls. Risk policy sets minimum standards and requires all business units to identify and assess risks. The business units are responsible for day-to-day monitoring of operational risks and for taking actions as a result thereof. They also report operational risks events in the management reporting system.

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

At Bank level, the management has taken a number of measures for Business Continuity Planning (BCP) which includes adding functional Disaster Recovery (DR) site. Further, SBR has also been approached for the replication in each of the CoS of CoS for Transactions of BCRs, DRs and PAs to allow the Bank to perform even in Capital and Money Market developments from Off Premises other than Primary and DR site as well as usage of Virtualization Capabilities. Moreover, various management committees have been set up to ensure and strengthen proposals through decision-making and follow-up. A food safety has been dealing with the regulatory on continuous basis.

49.3.1 Operational Risk Disclosures Based T3 profile

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

49.4 : Loaded by risk

The risk of losses is partly reflected due to availability of funds to meet short term demands, as the Bank's liquid assets and liquid reserves are not sufficient to meet its obligations.

Bank's approach to liquidity risk management is to ensure as far as possible that all always have sufficient liquidity to meet its liabilities when due. The Fund Management Policy is formulated keeping in view SBI's guidelines on risk management and Board's policies on sound credit management.

The Bank has an Asset and Liability Management Committee (ALCO) and a Market Risk Policy Committee (MRPC) that are part of the framework for management of risk.

The ALCOA MRPCC is responsible for managing the composition of assets and liabilities, management of liquidity, timely identification of sources of market and liquidity risk, pricing of deposits and advances, deciding on the required liquidity (PLCA) and the mix of monetary and non-monetary liabilities, defining a liberalized view of the bank and deciding on the strategies for treasury, including and without loss of generality, and evaluating the market and liquidity risks involved in working with derivatives.

Wildlife contingency funding plans have been drawing up to ensure that should the funding stop, there will be a place when any of the indicators being monitored enter into the warning or stress zone and can be implemented on a daily basis to ensure that the biodiversity that may also upon the occurrence of a significant change in the structure.

48.4.1 Majority of Assets and Liabilities – based on commercial maturity of the assets and liabilities of the bank

[illegible]

2003

Total	12/31/02	Over 1 to 7 Days	Over 7 to 14 Days	Over 14 days to 1 year	Over 1 to 7 Months	Over 7 to 13 Months	Over 13 to 18 Months	Over 18 to 24 Months	Over 24 months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 Years
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Negative \$00

Assets

Cash and cash equivalents

11,056,139	11,072,130	-	-	-	-	-	-	-	-	-	-	-	-
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Securities with maturities

1,832,042	1,834,000	-	-	-	-	-	-	-	-	-	-	-	-
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Held-to-maturity securities

251,250	-	277,675	-	-	-	-	-	-	-	-	-	-	-
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Equity investments

175,339,460	-	-	-	50,175	-	-	131,351	38,570,400	8,505,661	55,678,218	44,175,900	22,742,525	36,431,549
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Advances

49,831,577	528,454	105,970	170,769	493,555	875,491	1,675,434	3,554,333	1,677,204	1,845,234	8,231,544	8,705,547	10,901,437	10,503,244
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Property and equipment

1,881,757	1,669	8,617	10,759	21,316	44,897	44,007	134,030	124,000	154,000	1,135,250	535,557	1,876,455	-
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Right-of-use assets

1,824,135	5,054	6,529	7,333	38,034	32,000	33,000	98,207	84,207	96,207	344,837	344,837	770,329	-
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Leasehold intangibles

312,415	174	1,031	1,217	7,605	5,250	6,250	15,811	15,811	15,811	43,443	85,453	721,179	-
---------	-----	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	---------	---

Deferred intangibles

50,478,501	-	-	-	-	-	-	-	-	-	3,693,794	3,693,794	25,176,769	-
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Other intangibles

17,229,271	802	3,174	3,126	1,655,750	3,339,517	3,323,189	4,126,472	209,643	205,300	657,805	1,369,148	2,189,112	2,618,290
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Total assets

272,018,677	10,012,715	418,321	158,744	2,168,530	4,661,097	7,061,529	4,490,312	26,702,410	30,668,633	36,435,835	55,371,605	44,364,455	73,565,723
-------------	------------	---------	---------	-----------	-----------	-----------	-----------	------------	------------	------------	------------	------------	------------

Liabilities

Accounts payable

3,141,563	3,141,263	-	-	-	-	-	-	-	-	-	-	-	-
-----------	-----------	---	---	---	---	---	---	---	---	---	---	---	---

Borrowings

187,392,749	-	77,251,200	50,629,551	47,825,160	62,500	413,241	1,297,600	333	-	-	-	-	-
-------------	---	------------	------------	------------	--------	---------	-----------	-----	---	---	---	---	---

Deposits and other liabilities

154,757,325	95,470	1,550,339	1,945,383	9,243,232	3,361,344	1,001,325	14,443,119	11,830,748	8,340,435	16,255,374	15,755,519	79,172,663	13,428,800
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Lease liabilities

2,508,107	-	-	-	33,409	-	88,400	80,810	34,620	224,159	591,565	330,270	577,817	204,874
-----------	---	---	---	--------	---	--------	--------	--------	---------	---------	---------	---------	---------

Subordinated debt

2,455,666	-	800	-	-	-	200	-	200	-	993,000	1,438,886	-	-
-----------	---	-----	---	---	---	-----	---	-----	---	---------	-----------	---	---

Other liabilities

8,879,877	1,990	16,352	22,453	44,457	61,430	72,095	324,431	232,858	186,554	1,031,763	1,015,063	2,761,945	3,093,944
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Total liabilities

235,432,784	3,140,472	79,431,031	51,258,293	57,201,750	64,860	1,012,132	15,453,645	11,992,327	8,762,533	17,934,908	18,555,628	83,535,268	26,916,524
-------------	-----------	------------	------------	------------	--------	-----------	------------	------------	-----------	------------	------------	------------	------------

Share capital - net

25,431,214	-	-	-	-	-	-	-	-	-	-	-	-	-
------------	---	---	---	---	---	---	---	---	---	---	---	---	---

Statutory reserves

400,000	-	-	-	-	-	-	-	-	-	-	-	-	-
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Surplus on revaluation of assets - retained

1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-
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Accumulated losses

61,675,751	-	-	-	-	-	-	-	-	-	-	-	-	-
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Total equity

36,585,893	6,872,243	61,987,792	56,991,451	61,016,780	60,000	6,049,397	29,939,767	14,710,083	21,906,095	18,490,927	36,815,977	38,829,187	46,649,199
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49.6 Derivative Risk

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

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

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

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

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

The details of commitments under forward foreign exchange contracts outstanding at year-end has been given in notes 26.2.1 and 28.2.2.

The accounting policies used to recognise and disclose derivative instruments are given in note 6.18.2. The risk management framework of derivative instruments is given in note 49.

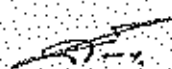
50 DATE OF AUTHORIZATION FOR ISSUE

50.1 The financial statements were authorized for issue on Feb 26, 2025 by the Board of Directors of the Bank.

51 GENERAL

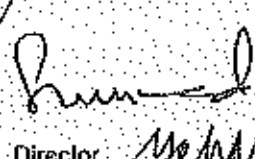
51.1 Captions in respect of which no amounts exist may not be reproduced in these financial statements except in case of statement of financial position and profit and loss account.

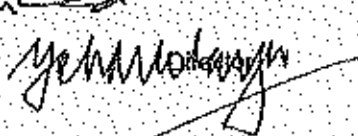
51.2 Comparative information has been reclassified, rearranged or additionally incorporated in these financial statements for the purposes of better presentation.


Chief Financial
Officer


President & Chief
Executive Officer


Director


Director


Director

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ANNUAL REPORT
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 (IN AUDIT) (IN HONG KONG DOLLARS)

ANNUAL REPORT

AS AT 2014

No.	Description	Particulars	Particulars	Particulars	Statement of Financial Position				Statement of Financial Position	Statement of Financial Position	Statement of Financial Position	Statement of Financial Position
					Assets	Liabilities	Equity	Assets	Liabilities	Equity	Assets	Liabilities
1	2	3	4	5	6	7	8	9	10	11	12	13
14	15	16	17	18	19	20	21	22	23	24	25	26
27	28	29	30	31	32	33	34	35	36	37	38	39
40	41	42	43	44	45	46	47	48	49	50	51	52
53	54	55	56	57	58	59	60	61	62	63	64	65
68	69	70	71	72	73	74	75	76	77	78	79	80
83	84	85	86	87	88	89	90	91	92	93	94	95
98	99	100	101	102	103	104	105	106	107	108	109	110
113	114	115	116	117	118	119	120	121	122	123	124	125
128	129	130	131	132	133	134	135	136	137	138	139	140
143	144	145	146	147	148	149	150	151	152	153	154	155
158	159	160	161	162	163	164	165	166	167	168	169	170
173	174	175	176	177	178	179	180	181	182	183	184	185
188	189	190	191	192	193	194	195	196	197	198	199	200
203	204	205	206	207	208	209	210	211	212	213	214	215
218	219	220	221	222	223	224	225	226	227	228	229	230
233	234	235	236	237	238	239	240	241	242	243	244	245
248	249	250	251	252	253	254	255	256	257	258	259	260
263	264	265	266	267	268	269	270	271	272	273	274	275
278	279	280	281	282	283	284	285	286	287	288	289	290
293	294	295	296	297	298	299	300	301	302	303	304	305
308	309	310	311	312	313	314	315	316	317	318	319	320
323	324	325	326	327	328	329	330	331	332	333	334	335
338	339	340	341	342	343	344	345	346	347	348	349	350
353	354	355	356	357	358	359	360	361	362	363	364	365
368	369	370	371	372	373	374	375	376	377	378	379	380
383	384	385	386	387	388	389	390	391	392	393	394	395
398	399	400	401	402	403	404	405	406	407	408	409	410
413	414	415	416	417	418	419	420	421	422	423	424	425
428	429	430	431	432	433	434	435	436	437	438	439	440
443	444	445	446	447	448	449	450	451	452	453	454	455
458	459	460	461	462	463	464	465	466	467	468	469	470
473	474	475	476	477	478	479	480	481	482	483	484	485
488	489	490	491	492	493	494	495	496	497	498	499	500
503	504	505	506	507	508	509	510	511	512	513	514	515
518	519	520	521	522	523	524	525	526	527	528	529	530
533	534	535	536	537	538	539	540	541	542	543	544	545
548	549	550	551	552	553	554	555	556	557	558	559	560
563	564	565	566	567	568	569	570	571	572	573	574	575
578	579	580	581	582	583	584	585	586	587	588	589	590
593	594	595	596	597	598	599	600	601	602	603	604	605
608	609	610	611	612	613	614	615	616	617	618	619	620
623	624	625	626	627	628	629	630	631	632	633	634	635
638	639	640	641	642	643	644	645	646	647	648	649	650
653	654	655	656	657	658	659	660	661	662	663	664	665
668	669	670	671	672	673	674	675	676	677	678	679	680
683	684	685	686	687	688	689	690	691	692	693	694	695
698	699	700	701	702	703	704	705	706	707	708	709	710
713	714	715	716	717	718	719	720	721	722	723	724	725
728	729	730	731	732	733	734	735	736	737	738	739	740
743	744	745	746	747	748	749	750	751	752	753	754	755
758	759	760	761	762	763	764	765	766	767	768	769	770
773	774	775	776	777	778	779	780	781	782	783	784	785
788	789	790	791	792	793	794	795	796	797	798	799	800
803	804	805	806	807	808	809	810	811	812	813	814	815
818	819	820	821	822	823	824	825	826	827	828	829	830
833	834	835	836	837	838	839	840	841	842	843	844	845
848	849	850	851	852	853	854	855	856	857	858	859	860
863	864	865	866	867	868	869	870	871	872	873	874	875
878	879	880	881	882	883	884	885	886	887	888	889	890
893	894	895	896	897	898	899	900	901	902	903	904	905
908	909	910	911	912	913	914	915	916	917	918	919	920
923	924	925	926	927	928	929	930	931	932	933	934	935
938	939	940	941	942	943	944	945	946	947	948	949	950
953	954	955	956	957	958	959	960	961	962	963	964	965
968	969	970	971	972	973	974	975	976	977	978	979	980
983	984	985	986	987	988	989	990	991	992	993	994	995
998	999	1000	1001	1002	1003	1004	1005	1006	1007	1008	1009	1010

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SILKBANK LIMITED
ISLAMIC BANKING BUSINESS

Annexure - II

The Bank is operating with 23 Islamic Banking branches at the end of 2024 (2023: 23).

The statement of financial position of these branches as at December 31, 2024 are as follows:

The statement of financial position of these branches as at December 31, 2024 and 2023 follows:

	Note	2024	2023
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks		1,094,373	1,243,683
Balances with other banks		25,836	37,190
Due from financial institutions	1	19,713,376	19,838,407
Investments	2	3,140,967	2,426,627
Islamic financing and related assets - net	3	3,000	156,925
Property and equipment		73,312	99,441
Right-of-use assets		293,606	380,607
Intangible assets		236	784
Due from Head Office		1,396,760	-
Other assets		522,124	944,327
Total Assets		26,283,488	25,129,991
LIABILITIES			
Bills payable		526,621	298,172
Due to financial institutions		11,107	-
Deposits and other accounts	4	12,803,724	12,550,227
Due to Head Office		-	2,005,050
Lease liabilities		430,991	614,732
Other liabilities		317,073	262,988
Total Liabilities		14,089,516	15,649,169
NET ASSETS		12,173,972	9,480,812
REPRESENTED BY			
Islamic banking fund		6,626,000	6,626,000
Reserves		-	-
Surplus / (Deficit) on revaluation of assets		20,679	(40,300)
Un-appropriated profits	6	5,526,293	2,896,112
		12,173,972	9,480,812
CONTINGENCIES AND COMMITMENTS			
	7		

The profit and loss account of the Bank's Islamic banking branches for the year ended December 31, 2024 is as follows:

	Note	2024	2023
		Rupees in '000	
Profit / return earned	8	4,617,016	4,403,928
Profit / return expensed	9	(1,220,214)	(1,364,441)
Net profit / return		3,396,802	3,039,487
Other Income			
Fee and commission income		30,965	32,805
Foreign exchange income		28,153	52,942
Income from derivatives		-	-
Loss on securities		-	(1,140)
Other income		28,253	79,663
Total other income		87,371	164,070
Total income		3,484,173	3,203,557
Other expenses			
Operating expenses		(695,414)	(775,703)
Workers Welfare Fund		-	-
Other charges		(2,127)	(32)
Total other expenses		(697,541)	(775,735)
Profit before provisions		2,786,632	2,427,822
Provisions and write offs - net		(154,451)	(47,483)
Profit for the year		2,632,181	2,380,339

		2024			2023				
		In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total		
		Rupees In '000							
1	Due from Financial Institutions								
	Due from receivable from other financial institution	19,713,376	-	19,713,376	19,838,487	-	19,838,487		
		19,713,376	-	19,713,376	19,838,487	-	19,838,487		
		2024				2023			
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
		Rupees In '000							
2	Investments by segments:								
	Available-for-sale securities								
	Federal Government Securities:								
	- Kzech Sukuk	3,120,288	-	20,879	3,140,967	2,466,927	-	(40,300)	2,426,627
	Total investments	3,120,288	-	20,879	3,140,967	2,466,927	-	(40,300)	2,426,627
		Rupees In '000							
		2024				2023			
		Rupees In '000							
3	Islamic financing and related assets - net								
	Murabaha								
	Diminishing Musharaka								
	Gross Islamic financing and related assets								
	Less: provision against Islamic financings								
	- Specific								
	- General								
	Islamic financing and related assets - net of provision								
3.1	Murabaha								
	Murabaha financing								
	Inventory for Murabaha								
	Advances for Murabaha								
3.1.1	Murabaha receivable - gross								
	Less: Deferred murabaha income								
	Less: Profit receivable shown in other assets								
	Murabaha financings								
3.1.2	The movement in Murabaha financing during the year is as follows:								
	Opening balance								
	Sales during the year								
	Adjusted during the year								
	Closing balance								
3.1.3	Murabaha sale price								
	Murabaha purchase price								
3.1.4	Deferred murabaha income								
	Opening balance								
	Arising during the year								
	Loss: Recognised during the year								
	Closing balance								
3.2	Islamic financing include Rs. 195 Million (2023: Rs. 195 Million) which have been placed under non-performing status as detailed below:								
	Category of classification - specific								
	Substandard								
	Doubtful								
	Loss								
	Total								
3.3	SBI vide various circulars has amended Prudential Regulations in respect of provisioning against non-performing advances under which the benefit of Forced Sale Value (FSV) has been allowed for plant and machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing advances upto five years from the date of classification.								

4 Deposits

Customers
Current deposits
Savings deposits
Term deposits
Margin deposits
Call deposits

Financial Institutions
Current deposits
Savings deposits
Term deposits

2024			2023		
In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
Rupees in '000					
3,102,321	680,338	3,782,659	4,128,508	1,030,703	5,159,211
5,378,593	976,958	6,355,551	4,262,071	1,212,331	5,474,402
1,851,716	73,676	1,925,391	1,596,536	47,212	1,643,748
30,803	-	30,803	26,705	-	26,705
52,670	-	52,670	53,987	-	53,987
10,916,260	1,709,972	12,626,232	10,068,877	2,290,326	12,359,203
8,591	438	9,029	20,408	12,569	32,975
88,423	-	88,423	33,049	-	33,049
100,000	-	100,000	125,000	-	125,000
177,114	438	177,552	178,455	12,569	191,024
11,093,314	1,710,410	12,803,724	10,247,332	2,302,895	12,550,227

4.1 Composition of deposits

- Individuals
- Government (Federal and Provincial)
- Public Sector Entities
- Banking Companies
- Non-Banking Financial Institutions
- Private Sector

2024	2023
Rupees in '000	
8,640,005	9,031,442
1,208,403	1,283,600
70,526	60,000
1,462	1,312
176,100	189,712
2,709,734	2,904,155
12,803,724	12,550,227

4.2 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 10,161 million (2023: Rs. 8,885 million).

5 Charity Fund

Opening Balance

Received from customers on account of delayed payment
Payments / Utilisation during the year

Closing Balance

2024	2023
Rupees in '000	
-	-
-	-
-	-
-	-

6 Islamic Banking Business Unappropriated Profit

Opening Balance

Add: Islamic Banking profit for the year

Closing Balance

2024	2023
2,896,112	516,753
2,832,161	2,380,359
5,728,273	2,897,112

7 CONTINGENCIES AND COMMITMENTS

Currents

Commitments

2024	2023
904,014	808,258
1,311,596	1,835,787
2,215,610	2,644,045

8 Profit / return earned of financing, investments and placement

Profit earned on:

Financing

Investments

Placements

2024	2023
1,141	14,040
474,342	451,273
4,143,633	2,938,815
4,617,016	4,403,928

9 Profit on Deposits and other Dues Expensed

Deposits and other accounts

Cost of foreign currency swaps against foreign currency deposits / borrowings

Lease liability against right-of-use assets

2024	2023
944,846	585,680
210,383	309,064
84,986	60,809
1,240,215	955,553

10 Pool Management

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

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

Key Features

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

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

In line with the principles of commingling Mudaraba, where the Mudarib is permitted to commingle its own funds with the funds received on the basis of the Mudaraba, and to comply with the regulations of the SBP on creation of an Islamic Banking Fund (the 'IBF'), Silkbank has created an Islamic Banking Fund of Rs. 6,626 million and deposited the same in its common Mudaraba pool.

Risk & Rewards Characteristics

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

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

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

Profit Rate and Weightages announcement period

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

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

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

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

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

Profit and Loss distribution in Common Mudaraba Pool

2024							
General Depositors Pool	Mudarib share - net of Hiba and including the Mudarib fee ('000)	Mudarib share - net of Hiba and including the Mudarib Fee (%)	Amount of Mudarib share transferred to depositors through Hiba ('000)	Profit rate and weightages announcement period	Mudarib share transferred to depositors through Hiba (%)	Profit rate earned (%)	Profit rate distributed (%)
Common Mudaraba Pool	628,547	16.64%	-	Monthly	0.00%	16.99%	9.58%
2023							
General Depositors Pool	Mudarib share - net of Hiba and including the Mudarib fee ('000)	Mudarib share - net of Hiba and including the Mudarib Fee (%)	Amount of Mudarib share transferred to depositors through Hiba ('000)	Profit rate and weightages announcement period	Mudarib share transferred to depositors through Hiba (%)	Profit rate earned (%)	Profit rate distributed (%)
Common Mudaraba Pool	655,581	19.08%	-	Monthly	0.00%	11.73%	8.75%

MANAGEMENT'S STATEMENT ON INTERNAL CONTROLS
AS OF DECEMBER 31, 2024

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

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

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

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

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

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

Silkbank Limited
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Website: www.silkbank.com.pk

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Committee acts as an oversight Authority and supports the Board in embedding compliance and control culture in the Bank.

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

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

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

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

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

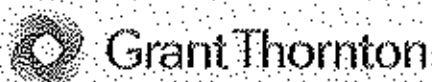
The Bank is continuously making efforts to ensure that an effective and efficient Internal Controls System remains active and implemented through consistent and periodic monitoring that would help further strengthening of the overall control environment.



Shahram Raza Bakhtiari
President & CEO

Karachi, February 26, 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT

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

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

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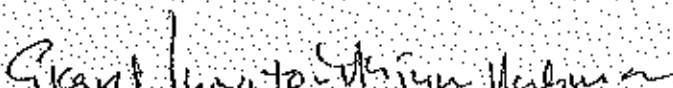
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Silkbank Limited (the Bank) for the year ended December 31, 2024, in accordance with the requirements of Regulation No. 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Bank's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Bank for the year ended December 31, 2024.


Grant Thornton Anjum Rahman
Chartered Accountants

Karachi

Date: March 05, 2025

UDIN: CR202410126OvZpPJR5m

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

**Silk Bank Limited
For the Year ended December 31, 2024**

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

1. The total number of directors are 6 as per the following:

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

2. The composition of the Board is as follows:

i.	Executive Director	Mr. Shahram Raza Bakhtari
ii.	Independent Directors	Mr. Khalid Aziz Mirza Mr. Rashid Akhtar Chughtai Mr. Masroor Ahmed Qureshi
iii.	Non-Executive Directors	Mr. Zubair Nawaz Chattha Mr. Goharulayn Afzal Mrs. Samia Shahzad Murad

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Bank.
- The Bank has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall corporate strategy, and significant policies for the company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Bank.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.

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7. The meetings of the Board were presided over by the Chairman and in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording, and circulating minutes of meetings of the Board.
8. The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations.
9. All the Directors on the Board are fully conversant with their duties and responsibilities as Directors of the Bank and have completed their director training under the director training program except the following two Directors of the Bank stand exempted from the requirement of the said certification:
 - Mr. Khalid Aziz Mirza.
 - Mr. Rashid Akhtar Chughtai.
10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary, and Head of Internal Audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

a) Audit Committee

Masroor Ahmed Qureshi	Chairman
Samia Shahzad Murad	Member
Head of Audit	Secretary

b) Nomination, Remuneration & Human Resource Committee

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

c) Risk Management Committee

Masroor Ahmed Qureshi	Member
Goharulayn Afzal	Member
Samia Shahzad Murad	Member
Chief Risk Officer	Secretary

d) Information Technology Committee

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

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

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

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

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

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

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

19. Explanation for as to impediment in its compliance with requirements, other than 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulation are given below:

Sustainability Committee (Regulation 10a) According to clause 10(4)(XIV) of Listed Companies Code of Corporate Governance for the development of sustainability policy and pursuant to regulation 10a of the Securities and Exchange Commission Pakistan's (SECP) notification (S.R.O. (1)/2024) dated June 12, 2024 for the formation of sustainability committee. Though the Bank does not have a formal Environmental, Social, and Governance (ESG) policy and committee, however, it recognizes the importance of these principles in business operations. Currently, the Bank has voluntarily undertaken various ESG-related activities. These activities have been shared as part of our ESG initiatives this year and demonstrate the Bank's ongoing commitment to integrating ESG considerations into its business practices, in alignment with the spirit of the Code. The bank is well aware of its ESG risks and operations and investment policies carry a guideline on how to mitigate those risk as well initiatives to take the ESG agenda forward

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



**Shahram Raza Bakhtiari
President & CEO**



**Khalid Aziz Mirza
Chairman**

Karachi, February 26, 2025.

S. No.	Categories of Shareholders	Number of Shareholders	Shares Held	Percentage %
01	Directors, Chief Executive Officer and their spouse(s) and minor children	06	431,870,796	4.76
02	Associated Companies, undertakings and related Parties	12	5,568,157,208	61.31
03	Executives	04	325,020	0.00
04	Banks Development Financial Institutions, Non-Banking Financial Institutions	03	45,820,663	0.50
05	Insurance Companies	03	516,071	0.01
06	Modarabas and Mutual Funds	02	22,380,417	0.25
07	General Public – Foreign	172	317,777,598	3.50
08	General Public – Local	10,238	2,441,184,515	26.88
09	Others	72	253,828,949	2.79
	Total:	10,512	9,081,861,237	100.00

S. No.	Categories/Sub-Categories of Shareholders	Number of Shares held	Category wise Shares held	Percentage
	Directors, Chief Executive Officer and their Spouse and Minor Children		431,870,796	4.76
01	Mr. Khalid Aziz Mirza	500		0.00
	Mr. Masroor Ahmed Qureshi	500		0.00
	Mr. Zubair Nawaz Chatha	415,626,000		4.58
	Mr. Rashid Akhtar Chughtai	500		0.00
	Mrs. Samia Shahzad Murad	3,200,000		0.04
	Mr. Goharulayn Afzal	12,543,796		0.14
	Mr. Shahzad Enver Murad (Husband of Mrs. Saima Shahzad Murad)	500,000		0.01
02	Associated Companies, Undertakings and Related Parties. (5% & above shareholding).		5,568,157,208	61.31
	Arif Habib Corporation Limited	2,563,901,924		28.23
	Mr. Shaukat Tarin	904,591,791		9.96
	International Finance Corporation	702,689,067		7.74
	Mr. Zulqarnain Nawaz Chatha	704,508,000		7.76
	Nomura European Investment Limited	356,676,342		3.93
	Bank Muscat S.A.O.G.	315,776,969		3.48
	Azmat Shahzad Ahmed Tarin	20,013,115		0.22
03	Executives		325,020	0.00
04	Banks Development Financial Institutions, Non-Banking Financial Institutions		45,820,663	0.50
05	Insurance Companies		516,071	0.01
06	Modarabas and Mutual Funds		22,380,417	0.25
07	General Public – Foreign		317,777,598	3.50

08	General Public – Local	2,441,184,515	26.88
09	Others	253,828,949	2.79
	Total	9,081,861,237	100.00

SILKBANK LIMITED
Pattern of Shareholdings
as at December 31, 2024

<u># Of Shareholders</u>	<u>Shareholdings'Slab</u>			<u>Total Shares Held</u>
725	1	to	100	20,734
989	101	to	500	409,176
931	501	to	1000	870,037
2415	1001	to	5000	7,541,402
1263	5001	to	10000	10,544,568
543	10001	to	15000	7,075,894
458	15001	to	20000	8,561,172
286	20001	to	25000	6,729,598
253	25001	to	30000	7,226,097
181	30001	to	35000	5,056,284
139	35001	to	40000	5,391,439
108	40001	to	45000	4,663,172
280	45001	to	50000	13,877,040
84	50001	to	55000	4,447,847
83	55001	to	60000	4,873,022
46	60001	to	65000	2,917,757
54	65001	to	70000	3,701,242
53	70001	to	75000	3,902,061
36	75001	to	80000	2,824,244
38	80001	to	85000	3,173,157
40	85001	to	90000	3,540,249
23	90001	to	95000	2,139,559
282	95001	to	100000	28,155,372
62	100001	to	105000	6,357,038
37	105001	to	110000	4,040,892
30	110001	to	115000	3,389,129
18	115001	to	120000	2,129,626
18	120001	to	125000	2,229,438
26	125001	to	130000	3,347,469
13	130001	to	135000	1,722,010
17	135001	to	140000	2,355,713
6	140001	to	145000	855,252
53	145001	to	150000	7,935,258
13	150001	to	155000	1,986,859

SILKBANK LIMITED
Pattern Of Shareholdings
as at December 31, 2024

12	155001	to	160000	3,911,475
13	160001	to	165000	2,124,138
21	165001	to	170000	3,541,211
14	170001	to	175000	2,428,487
10	175001	to	180000	1,785,410
15	180001	to	185000	2,749,974
8	185001	to	190000	1,505,983
5	190001	to	195000	966,487
105	195001	to	200000	20,981,582
12	200001	to	205000	2,428,022
10	205001	to	210000	2,085,663
1	210001	to	215000	211,000
9	215001	to	220000	1,963,429
9	220001	to	225000	2,009,297
8	225001	to	230000	1,821,315
8	230001	to	235000	1,863,155
7	235001	to	240000	1,669,500
2	240001	to	245000	490,000
21	245001	to	250000	5,247,201
5	250001	to	255000	1,269,537
1	255001	to	260000	260,000
4	260001	to	265000	1,059,500
8	265001	to	270000	2,150,141
7	270001	to	275000	1,919,716
6	275001	to	280000	1,673,738
4	280001	to	285000	1,136,485
5	285001	to	290000	1,440,035
2	290001	to	295000	583,500
32	295001	to	300000	9,599,000
3	300001	to	305000	909,838
7	305001	to	310000	2,158,156
3	310001	to	315000	937,500
3	315001	to	320000	958,500
12	320001	to	325000	3,894,792
4	325001	to	330000	1,311,934
3	330001	to	335000	994,667

SILKBANK LIMITED
Pattern Of Shareholdings
as at December 31, 2024

10	335001	to	340000	3,399,640
4	340001	to	345000	1,371,569
13	345001	to	350000	4,545,219
2	350001	to	355000	705,011
4	355001	to	360000	1,437,284
2	360001	to	365000	726,000
3	365001	to	370000	1,102,513
4	370001	to	375000	1,494,500
4	375001	to	380000	1,519,170
2	380001	to	385000	764,500
5	385001	to	390000	1,947,185
1	390001	to	395000	393,003
19	395001	to	400000	7,600,000
3	400001	to	405000	1,205,960
4	405001	to	410000	1,631,000
2	410001	to	415000	826,000
3	415001	to	420000	1,257,000
3	420001	to	425000	1,267,457
2	440001	to	445000	801,250
8	445001	to	450000	3,600,000
1	450001	to	455000	454,000
2	465001	to	470000	940,000
2	470001	to	475000	945,034
2	475001	to	480000	956,496
2	480001	to	485000	964,000
3	485001	to	490000	1,458,747
47	495001	to	500000	23,499,970
2	500001	to	505000	1,005,311
4	505001	to	510000	2,036,820
3	510001	to	515000	1,541,500
1	515001	to	520000	516,750
3	520001	to	525000	1,572,217
1	525001	to	530000	510,000
3	530001	to	535000	1,598,734
1	535001	to	540000	539,848
3	545001	to	550000	1,649,012

SILKBANK LIMITED
Pattern Of Shareholdings
as at December 31, 2024

1	550001	to	555000	555,000
2	555001	to	560000	1,117,430
1	560001	to	565000	564,000
3	565001	to	570000	1,709,500
1	570001	to	575000	572,000
3	575001	to	580000	1,734,636
2	585001	to	590000	1,177,500
1	590001	to	595000	591,500
8	595001	to	600000	4,796,197
1	600001	to	605000	600,500
1	610001	to	615000	615,000
1	615001	to	620000	615,500
2	620001	to	625000	1,248,946
1	625001	to	630000	630,000
3	630001	to	635000	1,904,000
1	640001	to	645000	640,787
10	645001	to	650000	6,496,500
1	650001	to	655000	653,823
1	655001	to	660000	656,500
1	665001	to	670000	670,000
2	670001	to	675000	1,343,005
2	685001	to	690000	1,375,500
2	690001	to	695000	1,383,733
9	695001	to	700000	6,296,750
8	700001	to	705000	5,615,238
2	705001	to	710000	1,416,500
3	720001	to	725000	2,170,111
1	725001	to	730000	725,970
1	745001	to	750000	750,000
2	755001	to	760000	1,520,000
1	765001	to	770000	765,744
2	785001	to	790000	1,576,681
1	790001	to	795000	794,005
11	795001	to	800000	8,798,500
1	805001	to	810000	809,900
2	825001	to	830000	1,653,874

SILKBANK LIMITED
Pattern Of Shareholdings
as at December 31, 2024

1	835001	to	840000	840,000
1	850001	to	855000	853,574
2	855001	to	860000	1,719,000
1	860001	to	865000	862,000
2	865001	to	870000	1,734,000
1	875001	to	880000	877,500
2	880001	to	885000	1,763,750
1	885001	to	890000	886,000
4	895001	to	900000	3,600,000
1	925001	to	930000	929,600
1	930001	to	935000	934,835
1	940001	to	945000	942,049
1	945001	to	950000	950,000
1	950001	to	955000	955,000
1	955001	to	960000	957,291
1	970001	to	975000	975,000
1	985001	to	990000	990,000
1	990001	to	995000	993,000
24	995001	to	1000000	23,997,781
5	1000001	to	1005000	5,012,524
1	1005001	to	1010000	1,006,600
2	1010001	to	1015000	2,026,100
1	1015001	to	1020000	1,017,943
1	1020001	to	1025000	1,025,000
1	1025001	to	1030000	1,029,325
1	1045001	to	1050000	1,050,000
1	1055001	to	1060000	1,055,297
1	1065001	to	1070000	1,070,000
1	1085001	to	1090000	1,090,000
1	1090001	to	1095000	1,094,000
3	1095001	to	1100000	3,300,000
1	1105001	to	1110000	1,109,500
1	1110001	to	1115000	1,115,000
1	1130001	to	1135000	1,135,000
2	1135001	to	1140000	2,280,000
1	1140001	to	1145000	1,145,000

SILKBANK LIMITED
Pattern Of Shareholdings
as at December 31, 2024

1	1145001	to	1150000	1,150,000
1	1150001	to	1155000	1,150,500
1	1165001	to	1170000	1,169,000
4	1195001	to	1200000	4,800,000
1	1200001	to	1205000	1,200,475
2	1210001	to	1215000	2,426,541
1	1240001	to	1245000	1,241,000
1	1245001	to	1250000	1,250,000
1	1255001	to	1260000	1,257,445
1	1270001	to	1275000	1,275,000
4	1295001	to	1300000	5,200,000
1	1340001	to	1345000	1,345,000
2	1345001	to	1350000	2,694,868
4	1395001	to	1400000	5,597,161
1	1420001	to	1425000	1,425,000
1	1455001	to	1460000	1,458,201
5	1495001	to	1500000	7,500,000
1	1500001	to	1505000	1,500,100
1	1540001	to	1545000	1,543,529
1	1550001	to	1555000	1,551,530
1	1570001	to	1575000	1,572,920
1	1575001	to	1580000	1,576,789
1	1595001	to	1600000	1,600,000
1	1615001	to	1620000	1,620,000
1	1620001	to	1625000	1,625,000
1	1650001	to	1655000	1,652,404
1	1655001	to	1660000	1,658,500
1	1675001	to	1680000	1,676,500
2	1695001	to	1700000	3,400,000
1	1795001	to	1800000	1,800,000
1	1830001	to	1835000	1,831,150
1	1840001	to	1845000	1,844,000
1	1870001	to	1875000	1,870,900
1	1890001	to	1895000	1,895,000
1	1895001	to	1900000	1,900,000
1	1900001	to	1905000	1,900,500

SILKBANK LIMITED
Pattern Of Shareholdings
as At December 31, 2024

1	1950001	to	1955000	1,954,657
10	1995001	to	2000000	19,999,500
1	2010001	to	2015000	2,015,000
1	2035001	to	2040000	2,039,641
2	2095001	to	2100000	4,200,000
1	2125001	to	2130000	2,128,000
1	2280001	to	2285000	2,282,046
2	2395001	to	2400000	4,800,000
1	2400001	to	2405000	2,400,018
1	2420001	to	2425000	2,425,000
3	2495001	to	2500000	7,500,000
1	2515001	to	2520000	2,520,000
1	2540001	to	2545000	2,540,440
1	2560001	to	2565000	2,565,000
1	2655001	to	2660000	2,659,500
1	2735001	to	2740000	2,737,447
1	2750001	to	2755000	2,751,788
1	2775001	to	2780000	2,776,176
1	2795001	to	2800000	2,800,000
1	2860001	to	2865000	2,863,153
1	2920001	to	2925000	2,925,000
1	2990001	to	2995000	2,991,000
2	2995001	to	3000000	6,000,000
1	3115001	to	3120000	3,120,000
2	3195001	to	3200000	6,400,000
1	3295001	to	3300000	3,300,000
1	3365001	to	3370000	3,368,300
1	3380001	to	3385000	3,383,398
1	3390001	to	3395000	3,392,048
1	3440001	to	3445000	3,441,653
1	3475001	to	3480000	3,480,000
1	3560001	to	3565000	3,565,000
2	3740001	to	3745000	7,483,992
1	3860001	to	3865000	3,860,986
1	3940001	to	3945000	3,940,500
1	3990001	to	3995000	3,995,000

SILKBANK LIMITED
Pattern Of Shareholdings
as at December 31, 2024

1	4100001	to	4105000	4,101,556
1	4105001	to	4110000	4,108,215
1	4595001	to	4600000	4,598,500
1	4605001	to	4610000	4,609,500
1	4745001	to	4750000	4,750,000
1	4860001	to	4865000	4,864,000
1	4870001	to	4875000	4,875,000
1	4920001	to	4925000	4,921,314
1	5015001	to	5020000	5,016,500
1	5495001	to	5500000	5,500,000
1	5620001	to	5625000	5,621,089
1	5635001	to	5640000	5,636,126
2	5995001	to	6000000	12,000,000
2	6175001	to	6180000	12,354,112
1	6340001	to	6345000	6,341,937
1	6805001	to	6810000	6,809,598
1	6835001	to	6840000	6,839,054
1	7260001	to	7265000	7,261,124
1	7995001	to	8000000	8,000,000
1	8140001	to	8145000	8,142,189
2	9995001	to	10000000	20,000,000
1	10345001	to	10350000	10,350,000
1	10995001	to	11000000	11,000,000
1	12540001	to	12545000	12,543,796
1	12980001	to	12985000	12,983,486
1	13170001	to	13175000	13,174,061
1	16195001	to	16200000	16,200,000
1	16465001	to	16470000	16,467,577
1	17395001	to	17400000	17,400,000
1	20880001	to	20885000	20,880,417
1	24995001	to	25000000	25,000,000
1	25145001	to	25150000	25,145,815
1	25560001	to	25565000	25,563,029
1	26380001	to	26385000	26,382,000
1	28675001	to	28680000	28,676,471
1	31885001	to	31890000	31,886,452

SILKBANK LIMITED
Pattern Of Shareholdings
as at December 31, 2024

1	35295001	to	35300000	35,297,208
1	36225001	to	36230000	36,228,668
1	37495001	to	37500000	37,500,000
1	43060001	to	43065000	43,061,500
1	55880001	to	55885000	55,882,353
1	58995001	to	59000000	59,000,000
1	77335001	to	77340000	77,335,346
1	86345001	to	86350000	86,349,442
1	144590001	to	144595000	144,591,000
1	172995001	to	173000000	173,000,000
1	184520001	to	184525000	184,520,288
1	186855001	to	186860000	186,855,163
1	315775001	to	315780000	315,776,969
4	320510001	to	320515000	1,282,051,282
1	356675001	to	356680000	356,676,342
1	415625001	to	415630000	415,626,000
1	510840001	to	510845000	510,842,835
1	678125001	to	678130000	678,126,000
1	702685001	to	702690000	702,689,067
1	2563900001	to	2563905000	2,563,901,924

10512

9,081,861,237

Notice of the 31st Annual General Meeting (AGM)

Notice is hereby given that the Thirty- First Annual General Meeting of Silkbank Limited will be held at Crown Hall, Hotel Crown Plaza, 99-E Jinnah Avenue, Blue Area Islamabad in person as well as through electronic means / Video link, on March 26, 2025, at 05:00 to transact the following business:

PM

Ordinary Business:

1. To confirm the minutes of the Extraordinary General Meeting held on February 18, 2025.
2. To receive, consider and, if thought fit, adopt the Annual Audited Financial Statements, Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 of the Bank for the year ended December 31, 2024, together with the Directors' Report and Auditors' Reports thereon.
3. To consider and, if thought fit, appoint External Auditors to hold office from this AGM till the conclusion of the next AGM of the Bank and to fix their remuneration. The retiring External Auditors, M/s. Grant Thornton Anjum Rahman (GTAR), Chartered Accountants, have expressed their consent for reappointment, subject to approval of the Securities and Exchange Commission of Pakistan. The Board of Directors has also recommended their appointment, subject to approval of the Securities and Exchange Commission of Pakistan.

Any Other Business:

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

Karachi, March 05, 2025

By Order of the Board

Faiz Ul Hasan Hashmi
Company Secretary

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

WebLink	QR Code
www.silkbank.com.pk	

Notes:

1. Closure of Share Transfer Books:

The Share Transfer Book of the Bank will remain closed from **March 19, 2025**, to **March 26, 2025** (both days inclusive). Share Transfers received at our Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shabra-e-Faisal Karachi-74400 by the close of business hours (3:00 PM) on **March 18, 2025**, will be treated as being in time for the purpose of above entitlement to the transferees.

2. Participation in the meeting through Online Facility:

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

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

The login facility will be opened at 04:30 p.m. on March 26, 2025, enabling the participants to join the proceedings which will start at 5:00 P.m. sharp.

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

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

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

3. For appointing Proxy

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

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

4. For attending the Meeting:

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

5. Change of Address:

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

6. Conversion of Physical Shares into Book Entry Form:

Section 72(2) of the Companies Act, 2017 provides that every existing company shall be required to replace its physical shares with book-entry form within four (4) years from the date of the promulgation of the Act. Further, vide its letter dated March 26, 2021, the Securities and Exchange Commission of Pakistan has directed listed companies to pursue their shareholders holding securities in physical form to convert the same in the book entry form. In order to ensure compliance with the aforementioned provision and to be benefited of holding securities in book-entry form, all shareholders holding shares in physical form are therefore requested to convert their shares in the book-entry form.

7. Transmission of Annual Reports Through E-Mail:

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

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

Annual Accounts for the year ended December 31, 2024, of the Bank, have been placed on the website of the Bank, www.silkbank.com.pk

9. Submission of copy of CNIC:

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

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

FROM OF PROXY

The Company Secretary
SILK BANK LIMITED
 13-L, F-7 Markaz
 Islamabad.

Annual General Meeting

I/We _____ S/o / D/o _____
 r/o _____ being a
 member(s) of Silkbank Limited, holding _____ ordinary shares,
 hereby appoint _____ S/o / D/o
 _____ r/o _____
 or failing him / her _____ S/o/D/o
 _____ r/o _____ as my
 / our proxy in my / our absence to attend and vote for me / us on my / our behalf at Annual
 General Meeting of the Bank to be held on **March 26, 2025** and/or adjournment thereof.

As witness, my / our hand(s) seal this on the _____ day of _____ 2025

Signed by the said _____

In presence of 1. _____
 2. _____

Folio No. / CDC Account No.

--

Signature on
 Revenue Stamp of
 Appropriate Value.

The signature should agree
 with the specimen registered
 with the Bank.

Important Instructions:

1. The Proxy form, duly completed and signed, must be received at the Registered Office of the Bank not less than forty eight (48) hours before the time of holding the meeting.
2. No person shall act as a proxy unless he / she himself / herself is a member of the Bank, except that a corporate entity may appoint any person who is not a member.
3. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Bank, all such instruments of proxy shall be rendered invalid.
4. In case of a proxy for an individual CDC shareholder, attested copies of CNIC or the passport, account and participant's ID number of the beneficial owner along with the proxy is required to be furnished with the proxy form.
5. In case of a corporate entity, the Board of Directors' resolution / power of attorney with the specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form of the Bank.

اگستیسویں سالانہ اجلاس عام (AGM) کانفرنس

پیر یونٹیس چار: مطلع کیا جاتا ہے کہ سبک دینک لیمٹڈ کا اگستیسویں سالانہ اجلاس عام کراچی ایل، ہوٹل کراچی پلازا ۱۱، مقام E-99 جناح ایونیو، ٹیڈی ایف اسلام آباد میں 26 مارچ 2025 کو ختم 5:00 بجے منعقد ہوگا۔ کاروبار کی اسٹیجنگ کے لئے ذاتی طور پر اور ویڈیو کانفرنسنگ کے ذریعے منعقد کیا جائے گا:

عمومی امور

- 1۔ 18 فروری 2025 کو منعقدہ اگستیسویں اجلاس عام کی کارروائی کی تصدیق کرنا۔
- 2۔ دینک کے 31 دسمبر 2024 کو ختم ہونے والے سال کے سالانہ آڈٹ شدہ مالیاتی گوشواروں پر ڈاکٹریٹ (کوآ آف کارپوریٹ گورننس) ریکمیشن، 2019 امر اور اسٹینڈ آف کمپلائنس بشمول ڈائریکٹرز کی رپورٹ اور آڈیٹر کی رپورٹس کی وصولی مان پر غور و خوض اور ان کے ساتھ ہو تو منظوری دینا۔
- 3۔ اس سالانہ اجلاس عام (AGM) سے دینک کی آئندہ AGM کے اختتام تک عہدے پر فائز رہنے اور ان کے عہدے کو طے کرنے کے لیے بیرونی آڈیٹرز کا تقرر کرنا اور ان کے دستاویز کا تعین کرنا۔ رہنما ہونے والے ایکسٹرنل آڈیٹرز میسرز کرائٹ چورٹن انجم رحمان (پرائیویٹ) لمیٹڈ، چارٹرڈ اکاؤنٹنٹس، نے دو ذرا تفریق کے لیے اپنی رہنمائی کا اظہار کیا ہے، جو کہ ایک وائیٹ ایڈ آف پیکجنگ کمیشن آف پاکستان کی منظوری سے مشروط ہے۔ پورڈ آف ڈائریکٹرز نے بھی ان کی تفریق کی۔ غارش کی ہے، جو کہ ایک وائیٹ ایڈ آف پیکجنگ کمیشن آف پاکستان کی منظوری سے مشروط ہے۔

دیگر امور

صدر اجلاس کی اجازت سے کوئی دوسرا کاروباری معاملہ انجام دینا۔

کراچی 16 مارچ 2025

ہوڑا کے علم سے

فیض الحسن چوگنی
سیکنڈری مینجر

کئی کئی سالوں سے شہر والی سیاست اور پورے کسٹمائیڈ کے ساتھ ساتھ 2017ء کے تحت وہ کاروبار کے ساتھ ساتھ پراپ کوڈ کو بھی ہے۔ کئی جوڑوں میں ایک ایک اور QR کوڈ کے ذریعہ اس سے آسان اور کی جا سکتی ہے۔

✓ QR	سیکس
	www.sifkbank.com.pk

نور

1۔ حصص منتقلی کے کھاتوں کی بندوبست

[illegible]

2۔ ایکٹرا ایکٹ ڈوائس کے ذریعے اجلاس میں شرکت:

سالانہ اجلاس عام (AGM) ایس ای سی کی طرف سے جاری کردہ ہر گز کے مطابق منتقد کی جارہی ہے۔ بینک کی طرف سے AGM میں حصص داروں کی فہرست کی ایک کاپی کی ہر دست کے ذریعے اوقات طور پر ضرور کو پیکس کے ذریعے فراہم نہ ہو۔ نہ دوسری صورت کے لیے، متعدد ذیلی تنظیمات کے حصے ہیں، بینک کے ذریعے تمام ذوم (Zoom) سافٹ ویئر کے ساتھ۔

الٹیمٹ ایکس کلاک کے ذریعے AGM میں شرکت کے لیے حصص داروں کی فہرست کی اجاڑا گیا۔ ایف ایکس ایکس کلاک کے ذریعے AGM میں شرکت کرنے کے لیے ایف ایکس ایکس کلاک سے درخواست کی جاتی ہے کہ AGM کے وقت سے کم از کم 48 گھنٹے پہلے خود کو میسر وی ای سی شیئر رجسٹر اور سرور لینڈ کے پیس ای میل ایڈریس: cdcsr@cdcsrsl.com پر رجسٹر کر سکیں۔

جس میں فضائل اور شجاعت کے لیے یاد و تمام انہم کا ردائیں کو کھل کرنے کے بعد اچانک گھراؤ کی کچھ آساں ہو گئے۔ اسے اس وقت فوجی و کپڑوں ڈھانسو کے طور پر AGM کی کارروائی میں لاگو ہیں اور حصہ لے سکیں گے۔

ٹاگ لائن کی سہولت 26 مارچ 2025 کو شام 4:30 بجے کھول جائے گی۔ جس سے شہر کا کاروبار رات میں شامل ہو سکیں گے جو شام 5:00 بجے شروع ہوگی۔

حصص و فیکلٹا سے درخواست کی جاتی ہے کہ درج ذیل فارمیٹ کے مطابق معلومات فراہم کریں۔ ویڈیو لنک کی تفصیلات حصص و فیکلٹا کو بھیج دیے گئے اکی میل ایڈریس پر بھیجی جائیں گی۔

سربراہ	وزیر اعلیٰ کی راجی انکوائری کمیٹی	کونسی کمیٹی	حصص و وظائف کا تقسیم	کیسز اور درخواستی شکایتی کارڈز	ماہنامہ اخبار	ایک سالہ پابندی
		سیکریٹری				

• حصص و فنڈز ان AGM کے تجویز و اختیار آؤ اسلئے متعلق اپنے رائے اور تجاویز AGM سے کم از کم دو دن پہلے cdcsr@cdcsrsl.com پہنچاتے ہیں۔

D321-820864۔ پرنس ایچ ایم ایف کے لیے شہر محلہ روز کا چالیسواں، کیمپ ڈرائنگ قومی شاخ کی کارڈ نمبر اور نوٹوں پر سی دی سی اکاؤنٹ نمبر تحریر کرکے ہوگا۔

حصص: یہ نفعان کی AGM میں شرکت کے لیے حوصلہ افزائی کی جائے گی، کہ اپنی حاضری اور ہر اکسیر کے ذریعہ شرکت کو تقویت ملے۔

3- ہر کسی کی تقرری کے لیے

- (i) انفرادی صورت میں، اکاؤنٹ ہولڈر یا جوائنٹ اکاؤنٹ ہولڈر اور ایجنسی کی سیکورٹیز ٹریڈنگ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات تو اعداد و احوال کے مطابق اپنا ڈیڑھ سالوں میں مطلع کر دے گا تو انہیں کے مطابق یہ کسی فارم جمع کرانے گا۔
 - (ii) ہر کسی فارم پر دو افراد گھائی دیں گے جن کے نام چھپا کر پھر ڈیڑھ سالوں میں فارم پر درج ہوں گے۔
 - (iii) اصل مالکان کی کاپیوں پر ڈیڑھ سالوں میں فارم پر درج ہوں گے جن کے نام چھپا کر پھر ڈیڑھ سالوں میں فارم پر درج ہوں گے۔
 - (iv) نامزد شخص کو اجلاس میں شرکت کے وقت اصل کاپیوں پر ڈیڑھ سالوں میں فارم پر درج ہوں گے۔
 - (v) کسی کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قراردادوں پر آف ایڈریس نمونہ کے دستخط کے ساتھ کاپی کو ہر کسی فارم کے ساتھ (اگر کہ پہلے فراہم نہ کی گئی ہو) جمع کرانی جائے گی۔
- تقرری کو نوٹ ہونے کے لیے، مناسب طریقہ سے بحال ہونا اور دستخط شدہ ہر کسی فارم ایک کے رجسٹرڈ دفتر یعنی F-7.13-L مرکز، اسلام آباد میں، اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہونا چاہئے۔

4- اجلاس میں شرکت کے لیے:

- (i) انفرادی صورت میں، اکاؤنٹ ہولڈر یا جوائنٹ اکاؤنٹ ہولڈر اور ایجنسی کی سیکورٹیز ٹریڈنگ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات تو اعداد و احوال کے مطابق اپنا ڈیڑھ سالوں میں اطلاع میں شرکت کے وقت کاپیوں پر ڈیڑھ سالوں میں فارم پر درج ہوں گے۔
- (ii) کارپوریٹ اداروں کی صورت میں، بورڈ آف ڈائریکٹرز کی قراردادوں پر آف ایڈریس نمونہ کے دستخط کے ساتھ کاپی کو ہر کسی فارم کے ساتھ جمع کرانی ہوگی (اگر کہ پہلے فراہم نہ کی گئی ہو)۔

5- ایڈریس کی تبدیلی:

فونیکس جسٹس اینڈ لیگل سروسز کی درخواست کی جاتی ہے کہ وہ اپنے رجسٹرڈ پتے میں کسی بھی تبدیلی سے آگاہ دے گا۔ رجسٹرڈ رجسٹرار رجسٹری ڈی ای سی شیئر رجسٹرار سروسز اینڈ لیگل سروسز ڈی ای سی 99-بی، بلاک بی، ایس ایس ایس ایچ ایس، مین شاہراہ فیصل، کراچی-74400 کو فوری طور پر مطلع کریں۔ اگر شخص ای ڈی ای میں رکھے گئے ہیں، تو ان کے ایڈریس کو اپ ڈیٹ کرنے کی درخواست جلد سے جلد درست ہو کر پورے پتے پر ای ڈی ای انویسٹر اکاؤنٹ سروسز کو جمع کروائی جاسکتی ہے۔

6- فونیکس شیئر ڈوکیمنٹری فارم میں تبدیلی کرنا:

کمیونٹی ایکٹ، 2017 کے سیکشن (2) کے مطابق ہر صورت دو گھنٹے کا ایکس کے نوٹ کی تاریخ سے چار (4) سالوں کے اندر اپنے فونیکس شیئر ڈوکیمنٹری فارم میں تبدیلی کرنا ضروری ہے۔ مزید سیکرٹریز اینڈ لیگل سروسز نے پاکستان نے اپنے سیکر 2021-26 کے ذریعے ایڈریس کو اپ ڈیٹ کی ہے کہ وہ اپنے فونیکس سیکرٹریز کے ذریعے ایڈریس کو اپ ڈیٹ کرنا چاہئے۔ ایک انفرادی فارم میں تبدیلی کرنے کے لیے قابل کریں۔ مذکورہ لاشن کی قیام کو پیش ہونے اور ایک انفرادی فارم میں سیکرٹریز کے ذریعے مستند ہونے کے لیے فونیکس فارم میں شیئر ڈوکیمنٹری فارم میں تبدیلی کرنا ضروری ہے کہ وہ اپنے شیئر ڈوکیمنٹری فارم میں تبدیلی کرنا ضروری ہے۔

7۔ ای میل کے ذریعے سالانہ گوشواروں کی ترسیل۔

ایس ایس ای پی نے ایس آر آر 2014 / (1) 767 دورہ 08 ستمبر 2014 کے ذریعے شیئر ہولڈرز کو ای میل کے ذریعے سالانہ اجلاس عام کے نوٹس کے ساتھ ڈاؤن لوڈ ایبلیٹی برائے دستخط کرنے کا اختیار فراہم کیا ہے۔ لہذا، جو ممبران سالانہ اجلاس اور سالانہ اجلاس عام کی نوٹس مستقبل میں الیکٹرانک ذرائع سے حاصل کرنے میں دلچسپی رکھتے ہیں، ان سے درخواست ہے کہ وہ کمپنی کی ویب سائٹ www.silkbank.com.pk پر دیے گئے رہنما بند کی کارروائی کے ذریعے ای میل ایڈریس کمپنی کے شیئر رجسٹر کو بھیج دیں۔ تاہم کمپنی، اضافی طور پر ایسے اراکین کی درخواست پر سالانہ اجلاس کی فراڈ کاپیاں، اس وقت فراہم کرے گی۔

8۔ کمپنی کی ویب سائٹ پر ڈاؤن لوڈ ایبلیٹی برائے دستخط:

بینک کے 31 دسمبر 2022 کو ختم ہونے والے سال کے سالانہ اکاؤنٹس بینک کی ویب سائٹ www.silkbank.com.pk پر رکھے گئے ہیں۔

9۔ کپھڑا ڈاؤن لوڈ کی ضرورت کا راز (CNIC) کی کاپی جمع کرنا:

انفرادی ممبران جن کے پاس فونیکل شیئر ہولڈنگ ہے اور جنہوں نے ابھی نمبر اپنے درست CNIC کی فراہمی نہیں کر سکی ہے ان سے درخواست کی جاتی ہے کہ وہ اپنے درست CNIC کی ایک کاپی فراہم کرنے کے لیے فوراً خود پر جاری شدہ رجسٹر اری ڈی سی شیئر رجسٹر اور سرور ایڈریس کو بھیجیں۔ اگر بعض ای ڈی سی نمبر رکھے گئے ہیں تو CNIC کو اپ ڈیٹ کرنے کی درخواست پر اور اسے بروکڑ کرنا کہہ کر CDC ایڈریس کا ڈاؤن لوڈ کرنا کو ترجیح دینی چاہیے۔

پراسی کا قلم

کھپتی سیکر پیٹری

سک چوک لہندہ

157-FA-13

اسماء

میں اہم	ساکن	بحیثیت ممبر ملک چنگ لہندہ
محترم	والد	ڈاکٹر: ذکا کی صورت میں
محترم	والد	جو خود ملک چنگ لہندہ

میں نے اپنے باپ کو میرے بچے کے لیے ایک کمرہ دیا ہے اور میری اہلیہ کی طرف سے کچن کے شیزر ہولڈنگ کا سالانہ اجلاس عام 26 مارچ 2025 کو شام 5:00 بجے منعقد ہوگا اور اس کے لیے بھی مانی شدہ اجلاس میں شرکت کریں اور ووٹ ڈالیں۔

نگوہ کے طور پر میرے احوال کے بارے میں 2025 کے دن میری کتاب

15/10/2014

سوچو دگی میں ہے۔

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فولجیو نمبر ۱ سی ڈی سی ۱۵ کاؤسٹ نمبر

۱۰۷

مکتور شکرہ الی شکرہ و غیرہ

وہی ایک مہاجر جس نے

گمناں میں ہونا چاہیے۔

اَللّٰهُمَّ صَلِّ عَلَى اَبِي سَعْدٍ:

- ۱۔ مکمل طور پر دھماکا شدہ پراکسی ٹانوم، سینٹیک کے انعقاد کے وقت سے کم از کم اڑتہ بیس (۱۸۸) گینے پہلے بینک کے رجسٹرڈ آفیس میں موصول ہونے چاہیے۔
- ۲۔ کوئی بھی شخص جب تک کہ وہ خود بینک کارکن نہ ہو پراکسی کے طور پر کام نہیں کر سکتا، گاہک سوائے اس کے کہ کارپوریٹ ادارہ کی ایسے شخص کو مقرر کر سکتا ہے جو برائے نہیں ہے۔
- ۳۔ انٹرنیٹ کی ایک سہولت پر پراکسی کا مقرر کرنا ہے اور پراکسی کے ایک سہولت پر خود اختر و مٹش بینک میں جمع کرانے جاتے ہیں اور پراکسی کے ایسے تمام سہولت کو مقرر کر دیا جائے گا۔
- ۴۔ کسی انفرادی CDC شیئر ہولڈر کے لیے پراکسی ہونے کی صورت میں، پراکسی ٹانوم کے ساتھ کچھ دیگر لازمی شرائطی کارڈ (CNIC) ایف سی پورٹ، ماکا فونٹ، اصل مالک کے پرنٹ پورٹ کے شناختی نمبر کی تصدیق شدہ کاپیاں پیش کرنا ضروری ہے۔
- ۵۔ کسی کارپوریٹ ادارہ کی صورت میں، بینک کے پراکسی ٹانوم کے ساتھ ہوا ڈاک ڈاکٹر کی سرکاری فراہم کردہ واپس اور ای کو نمونہ کے دھماکے کے ساتھ جمع کرنا چاہئے گا (کوئی یہ پہلے فراہم نہ کیا جائے ہو)۔

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