Annual Report **2024**

askari bank LIMITED

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UNCONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

VISION

To be a responsible customer focused bank providing inclusive and progressive financial services

MISSION

To build long term relationships by delivering transformative customer experience, responsible banking, innovative technology, aiming to be employer of first choice and shaping opportunities that grow shareholders' value

CORE VALUES

Commitment: *Passionate about our customers' success and delighting them with quality of our service*

Integrity: *A distinctive investment, delivering outstanding performance, return and value*

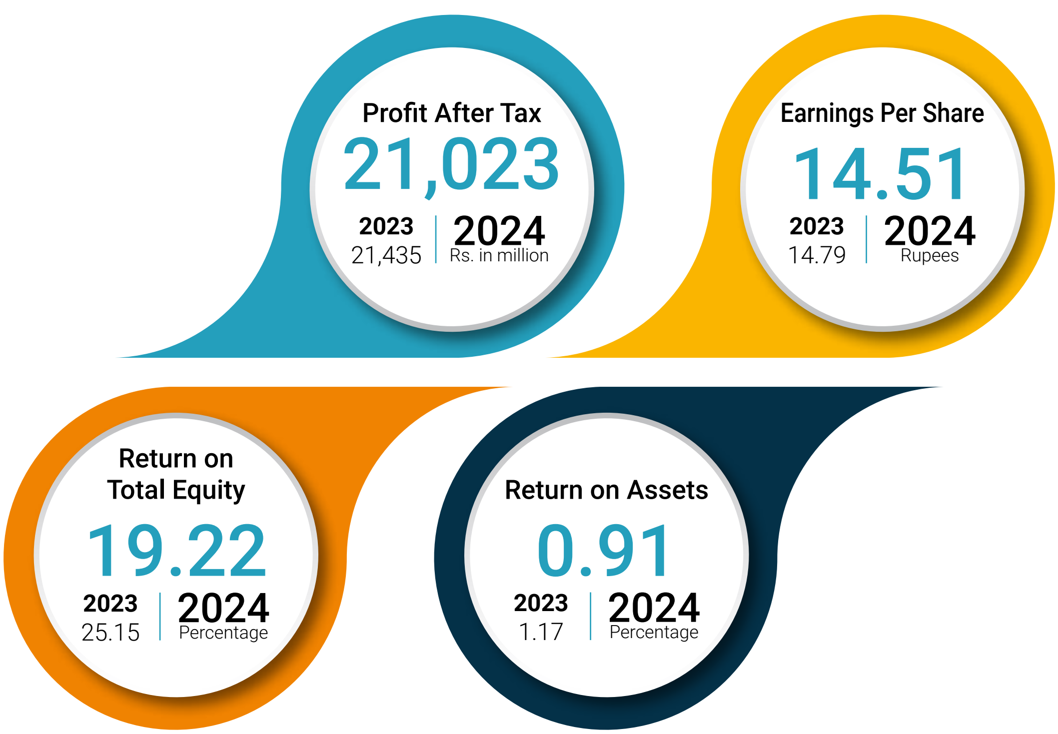
Fairness: *Exemplary compliance, governess and business ethics*

Teamwork: *Caring for our people and helping them to grow*

Service: *Dedication towards social development and improvement in quality of life*

FINANCIAL HIGHLIGHTS

Rupees in million	2024	2023	Growth (%)
Total Assets	**2,498,374**	2,124,006	17.6
Deposits	**1,363,735**	1,293,146	5.5
Advances - Net	**695,758**	633,133	9.9
Investments	**1,509,746**	1,182,538	27.7
Shareholders' Equity	**121,629**	97,123	25.2
Operating profit	**42,700**	43,011	(0.7)
Profit before taxation	**44,507**	42,044	5.9
Profit after taxation	**21,023**	21,435	(1.9)
Earnings per share - Rs.	**14.51**	14.79	(1.9)
Net book value per share - Rs.	**83.92**	67.01	25.2
Market value per share - Rs.	**38.27**	24.72	54.8



CORPORATE INFORMATION

BOARD OF DIRECTORS

Lt Gen Anwar Ali Hyder, HI (M) (Retd)
Chairman/ Non-Executive Director

Mr. Jahangir Piracha
Non-Executive Director

Mr. Arif Ur Rehman
Non-Executive Director

Syed Bakhtiyar Kazmi
Non-Executive Director

Mr. Khurshid Zafar*
Non-Executive Director

Mr. Manzoor Ahmed
Non-Executive Director/ NIT Nominee

Mr. Kamran Yousuf Mirza
Independent Director

Ms. Zoya Mohsin Nathani
Independent Director

Ms. Samina Rizwan
Independent Director

Raja Muhammad Abbas
Independent Director

Mr. Zia Ijaz
President & Chief Executive Officer

SHARIAH BOARD

Mufti Muhammad Zahid
Chairman

Dr. Muhammad Tahir Mansoori
Resident Shariah Board Member

Mufti Zakir Hassan Naumani
Member

Dr. Lutfullah Saqib
Member

AUDITORS

KPMG Taseer Hadi & Co.,
Chartered Accountants

LEGAL ADVISORS

RIAA, Barker Gillette
Advocates & Corporate Counselors

COMPANY SECRETARY

Syed Ali Safdar Naqvi

REGISTERED OFFICE

AWT Plaza, The Mall, P. O. Box No. 1084
Rawalpindi – 46000, Pakistan
Tel: (92 51) 8092631
UAN: (92 51) 111 000 787
Fax: (92 51) 2857448
Email: ir@askaribank.com.pk

BOARD COMMITTEES
AUDIT

Mr. Kamran Yousuf Mirza - Chairman
Mr. Jahangir Piracha
Syed Bakhtiyar Kazmi
Mr. Manzoor Ahmed
Raja Muhammad Abbas

HUMAN RESOURCE & REMUNERATION

Mr. Manzoor Ahmed - Chairman
Mr. Jahangir Piracha
Mr. Kamran Yousuf Mirza
Ms. Zoya Mohsin Nathani
Ms. Samina Rizwan

RISK MANAGEMENT

Ms. Zoya Mohsin Nathani - Chairperson
Syed Bakhtiyar Kazmi
Mr. Manzoor Ahmed
Mr. Khurshid Zafar*

INFORMATION TECHNOLOGY

Ms. Samina Rizwan - Chairperson
Syed Bakhtiyar Kazmi
Mr. Khurshid Zafar*
Raja Muhammad Abbas
Mr. Zia Ijaz

REGISTRAR & SHARE TRANSFER OFFICE

CDC Share Registrar Services Limited (CDCSRSL)
Mezzanine Floor, South Tower, LSE Plaza
19-Khayaban-e-Aiwan-e-Iqbal, Lahore
Tel: Customer Support Services (Toll Free)
0800-CDCPL (23275)
Tel: (92 42) 36362061-66
Fax: (92 42) 36300072
Email: info@cdcsrsl.com
Website: www.cdcsrsl.com

ENTITY RATINGS

Long Term: AA+
Short Term: A1+
By PACRA

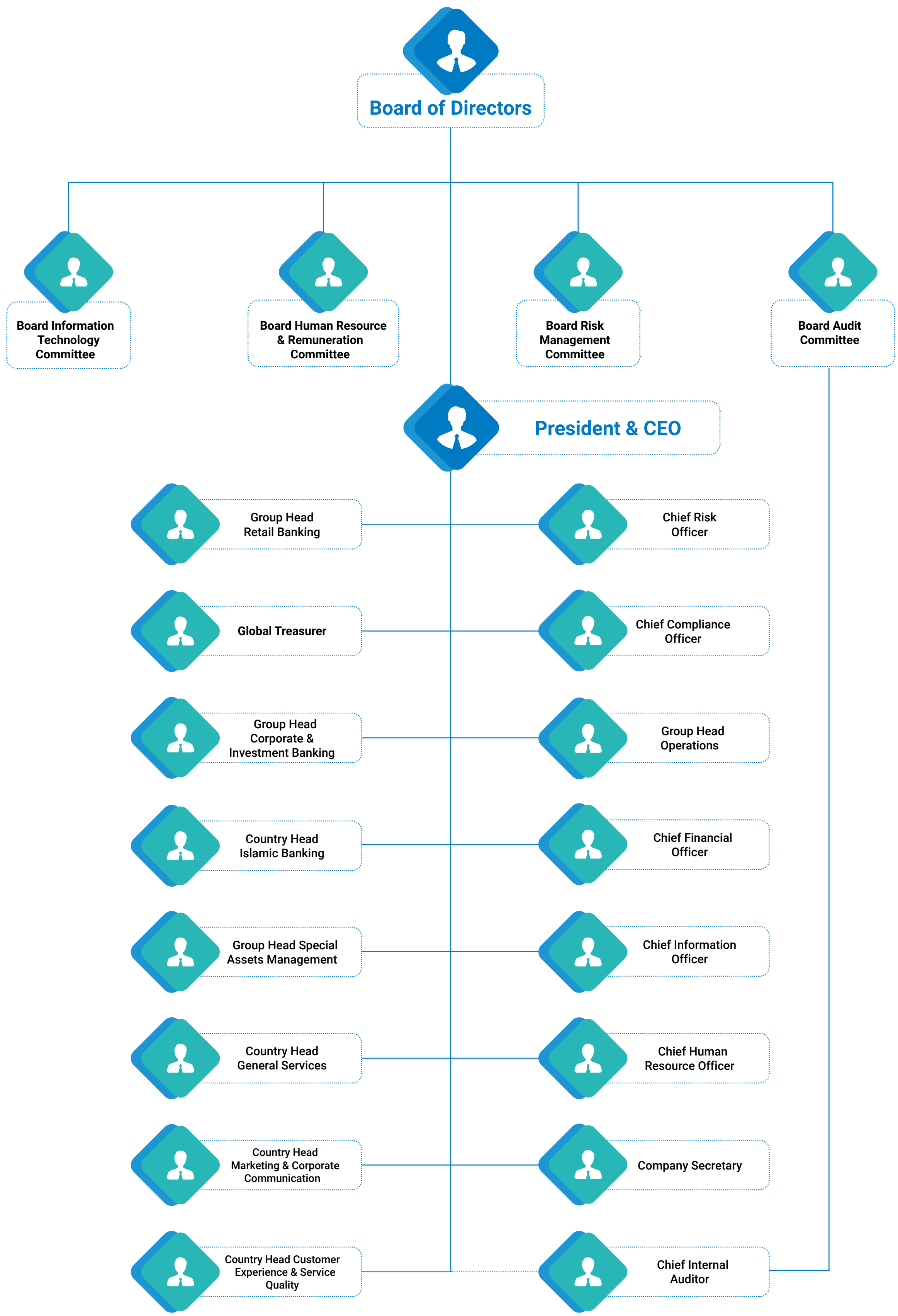
WEBSITE & SOCIAL MEDIA

www.askaribank.com

askaribankpakistan
Askari_Bank
askaribankpk
askaribanklimited
AskariBankOfficial

* *Subject to Fit & Proper Test clearance by the State Bank of Pakistan*

ORGANIZATIONAL CHART



PRODUCTS & SERVICES

Corporate, Commercial & Investment Banking

Askari Bank (the Bank) understands the diverse business requirements of the Bank's corporate and institutional clients, and accordingly strive to meet their expectations by providing a customized and relationship-based banking approach.

Corporate Banking

Corporate banking works on a long-term relationship based business model to provide a single point within the Bank which meets all business requirements of its corporate and institutional customers, including public sector enterprises. Along with innovative products and solutions, customer service remains the Bank's top priority. The Bank's relationship-oriented outlook focuses on providing a complete array of tailored financing solutions that are practical and cost effective, some of which include:

- Working Capital Facilities
- Term Loans
- Letters of Guarantee
- Letters of Credit
- Discounting Facilities
- Export Financing
- Cash Management and Employee Banking Solutions

Commercial Banking

Commercial Banking serves the middle tier segment by providing both general and tailored solutions encompassing all financial needs of the borrower ranging from Trade Finance to working capital requirements. Dedicated relationship managers provide customized solutions to the Bank's customers.

Investment Banking

Investment banking offers a range of financial advisory and capital raising services to corporate and institutional clients. It also manages the Bank's proprietary investments in local equity and debt markets. Investment banking offers various tailored financial solutions including debt syndications, project finance and advisory services, debt placements through capital markets as well as structured trade finance facilities. Whether a company is seeking to access the local or cross border syndications and debt capital markets, project financing needs, advisory services related to Mergers and Acquisitions and or local equity capital markets for raising capital, the Bank's Investment Banking is well positioned to provide due assistance. We tailor the right structured solutions to meet the Bank's customers' needs in order to enhance business wealth and market competitiveness.

International Banking

Having Correspondent Banking relationships with 555 banks in 83 countries around the world, Askari International Banking remains focused on tapping new markets in Europe apart from South East Asia and Middle East markets to boost international trade and remittances. Concentrated efforts are also being made to promote business from China, leveraging on positive spill-over of Chinese investment in Pakistan, especially under CPEC.

Retail Banking

Askari Bank is committed to deliver a comprehensive range of financial solutions, tailored to meet the diverse banking requirements of the Bank's customers. With expertise spanning from Conventional, Corporate, Consumer, Islamic, and Agriculture Banking, the Bank ensures tailored offerings for every segment through an extensive network of 720 strategically located branches and sub-branches.

Current Account

Current Accounts cater to a variety of transactional needs of the Bank's diverse customer base with value added benefits of Cheque books, Debit cards, Bankers' cheques, Real Time Alerts, and i-Net Banking and much more.

Savings Account

Savings accounts are offered by the Bank to both individual and institutional customers including a range of specialized products i.e. Askari Maximiser, Askari Waqaar (for senior citizens), Askari Little Champs (for minors), Institutional Savings Plus (for entities). Combining attractive features with competitive returns, these products deliver flexible, secure, and rewarding financial solutions tailored to diverse customer needs.

Term Deposit

The Bank's Term Deposit products are crafted to meet the investment needs of both individual and corporate customers with a medium to long-term horizon. By seamlessly integrating security and adaptability, these products provide flexible profit options with customizable frequencies to align with customer preferences.

Askari Value Product Suite

The Value Product Suite provides unparalleled flexibility, financial security, and freedom. Offering a comprehensive range of exclusive benefits and complimentary facilities, this suite delivers tailored solutions that enable seamless financial management.

Askari Asaan Account

Askari Bank offers Asaan Account to unbanked / underbanked individuals. The product is available in Current and Savings account categories. It offers hassle-free account opening and operating procedure to facilitate lower income groups for their banking requirements.

Askari Sahar Proposition

Askari Sahar Deposit Suite is specifically designed to cater to the diverse banking needs of Pakistani women, with the aim to minimize the gender gap in financial inclusion. Askari Sahar account is offered in all Current, Savings and Term Deposit variants with range of free banking services and attractive returns.

Women Financial Services Department - (Women Banking Segment)

Women Financial Services Department (WFSD) at Askari Bank is committed to empowering women by creating an inclusive ecosystem where women thrive as independent contributors to a more equitable economy. Tailored financial solutions are offered to housewives, students, entrepreneurs, and professional women by simplifying banking experience and offering competitive mark-up rates. Dedicated Women Financial Services Desks, led by Women Champions have been established to ensure their seamless access to banking services and empowering them to make informed financial decisions. Introduced digital account opening and a web-based loan portal, alongside the SMEDA Awareness Vault, to provide women with essential resources and support for managing their businesses.

China Desk

Askari Bank's China Desk remains a cornerstone of our commitment to fostering strong financial and trade relations between Pakistan and China. Askari China Desk was created with the sole intent of facilitating Chinese businesses working for various projects in Pakistan and has been immensely successful in term of fostering rich financial prospects and bringing in valuable Chinese deposits and trade. With an increasing number of Chinese investors entering Pakistan, the Bank is well-placed to cater the needs of all existing and new customers. Our Representative Office in Beijing - China, plays an important role in facilitating these initiatives, ensuring that we remain a trusted financial partner in the Belt and Road Initiative.

Askari Asaan Remittances & Roshan Digital Account

Home Remittance segment is pivotal in promoting remittances through its state-of-the-art web based portal "Askari Asaan Money Transfer" ensuring secure, fast & real time processing of home remittances for direct account transfers, M-wallet credits, and cash over-the-counter remittance payments at branches nationwide. This service is completely free of cost and is available for all citizens across the country.

With the Roshan Digital Account, non-resident Pakistanis can invest in Pakistan with remarkable ease. Customers have the option to open a foreign currency account in USD, GBP, EUR or PKR under both conventional and Islamic banking Frameworks. Additionally, this account offers attractive investment opportunities, including Naya Pakistan Certificates and Islamic Naya Pakistan certificates issued by the government.

Digital Banking - Pioneering Today – Shaping Tomorrow – Digital Banking Leading The Way

The year 2024 marked a dynamic acceleration of the transformative momentum. Our focus was resolutely directed towards materializing our mission of "Getting Closer to the Customer." We navigated this path by steadfastly designing products and services that revolve around the customer, while concurrently achieving substantial scale. Our operational strategy adhered to the principles of streamlined and swift customer delivery. In a dynamic landscape, characterized by rapid technological advancements and evolving customer expectations, our Digital Banking initiatives have not only kept pace but have consistently surpassed benchmarks.

Mobile App Journey – From Lagging to Leading

Askari Bank's Mobile App has undergone a complete transformation by establishing itself as one of the industry leaders. By December 2024, the app achieved a remarkable 4.7 rating, with over 38,000 reviews, 83% of which were five-star. This success was driven by a customer-focused approach, incorporating feedback and regulatory requirements and an agile methodology that enabled five releases since June 2023, keeping pace with fully digital banks. Consistently ranking among the top two in the industry, the App exemplifies our commitment to enhancing customer experiences.

Digital Customer Acquisition

Askari Bank has redefined its approach to customer acquisition through strategic engagement and data-driven initiatives. The Bank achieved a historic year-on-year (YoY) customer acquisition milestone of 179,010 registrations in 2024, compared to 127,486 in 2023. The customer portfolio expanded to 725,000 with 80% active users and 68% 30-day active users, setting new industry benchmarks. Notably, 56% of new-to-bank (NTB) registrations in 2024 were under 32 years old, while customers under 32 accounted for 45% of the digital base. Transaction volumes and values also grew by 45% and 37%, respectively, compared to 2023, underscoring the success of our strategic focus on digital growth.

Housing Society Digitization: A National Transformational Asset

Askari Bank has undertaken Pakistan's first-ever Housing Society Digitization Project, redefining the concept of digitally connected, cashless communities. This project is poised to create a replicable model for urban and residential communities, driving national digital transformation and establishing the Bank as a leader in lifestyle banking.

Askari – Digital Innovation Lab

Askari Bank has evolved into a state-of-the-art Digital Innovation Lab, setting new standards for innovation in the banking industry. Since its inception, the lab has grown into a Technology Development Lab and Co-Working Space, equipped with cutting-edge tools and resources. This initiative underscores Askari Bank's commitment to fostering a culture of innovation and collaboration.

PRODUCTS & SERVICES

Data-Driven Approach

Askari Bank has embraced a data-driven culture to accelerate its digital transformation. The Bank developed its first-ever Data Strategy in 2023, which was later incorporated into the 2024-2026 digital strategy. Predictive machine learning models were created to enhance customer insights, while interactive analytics dashboards for Mobile Application, ATMs and Transaction Banking were launched. These dashboards provide detailed information and trends with daily insights, empowering the Bank to make data-driven decisions and improve operational efficiency.

Generative Artificial Intelligence & Virtual Reality

Askari Bank is at the forefront of leveraging advanced technologies to redefine customer and employee experiences. The Bank is developing an LLM-based Conversational AI Bot with text-to-speech and speech-to-text capabilities, designed to handle general banking queries. Additionally, in-house AI-driven solutions have been developed for HR, operations and retail, digitizing legacy manuals and streamlining data flows. The Bank also piloted immersive virtual reality branch experiences and digital on-boarding for employees, showcasing its commitment to innovation.

Digital Branch Transformation

Askari Bank is reimagining branch banking with seamless, digitally-enabled experiences. Since launching the first Digital Branch in 2023, the Bank prepared six new digital lobbies in 2024 which are expected to go-live in 2025. A seamless account on-boarding process was also introduced through the Mobile App and web interface, enhancing customer convenience and satisfaction.

Transaction Banking Excellence

Askari Bank's digital platforms have become synonymous with efficiency and reliability, achieving record-breaking transaction throughput. In 2024, the Bank surpassed the cumulative throughput of Rs. 1 trillion for last three years from year 2021-2023. Throughput for year 2024 marked Rs. 1.1 trillion with improved collection percentage. Additionally, APIs for real-time transaction monitoring were introduced for corporate clients, further solidifying the Bank's leadership in transaction banking.

WhatsApp Banking

Askari Bank's WhatsApp Banking has emerged as a key customer engagement tool, with exponential growth in user registrations - service grew to nearly 100,000 by year end, adding nearly 80,000 users during the year. This achievement highlights the Bank's ability to expand customer touch points and enhance digital engagement.

ATM Performance and Operational Excellence

Askari's Digital Banking achieved notable improvements in ATM performance, reflecting the bank's ongoing commitment to operational excellence and customer satisfaction. With a total of 789 ATMs, ATM uptime for the year reached 96.41%, ensuring enhanced accessibility for customers. Additionally, the cash uptime maintained a remarkable 99.64%, highlighting the bank's efficiency in ensuring continuous availability of cash and seamless customer service. These achievements underscore Askari Bank's dedication to maintain a reliable and efficient ATM network to meet the evolving needs of its customers.

Contact Center

The Bank's Contact Center serves as a centralized hub for customers, delivering real-time information about products and services via phone, email, social media, and a WhatsApp chatbot. This setup enables customers to access efficient self-service banking options and agent support 24/7.

Consumer Banking

Consumer banking provides range of financing solutions to cater and meet the Bank's customers' personal financing need through innovative products and offerings. The Bank keeps in mind customers' needs at every stage of life. To enrich customer experience, the Bank continuously seek new alliances to provide rich offerings and discounts.

Ask4Car

Askari Ask4Car is an auto financing product for new / used vehicles. It offers competitive floating / fixed mark-up, flexible repayment plan and quick processing without any hidden charges. The product is offered to the customers (including Women Centric product) for a maximum tenor of 5 years.

Personal Finance

With unmatched financing features in terms of loan amount, payback period and easy monthly installments, Askari Bank's Personal Finance makes sure that the Bank's customers get the most out of their loans. The product tenor ranges from 1 – 4 years and is designed for salaried individuals and businessmen.

Advance Salary

Askari Bank also offers Advance Salary. It is an instant Personal Loan for short term period without hassle of any formal approval process and disbursement of loan within minutes. This facility is available 24/7 through Askari Internet Banking and Mobile App and can be availed by the employees of approved companies having payroll disbursement arrangement with Askari Bank.

Mortgage Finance

Askari Bank Mortgage Finance offers competitive rates and flexible terms, making it easy for customers to achieve their home ownership goals. Whether the Bank's customers are purchasing, building or renovating, the Bank's personalized solutions and expert guidance ensure a transparent and efficient process. This premium housing Finance Product is offered to customers for a period up to 25 years.

MasterCard Credit Card

Askari Bank offers a competitive suite of Classic, Gold, Platinum and Corporate MasterCard Credit Cards that provide superior services, travel privileges, exciting discounts, online payment facility along with reward points and transactional alerts through SMS as an enhanced security feature. The option for Flexible Credit Plans (FCP), Extended Payment Plan (EPP) and Balance Transfer is also available to customers at discounted mark-up rates.

World MasterCard Credit Card

Askari Bank pioneered Pakistan's first ever "World MasterCard" in collaboration with MasterCard International. This credit card is specifically designed for customers seeking high-class service standards and travel privileges worldwide.

Askari VISA Debit Card

Askari Bank has entered into a strategic alliance with Visa, a leading global payments technology company. As a financial institution, Askari Bank's collaboration with Visa provides a significant boost to its global outreach and lucrative enhancement in the Banks Debit card portfolio suite. This partnership taps into Visa's vast international network, offering Askari Bank an opportunity to expand its footprint across continents and cultures.

Small and Medium Enterprises (Sme) Banking

Askari Bank fosters the spirit of SMEs by improving and refining the access to finance, by providing innovative lending solutions. The Bank offers diverse portfolio of lending facilities, including SBP / Government Schemes, offering discounted loans to specific target segments. We recognize the importance of this market segment and committed to provide opportunities through the Bank's customized SME Product Programs.

Askari Bank significantly contributes to the growth of SME sector through strategically located country-wide branch network. Specialized credit resource and empowered relationship management teams are stationed at the gross root level, to exclusively serve the SMEs.

Askari Bank has specially designed a separate women specific lending product program to cater women entrepreneurs. As per emerging market demand, Askari Bank provides solutions using digital platform. Bank also offers trade expertise and awareness on trade related activities through strategically located branches across the country.

Acknowledging the transformative potential of supply chain financing, the Bank has introduced a robust Supply Chain Finance program, which is poised to be a game-changer for working capital management. To boost outreach among SMEs, particularly in women's financing under Banking on Equality, Askari Bank has signed an MOU with SMEDA to drive development across Pakistan through innovative financial solutions.

In order to cater the financial needs of SME segment, the Bank offers a wider variety of Product Programs including:

- Prime Minister's Youth Business & Agriculture Loan Scheme (PMYB&ALS)
- Askari Ujala Finance (Renewable Energy)
- Askari Sahar Finance (Women Entrepreneurship)
- Askari Imarat Finance (Infrastructure Building)
- Askari Flour Mill Finance (Seasonal Finance)
- Supply Chain Finance (Working Capital)
- Askari Rice Finance (Seasonal Finance)
- Ask Fauri Business Finance (Financing against liquid security)
- Askari Nai Umang (Financing to Special Persons)

Agriculture Banking

Wide range of Products and services under Production & Development agriculture finance are being offered to timely and adequately meet the credit requirements of the agriculture and rural sector.

Loans are being extended for crops, livestock, farm mechanization, irrigation & water, tunnel farming, construction of storage facilities, floriculture, poultry, fisheries, orchards, purchase of tractors, refrigerated trucks / pickups, value chains and small farmer loan schemes. Loan facilities under Govt./ SBP Schemes are also offered on subsidized mark-up rate. To streamline and automate the loan application approval process, the Bank has implemented a Loan Origination System (LOS) tailored for its Agri segment.

Following is the list of AKBL's Agri products:

- Askari Kissan Ever Green Finance
- Askari Kissan Tractor Finance
- Askari Kissan Farm Mechanization Finance
- Askari Kissan Aabpashi Finance
- Askari Kissan Transport Finance
- Askari Kissan Livestock Development Finance
- Askari Kissan Green House & Tunnel Finance
- Askari Kissan Farm Storage Finance
- Askari Kissan Gold Fish Finance
- Askari Kissan Murghban Finance
- Askari Kissan White Pearl Finance
- Askari Kissan Samar Bahisht Finance
- Askari Kissan Gulban Finance
- Electronic Warehouse Receipt Financing (EWRF)
- Sahar Agriculture Finance for Female Farmers

Islamic Banking

Under the guidance of its Shariah Board and professional bankers, Askari Ikhlas Islamic banking offers a diverse range of Shariah Compliant products and services to its valued customers. Ikhlas serves the banking needs of its customers through 198 dedicated Islamic banking

PRODUCTS & SERVICES

branches (including 4 sub-branches) spread in 100 cities and towns. Askari Ikhlas remained steadfast in its mission to promote well-being of society and financial inclusion in Islamic way.

Qard based – Current Accounts

Designed to meet the dynamic needs of customers, our current accounts provide seamless banking solutions while adhering to Islamic principles. These accounts empower individuals and businesses to manage their finances efficiently, with access to a suit of value-added services that enhance operational efficiency.

Key products include:

1. Askari Islamic Current Account (LCY) with free cheque books, Debit cards, Bankers' cheques, Real Time Alerts and i-Net Banking and much more.
2. Askari Halal Foreign Currency Current Account available in USD, GBP, AED, and Euro.
3. Specialized Accounts catering to diverse customer segments such as low-income individuals (Asaan Account), female customers (Sahar Account), families of overseas Pakistanis (Pak-Wattan Remittance Account), pensioners, youngsters (Little Champ), and freelancers.

Mudarabah based – Saving Accounts

For profit-conscious customers seeking secure and predictable returns, our saving deposits offer a high-yielding saving Shariah compliant solution to grow their savings with value-added benefits. Our saving products include:

1. AHSAN Munafa Corporate Accounts with attractive monthly profits offering free Cheque books, Debit cards, Bankers' cheques, Real Time Alerts and i-Net Banking and much more.
2. AHSAN Masrafi Accounts having market-based profits for enhanced returns.
3. AHSAN Pensioners Accounts having competitive profit rates designed specifically for pensioners.
4. Ask Sona Islamic Plus Account & AHSAN Premier Plus Munafa Account with exclusive features catering to specific customer segments.

Mudarabah based – Term Deposit Accounts

Askari Ikhlas Islamic Banking presents a comprehensive suite of Shariah compliant term deposit accounts, distinguished by competitive profit rates and secure investments. These accounts are crafted to meet diverse financial needs of the customers while upholding Islamic principles. Key products include:

1. Askari Islamic Investment Certificates with flexible profit payment terms.
2. Askari Khas Islamic Deposit Account available in both local and foreign currencies.
3. AHSAN Masrafi Certificate of Islamic Investment offers higher returns with flexible payment options.
4. Askari Islamic Senior Citizen Investment Certificate specifically designed for senior citizens offers additional benefits such as free ATM, cheque book, and other services.

Islamic Consumer Banking Products

Askari Ikhlas Islamic Banking provides Shariah compliant solutions for home and vehicle financing, adhering to Islamic principles by avoiding interest (riba) and promoting ethical practices. Our offerings feature flexible payment plans, affordable pricing, and transparent terms, empowering consumers to make informed financial decisions while aligning with their faith. Our Products include:

1. Askari Ijarah Bis Sayyarah provides customers an Islamic leasing solution to get the car of their choice with flexible payment plans and competitive rates.
2. Askari Ijarah Bis Sayyarah for Women offers specialized car financing options designed specifically for women, ensuring equal access to vehicle ownership.
3. Askari Home Musharakah a partnership-based financing option allows customers to purchase, build or renovate house.

Islamic Corporate and Commercial Financing Facilities

Askari Ikhlas Islamic Banking offers a comprehensive corporate and commercial banking portfolio, developed with a strong risk management strategy to meet diverse financial needs. Our Shariah based financing products include:

1. Working Capital Facilities: Running Musharakah, Bai Al Murabahah, and Bai Al Musawamah.
2. Long-Term Finance Options: Diminishing Musharakah and Ijarah.
3. Trade Services: Islamic Trade Financing, Letter of Credit/Guarantee.
4. Other Solutions: Bai Al Salam and Istisna for project financing needs.

These offerings support both corporate clients and SMEs across various sectors.

Islamic Agriculture Financing Facilities

The Bank also plays an important role in promoting agriculture development in Pakistan by providing Shariah compliant agriculture financing facilities, contributing to food security, poverty reduction and economic growth, aligning with national development goals of Pakistan by offering;

1. Askari Islamic Tractor & Farm Transport Financing
2. Diminishing Musharakah for Agriculture Financing

NOTICE OF THE 33RD ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd Annual General Meeting (AGM) of the shareholders of Askari Bank Limited ("the Bank") will be held on Monday, March 24, 2025 at 10:00 am at Shamadan Hall, Serena Hotel, Islamabad and through Zoom to transact the following business:

Ordinary Business:

1. To confirm the minutes of the 32nd Annual General Meeting held on March 28, 2024.

2. To receive, consider and, if thought fit, adopt the Annual Audited Financial Statements (consolidated and unconsolidated), 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 Chairman's Review Report, Directors' Report and Auditors' Reports thereon.

   As required under Section 223(6) of the Companies Act, 2017 (the "Act"), and pursuant to SRO 389(1)/2023 dated March 21, 2023, the Annual Report of the Bank has been uploaded on the website of the Bank which can be downloaded from the following weblink or QR enabled code:

   Weblink: https://askaribank.com/investor-relations/financials/annual-reports/

3. To approve, as recommended by the Board of Directors, payment of final cash dividend at Rs. 3 per share, i.e., 30% for the financial year ended December 31, 2024.

4. To appoint statutory auditors for the year ending December 31, 2025 and to fix their remuneration.

   The retiring Auditors, M/s KPMG Taseer Hadi & Co., Chartered Accountants have completed five consecutive years and in compliance of Listed Companies (Code of Corporate Governance) Regulations 2019, new external auditors are to be appointed. The Board's Audit Committee has proposed appointment of M/s A.F. Ferguson & Co, Chartered Accountants, as auditors of the Bank for the year ending December 31, 2025 which is recommended by the Board of Directors.

Any Other Business:

5. To consider any other business as may be placed before the meeting, with the permission of the Chair.

By Order of the Board

Rawalpindi
March 3, 2025

Syed Ali Safdar Naqvi
Company Secretary

NOTICE OF THE 33RD ANNUAL GENERAL MEETING

1. Shareholders interested in attending the AGM through electronic/virtual means and whose names appeared in the Books of the Bank by the close of business on March 17, 2025 are hereby advised to get themselves registered with the Bank by providing their Name, CNIC Number, Folio/ CDS Account Number, Number of Share held, Mobile Numbers (active) and Email address in their names with subject "Registration for 33rd AGM of AKBL" at ir@askaribank.com.pk. Zoom Link to join the 33rd AGM will be shared with only those shareholders from whom all required particulars, are received at the given email address at least 48 hours before the time of holding the AGM.

2. The Share Transfer books of the Bank will remain closed from March 18, 2025 to March 24, 2025 (both days inclusive). Transfers received at the Bank's Share Registrar Department, CDC Share Registrar Services Limited, Mezzanine Floor, South Tower, LSE Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore and Share Transfer Office of the Bank at the close of the business hours on March 17, 2025 will be treated in time.

3. A member entitled to attend and vote at the meeting can appoint a proxy to attend and vote for him. No person shall act as a proxy, who is not a member of the Bank except that Government of Pakistan [GoP] or SBP or corporate entity may appoint a person who is not a member.

4. The instrument appointing a proxy should be signed by the member or his/her attorney duly authorized in writing. If the member is a corporate entity (other than GoP and SBP), certified true copy of the instrument authorizing the person to act as proxy shall be provided.

5. The instrument appointing a proxy, together with attested copy of Power of Attorney or Board Resolution, if any, under which it is signed or a certified copy should be deposited, with the Company Secretary, Askari Bank Limited, 4th Floor, NPT Building, F-8 Markaz, Islamabad at least 48 hours before the time of holding the meeting.

6. If a member appoints more than one proxy, and more than one instrument of proxy is deposited by a member, all such instruments shall be treated invalid. The proxy form shall be witnessed by two persons whose names, addresses and Computerized National Identity Card (CNIC) numbers shall be mentioned on the form.

7. Copy of the CNIC or passport of the beneficial owners shall be furnished with the proxy form. The proxy shall produce their original CNIC or original passport at the time of attending the meeting.

8. In case of individual member, original CNIC or original passport while for the CDC account holder or sub-account holder and for the person whose securities are in group account and their registration details are uploaded as per the regulations, his / her authentication would be made by showing his / her original CNIC or original passport along with participant(s) ID Number and their account numbers. In case of GoP/SBP/ corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature shall be submitted along with proxy form to the Bank.

9. The current prescribed rates for the deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001 for the payment of dividend paid by the Bank are as under:

a)	Persons appearing in Active Tax Payer List	15 %
b)	Persons not appearing in Active Tax Payer List	30 %

The income tax is deducted from the payment of dividend according to the Active Tax-Payers List (ATL) provided on the website of FBR. All those members who are filers of income tax returns are therefore advised to ensure that their names are entered into ATL to enable the Bank to withhold income tax from payment of cash dividend @ 15% instead of 30%.

According to Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal Shareholder as well as Joint-Holder(s) based on their shareholding proportions in case of joint accounts held by the shareholders.

In this regard all Shareholders who hold shares jointly are requested to provide the shareholding proportions of Principal Shareholder and Joint-Holder(s) in respect of shares held by them to our Share Registrar M/s. CDC Share Registrar Services Limited in writing as follows:

		Principal Shareholder		Joint Shareholder		
Folio/ CDC Account No.	Total Shareholding	Name of Shareholder & CNIC No.	Shareholding Proportion (No. of Shares)	Name of Joint Shareholder & CNIC No.	Shareholding Proportion (No. of shares)	Signature

The required information must reach to Share Registrar by March 17, 2025 otherwise it will be assumed that the shares are equally held.

Special Notes to the Shareholders

10. Submission of Copies of CNIC (Mandatory)

As per SECP directives the payment of dividend to the shareholders whose CNICs are not available with the Share Registrar are being withheld. All shareholders having physical shareholding are, therefore, advised to submit a photocopy of their valid CNICs to our Share Registrar. In case of non-receipt of information, the Bank will be constrained to withhold payment of dividend to shareholders.

A printed copy of notice in English & Urdu language for submission of photocopy of valid CNIC has been dispatched along with notice of 33rd AGM to all shareholders of the Bank, whose photocopy of valid CNIC is not available with the Bank's Share Registrar.

11. Payment of Cash Dividend Electronically (e-Dividend)

Section 242 of Companies Act, 2017, requires that in case of a listed company, any dividend payable in cash shall only be paid through electronic mode directly into the bank account (International Bank Account Number-IBAN) designated by the entitled shareholders. Provision of IBAN for cash dividend payments is mandatory and in order to comply with this regulatory requirement of direct credit of dividend amount in shareholder's IBAN, shareholders are requested to provide relevant information to:

1. Their respective CDC Participant/CDC Investor Account Services (in case their shareholding is in Book Entry Form) OR

2. Share Registrar M/s. CDC Share Registrar Services Limited, Mezzanine Floor, South Tower, LSE Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore (in case their shareholding is in Physical Form).

12. Unclaimed/Unpaid Dividend and Bonus Shares

Shareholders of the Bank are hereby informed that as per the record, there are many unclaimed/ uncollected / unpaid dividends and shares; details whereof are appearing on the Bank's website www.askaribank.com. As per the provisions of section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Bank which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable, are required to be deposited with SECP to the credit of Federal Government after issuance of notices to the shareholders to file their claim. Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged, the Bank shall proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of Companies Act, 2017.

13. Transmission of Audited Financial Statements & Notices to Shareholders

Annual Audited Financial Statements of the Bank for the year ended December 31, 2024 have been placed on the Bank's website which can be accessed/downloaded from the following link and QR code:

https://askaribank.com/investor-relations/financials/annual-reports/

The Annual Audited Financial Statements along with the reports and notice of 33rd AGM are being sent to members who have provided their email addresses. In addition, physical copies of Annual Report 2024 have also been dispatched to Shareholders as per their demand.

14. Consent for Video Conference Facility

Pursuant to Section 132 (2) of the Companies Act, 2017, shareholders may avail video conference facility to attend 33rd AGM provided the Bank receives consent from the shareholders holding aggregate 10% or more shareholding at least seven days prior to the date of the meeting. Please fill the following form and submit its signed copy to the Company Secretary, Askari Bank Limited, 4th Floor, NPT Building, F-8 Markaz, Islamabad or email signed form at ir@askaribank.com.pk:

I/We, ---------------- of ------------------- being a Member of Askari Bank Limited, holder of --------- Ordinary Share(s) as per Registered Folio No/ CDC Sub-Account No.----------- hereby opt for video conference facility at -------------------.

____

Signature of Member

15. Deposit of Physical Shares into Central Depository System

As per Section 72 of the Companies Act, 2017, all listed Companies are required to replace shares issued by them in physical form to book-entry form within four years of the promulgation of the Act.

Accordingly, all shareholders of the Bank having physical folios/share certificates are requested to convert their shares into book-entry form at the earliest. Maintaining shares in book-entry form will make the process of share handling more efficient and risk-free. Further, this will facilitate shareholders in safe custody of shares with the CDC, instant credit of entitlements (bonus shares and rights share), eliminate the risk of loss; and readily available for sale/purchase in the open market etc. The shareholders may contact the Share Registrar of the Bank at address, M/s. CDC Share Registrar Services Limited, Mezzanine Floor, South Tower, LSE Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore.

16. Change of Address / Particulars

Shareholders having physical shares are requested to immediately notify any change in their addresses to the Bank's Shares Registrar, M/s. CDC Share Registrar Services Limited, Mezzanine Floor, South Tower, LSE Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore. Whereas, CDC account holders are requested to please contact their respective CDC Participant/Broker/ Investor Account Services. To facilitate the shareholders, a Form for Change of Particulars of Shareholders has been made available on the website of the Bank.

17. Zakat Declaration (CZ-50)

Zakat will be deducted from the dividends at source at the rate of 2.5 % of the paid-up value of the share (Rs. 10/- each) and will be deposited within the prescribed period with the relevant authority. In case of claiming exemption, please submit your Zakat Declarations under Zakat and Ushr Ordinance, 1980 and Rule 4 of Zakat (Deduction and Refund) Rules, 1981, CZ-50 Form to the Share Registrar mentioning Askari Bank's name and respective Folio and CDC Account Nos.

PROFILE OF DIRECTORS

Lt Gen Anwar Ali Hyder, HI(M) (Retd)
Chairman / Non-Executive Director

With nearly four decades of distinguished military service, Lieutenant General Anwar Ali Hyder (Retired) brings consummate skill and experience in planning, organization and administration to his present assignment. Throughout his distinguished career he held prestigious positions in various command, staff and instructional roles, culminating in the position of Principal Staff Officer to the Chief of Army Staff as Adjutant General of Pakistan Army. A role in which he provided leadership and spearheaded several important welfare initiatives and large-scale commercial projects at the Army and national level, including strategizing the development and growth of Fauji Foundation Companies and serving as the Chairman of Army Welfare Trust.

His extensive experience in Pakistan Army includes noteworthy contributions in planning and development of Defence Housing Authorities (DHAs) all over the country and supervising development and management of countrywide mega housing projects such as Askari Housing Colonies.

He also had the distinctive opportunity of making contributions in the academic domain as President National Defence University and as member of the Board of Governors of NUST, NUMS and NUTECH.

Transitioning seamlessly into civilian leadership role, Lieutenant General Anwar Ali Hyder (Retired) assumed the chairmanship of Naya Pakistan Housing and Development Authority (NAPHDA) and played an important role in the interim Federal Cabinet as the Caretaker Minister for Defence and Defence Production. He also served as a member of the Apex Committee of Special Investment Facilitation Council (SIFC), where he made multifaceted contributions to national economic growth initiatives and in the process remained engaged with several public and private sector entities and multinational organizations.

His strategic prowess and commitment to excellence is complimented by his professional and academic qualifications, which include Masters in Strategic Studies from United States Army War College, Carlisle, Pennsylvania and MSc in War Studies from National Defence University, Islamabad. His dedication to duty and meritorious services in Pakistan Army were duly recognized through conferment of the Chief of Army Staff Commendation Card and the prestigious Hilal-e-Imtiaz (Military) by the President of Pakistan.

Term of Office

Joined the Board of Directors on April 06, 2024.

Status

Non-Executive Director & Chairman

Membership of Board Committees

None

Other Directorships

- Fauji Fertilizer Company Limited
- Fauji Foods Limited
- FFBL Power Company Limited
- Fauji Fresh n Freeze Limited
- Fauji Meat Limited
- FonGrow (Pvt) Limited
- Pakistan Maroc Phosphore SA
- Fauji Cement Company Limited
- Mari Energies Limited
- Mari Mining Company (Private) Limited
- Mari Technologies Limited
- Daharki Power Holding Limited
- Foundation Power Company Daharki Limited
- Fauji Kabirwala Power Company Limited
- Foundation Solar Energy (Private) Limited
- Fauji Oil Terminal & Distribution Company Limited
- Fauji Trans Terminal Limited
- Fauji Akbar Portia Marine Terminal Limited
- MedAsk (Private) Limited
- FonGreens (Private) Limited
- Foundation University Islamabad (FUI)
  - President FUI
  - Vice Chairman Board of Governors FUI
  - Chairman Executive Committee FUI

PROFILE OF DIRECTORS

Mr. Jahangir Piracha
Non-Executive Director

With over three decades of experience, Jahangir Piracha has built a career dedicated to leading and transforming some of Pakistan's most influential companies in chemicals, energy, and agri business. Currently serving as the Managing Director and CEO of FFC Ltd. Jahangir is focused on driving growth and innovation while supporting Pakistan's agricultural development and food security.

Jahangir's journey includes CEO roles at Engro Polymer & Chemicals Ltd., Engro Vopak & Elengy Terminal Ltd., and Engro Powergen Qadirpur Ltd., where he gained a deep understanding of commercial, manufacturing, human resources, finance and supply chain management. These diverse roles shaped his approach to leadership, emphasizing the importance of viewing challenges from multiple perspectives and balancing immediate needs with a long-term vision.

Beyond his executive roles, Jahangir has served on numerous boards, including Engro Foundation, REON Energy, and Pakistan Oxygen Ltd., where he has played a key role in decisions impacting the future of energy, infrastructure, and community support across Pakistan. His commitment to sustainability, inclusion, and adaptive growth is evident in the initiatives he supports and the teams he builds.

A Chemical Engineering graduate from the University of Engineering and Technology, Lahore, Jahangir also completed the Advanced Management Program from INSEAD, Fontainebleau, France. His formal education laid a strong foundation, but his leadership style has been shaped by decades of hands-on experience and a dedication to creating positive, lasting change. Known for his commitment to diversity, equity, and inclusion, as well as his advocacy for digital transformation, Jahangir continues to lead with purpose, building organizations that are resilient, agile, and prepared for the future.

Term of Office

Joined the Board of Directors on April 05, 2024.

Status

Non-Executive Director

Membership of Board Committees

Audit Committee
Human Resource & Remuneration Committee

Other Directorships

- Fauji Fertilizer Company Limited
- Fauji Fresh n Freeze Limited
- OLIVE Technical Services (Private) Limited
- FFC Energy Limited
- Foundation Wind Energy Limited – I
- Foundation Wind Energy Limited – II
- Foundation University Islamabad
- FFBL Power Company Limited
- Thar Energy Limited
- Fauji Meat Limited
- Pakistan Maroc Phosphore SA
- International Fertilizer Association (IFA)

Mr. Arif ur Rehman
Non-Executive Director

Since Oct 2021 till end Dec 2024, Mr. Arif Ur Rehman has served as Chief Executive Officer of FFBL and FFBL Power Company Ltd. He is also on Board of Directors of Fauji Foods Ltd and Pakistan Maroc Phosphore S. A.

In July 2016 he was appointed Chief Manufacturing Officer, based at the Head Office in Lahore with responsibility for all aspects of manufacturing for the Fatima Group's three Fertilizer Manufacturing facilities, Fatima Fertilizers Sadiqabad, Pak Arab Fertilizer Company, Multan and Fatima Fertilizers, Lahore (Ex Dawood Hercules). He had responsibility for Operations, Costs, Budgets and People aspects for all Fertilizers. In addition, he was also responsible for the Supply Chain Function for the entire group where he controlled the budget of about USD 200 Million per year, growth, sustainability and strategy of the FG; Fertilizer Business.

In 2007 he joined the Fatima Group as Project Director and led the USD 750 Million Project from ground breaking till its commissioning. This was a green field project comprising of Ammonia, Urea, NP, CAN, Nitric Acid, Utilities and related facilities. One of the salient features of the job was that it was a self-managed EPC Project. Mr. Arif was engaged with dozens of international contractors directly and completed the project successfully in 2011. After the commissioning of the project, Mr. Arif was appointed as its Director Operations. In that role he brought the site to its full potential by a series of revamps that included the plants and organizational and systems improvement. As a result, the production increased from 0.8 to 1,475 Million tons per year and the bottom line improved from -PKR 2.0 Billion to +10 Billion.

In 1996, he joined ICI Pakistan's PTA Business, which was the first and is still the only PTA plant in Pakistan with new technology. He worked as the commissioning leader for the most complex, Oxidation Plant. Later on, he led all the remaining sections of the PTA plant (Purification and Utilities) and took over as the first local Production Manager for the PTA Business in 2001. He also worked as Technical Services & DBN Manager and was appointed as Site Operations Manager in 2005, where he was responsible for Operations, Maintenance, Inspection and Materials Management.

Mr. Arif started his professional career from Fauji Fertilizer Co (FFC) where he initially worked as Process Engineer in the Ammonia, Urea and Utilities plants. Later on, he worked as Process Engineering In-charge, Operations Engineer- Ammonia and Ammonia DBN Commissioning Engineer. In mid-1994, his services were transferred to FJFC (now FFBL) project team. He worked at FJFC for about 3 years and was a part of the multidisciplinary team that developed the FJFC Project from inception to firm order placement. He led the engineering and improvement of the Ammonia Plant. For that project he remained in USA for about a year as Ammonia Plant Lead.

Term of Office

Joined the Board of Directors on October 16, 2021.

Status

Non-Executive Director

Membership of Board Committees

None

Other Directorships

- FFBL Power Company Limited
- Fauji Foods Limited
- Pakistan Maroc Phosphore S.A.

PROFILE OF DIRECTORS

Syed Bakhtiyar Kazmi
(Non-Executive Director)

Mr. Kazmi is a fellow chartered accountant with over 35 years of experience in a diverse range of sectorial and functional strata within national and regional economies. The key areas of his specialization are greenfield and brownfield projects, strategic collaborations, mergers and acquisitions, accounting and finance, strategic level audit and assurance and tax reforms and strategic level advisory.

Term of Office

Joined the Board of Directors on March 26, 2024

Status

Non-Executive Director

Membership of Board Committees

Audit Committee
Risk Management Committee
Information Technology Committee

Other Directorships

- Fauji Foundation
- Fauji Fertilizer Company Limited
- Fauji Cement Company Limited
- Mari Energies Ltd
- Fauji Foods Ltd
- Fauji Fresh n Freez Limited
- Fauji Infravest Foods Limited
- Fauji Meat Limited
- FonGrow Limited
- Hub Power Company Limited
- Fauji Akbar Portia Marine Terminals Limited
- Fauji Oil Terminal and Distribution Company Limited
- Fauji Trans Terminal Limited
- Daharki Power Holdings Limited
- Foundation Power Company Daharki Limited
- Fauji Kabirwala Power Company Limited
- Foundation Solar Energy Limited
- Foundation Wind Energy Limited-I
- Foundation Wind Energy Limited-II
- FFC Energy Limited
- Olive Technical Services Limited
- FFBL Power Company Limited
- Aether Technology (Private) Limited
- Mari Mining Company (Private) Limited
- Mari Technologies Limited
- Sky47 Limited
- Med Ask (Private) Limited
- FonGreen (Private) Limited
- HBL Zari Services Limited
- Foundation University Islamabad
- Mari Minerals

Mr. Khurshid Zafar
Non-Executive Director

Mr. Khurshid Zafar brings over 33 years of extensive experience in the banking and financial sector, holding leadership roles in various business functions. He has developed and executed strategies that have delivered growth and success in the organizations he's led.

He holds a Master's degree in Business Administration from Quaid-e-Azam University and has participated in numerous domestic and international training programs and courses, further enhancing his professional skills and expertise.

Mr. Zafar is highly regarded within Pakistan's business community for his hands-on experience with major business ventures nationwide. His last assignment was as the Chief Operating Officer (COO) at Askari Bank Limited, where he led diverse business functions, including Corporate, Commercial, Retail and Treasury. Under his leadership, the Bank achieved several key milestones including; significant growth in deposits, an expanded network of branches, advancements in digital banking and increased advances. Additionally, he spearheaded numerous transformative projects and initiatives that have significantly enhanced the Bank's brand image and overall market position.

Term of Office

Appointed on February 17, 2025.

Status

Non-Executive Director

Membership of Board Committees

Risk Management Committee
Information Technology Committee

Other Directorships

Nil

PROFILE OF DIRECTORS

Mr. Manzoor Ahmed
Non-Executive Director / Nominee NIT

Mr. Manzoor Ahmed is Chief Operating Officer (COO) of National Investment Trust Ltd (NIT). As COO, he has been successfully managing the operations and investment portfolio worth over Rs. 218 billion. He has experience of over 33 years of the Mutual Fund industry and has been placed at many key positions within NIT that includes capital market operations, investment management, product development, research and liaising with the regulatory authorities. He has also served NIT as its Managing Director (Acting) twice from May 2013 to May 2014 and September 2017 to February 2019. He is M.B.A. and also holds D.A.I.B.P. He has also been the Council Member of The Institute of Bankers Pakistan. Presently, he is pursuing Chartered Financial Analyst (CFA) level III. Mr. Ahmed has also attended various training courses organized by institutions of international repute like London Business School (LBS) UK, Institute of Directors, London and Financial Markets World, New York (USA).

Mr. Ahmed has vast experience of serving on the Boards of various top-ranking companies of Pakistan belonging to the diverse sectors of economy. Currently, he represents NIT as Nominee Director on the Board of Directors of many leading national and multinational companies including commercial banks of Pakistan. Mr. Ahmed is a Certified Director from Pakistan Institute of Corporate Governance.

Mr. Ahmed is member of the Defence Authority Country & Golf Club – Karachi, Rotary Club- Karachi and is also member of Executive Committee of a Hospital for welfare of underprivileged.

Term of Office

Joined the Board of Directors on May 20, 2013.

Status

Non-Executive Director

Membership of Board Committees

Human Resource & Remuneration Committee
Risk Management Committee
Audit Committee

Other Directorships

- Hub Power Company Limited
- Soneri Bank Limited
- Ghandhara Tyre & Rubber Company Limited (Formerly General Tyre & Rubber Company of Pakistan Limited)
- Pioneer Cement Limited
- Millat Tractors Limited
- Pakistan Eye Bank Society (PEBS Hospital)

Mr. Kamran Yousuf Mirza
Independent Director

Mr. Kamran Y. Mirza is a qualified Chartered Accountant (Nov. 1968) from United Kingdom and started his career in Pakistan as an auditor with A.F. Ferguson & Co. Mr. Mirza then made a career move in December 1970 and joined Abbott Laboratories (Pakistan) Limited, a multinational Pharmaceutical cum health care company as Chief Financial Officer. He became one of the youngest Managing Director's of his time in the year 1977 and remained in that position, i.e. Managing Director Abbott Pakistan, for 29 years.

Mr. Mirza held the position of Chairman Export Processing Zones Authority from February 2007 to March 2009 and then joined PBC (Pakistan Business Council) as its Chief Executive Officer, a position he held till December 2015. PBC is a Think Tank cum Business Policy Advocacy Forum.

He is serving as Director on the Boards of Colgate Palmolive (Pak) Limited, Gul Ahmed Textile Mills Limited, Askari Bank, Rafhan Maize Products Co Limited & Education Fund for Sindh (EFS), of which he was the Chairman from Dec. 2012 to Oct. 2016.

Previously, he served as Chairman of Pakistan Mercantile Exchange Limited (PMEX) – formerly National Commodity Exchange Limited (NCEL), Chairman of Karachi Stock Exchange (KSE), President of Overseas Chamber of Commerce & Industry (OICCI), President of American Business Council (ABC), Chairman of Pharma Bureau – (Association of Pharmaceutical Multinationals).

He was the Chairman of – Philip Morris (Pakistan) Limited and Unilever Pakistan Foods Limited (UPFL). He also served as Director on the Boards of State Bank of Pakistan (SBP), Pakistan State Oil (PSO), International Steel (ISL), Sarmaya-e- Pakistan Limited, National Bank of Pakistan (NBP), Bank Alfalah Limited, Abbott Laboratories (Pak) Limited, Pakistan Textile City Limited, Competitiveness Support Fund (CSF), Genco Holding Company, NAVTEC, Safari Club of Pakistan Limited and Karwan-e-Hayat of which he was also the Chairman. Further, he represented PBC on the Board of BOI (Board of Investment) and other Government Bodies / Institutions.

Mr. Mirza has also been a past Chairman of a Task Force set up by Planning Commission on Pharmaceutical Industry, a member of the Economic Advisory Board of the Federal Government and Sindh Wild Life Board. He has served as a Member on Quality Control Board of Institute of Chartered Accountants of Pakistan. He lectured at the Pakistan Institute of Corporate Governance (PICG).

Term of Office

Joined the Board of Directors on March 29, 2023.

Status

Independent Director

Membership of Board Committees

Audit Committee
Human Resource & Remuneration Committee

Other Directorships

- Colgate-Palmolive (Pakistan) Limited
- EFS (Education Fund for Sindh) Registered under Section 42 - Companies Ordinance 1984
- Gul Ahmed Textile Mills Limited
- Rafhan Maize Products Company Limited

PROFILE OF DIRECTORS

Ms. Zoya Mohsin Nathani
Independent Director

Ms. Zoya Mohsin Nathani is a senior banker with two decades of broad based experience in corporate banking relationship management, cash & trade sales, corporate finance, syndications, structured trade finance, SME Banking, Consumer Banking and Credit Risk Management.

Ms. Nathani completed her Masters in Business Administration from IBA Karachi and holds a MSc. degree in Finance and Accounting from London School of Economics.

She has held various senior level positions in International and Local banks such as Director and Head of Global Corporates Pakistan, Standard Chartered Bank, Head of Corporate and Commercial Banking, Pakistan, JS Bank Ltd (Formerly American Express Bank), Director Capitas Group International and Head of Strategy Planning and SME, Burj Bank Limited.

Term of Office

Joined the Board of Directors on April 22, 2020.

Status

Independent Director

Membership of Board Committees

Risk Management Committee
Human Resource & Remuneration Committee

Other Directorships

- MNZ Limited
- National Investment Trust Ltd

Ms. Samina Rizwan
Independent Director

Samina's area of expertise is information technology. In 2001, she joined Oracle as Managing Director, South Asia Growth Economies, and established Oracle's presence in Pakistan, which led to Pakistan's leadership of other countries in the region, including Sri Lanka, Bangladesh, Nepal, and Afghanistan. Samina's last assignment with Oracle was as Vice President of Key and Lead Accounts, where she took stewardship of Oracle's most critical customer accounts in ASEAN. Prior to that, she led the ECEMEA Analytics & Big Data team, which architected data management platforms for customers. Over the past 20 years, Samina's focus has been on establishing and scaling operations in new geographies and introducing cutting- edge solutions and technologies into the regions she has been responsible for such as MEA, SAGE, and ASEAN.

Before Oracle, Samina was Director, Information Systems, at Paktel Limited, a subsidiary of UK telecom company Cable and Wireless. She began her career 30 years ago in Washington DC as a Systems Analyst for The American Security Bank Limited. Her industry experience mainly consists of technology solutions in banking, telecom and the public sector.

In 2003, Samina founded Rizwan Scholars, a trust registered in Pakistan, which sponsored tertiary education scholarships for students from underserved communities in the country. Samina maintains a strong interest in Pakistan's evolving startup ecosystem, investing in early-stage startups that offer tech interventions in education, healthcare, agriculture, the inclusion of marginalized communities, and indigenous small and medium industries.

After 20 years of a global career in big tech, Samina returned to Pakistan and became associated with Code for Pakistan, a not-for-profit initiative where, as Country Director, she built support for civic tech, focusing on women's inclusion in IT ventures.

Currently, Samina Rizwan is the CEO and Founder Partner of The CalmKaaj Network (Pvt.) Limited, a professional services provider for the community. CalmKaaj aspires to transform loosely connected groups of people into a healthy community of members, who contribute high value to their business ventures in particular, and to the community's ecosystem in general.

Samina holds an Executive MBA from the Lahore University of Management Sciences and a Bachelor of Science in Information Systems from American University in Washington DC. She is a Certified PMP from PMI and a Certified Board Member from PICG. Currently, she serves as Member of Advisory Boards of USAID IPA and the National Incubation Center Peshawar. Samina lives in and operates from Islamabad.

Selected Association, Certifications and Awards

- Member Advisory Board of USAID IPA, Pakistan
- Member Advisory Board of National Incubation Center, Peshawar
- Club Excellence performance winner several years from Oracle Corp
- Certified PMP of Project Management Institute (PMI) (First Pakistani woman to achieve this certification)
- Certified Director from Pakistan Institute of Corporate Governance
- Ex-Global Executive Committee Member, Oracle Women Leadership
- Ex-Member Board of Governors FMTI-PIMS
- Ex-Committee Member, ENBD, Dubai Technology Solutions Innovations

Term of Office

Joined the Board of Directors on March 29, 2023.

Status

Independent Director

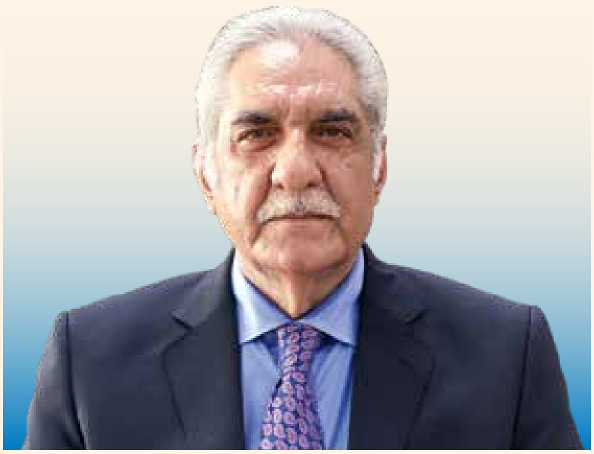
Membership of Board Committees

Information Technology Committee
Human Resource & Remuneration Committee

Other Directorships

- M/s CalmKaaj Network (Pvt) Ltd

PROFILE OF DIRECTORS



Raja Muhammad Abbas
Independent Director

Mr. Abbas brings with him rich experience in Governance, Public Administration, Personnel Management and Financial Management.

He holds a Bachelor degree from the University of Karachi. He joined Pakistan Navy in June 71 and after completion of training got commissioned in 1973. He got inducted into District Management Group in March 1980.

During his 34 years, he has worked as Deputy Commissioner of District Jhelum, Gujranwala and Faisalabad where his role included Administration of Criminal Justice, Civil and Revenue legal matters and monitoring of development projects. He also held senior assignments at provincial level, such as Provincial Secretaries of Labour, Transport and Industries in the Government of Sindh, besides being Secretary Social Welfare, Women Development with the Government of the Punjab.

Additionally, he has worked as Director General Lahore Development Authority as well as Director General Parks and Horticulture Authority Government of the Punjab. Mr. Abbas was elevated to the highest positions as Federal Secretary, Ministry of Housing and Works, Managing Director Pakistan Housing Authority, Chief Secretary Government of Sindh, Secretary Board of Investment and finally before retirement as Secretary to the Ministry of Interior, where he dealt extensively with Financial and Administrative matters. He has been Chairman of the Board of Directors of Sindh Bank.

Presently, he is chairman of Pakistan Industrial Development Corporation (Private) Limited (PIDC) besides director at Askari Bank Board of Directors. He is also a member of Cnergyico Pk Limited Board, an oil marketing company. During his Public and Private service career he has extensively dealt with Financial and Development matters.

Moreover, he had been also on the Board of Directors of Sindh Engineering, Sindh Insurance and Sindh leasing. He is also Syndicate member of Kohsar University, Rawalpindi, Women University and Pir Mehr Ali Shah, ARID Agriculture University, Rawalpindi.

Term of Office

Joined the Board of Directors on April 22, 2020.

Status

Independent Director

Membership of Board Committees

Audit Committee
Information Technology Committee

Other Directorships

- M M Management Consultants (Pvt) Limited
- Cnergyico Pk Limited
- Pakistan Industrial Development Corporation (Private) Limited (PIDC)

Mr. Zia Ijaz
President & Chief Executive Officer

Zia brings over three decades of extensive banking experience, having held senior leadership roles across major financial institutions. Prior to joining Askari Bank, he served at United Bank Limited (UBL) for 10 years, holding key positions including Deputy CEO, SEVP/Group Executive - Branch Banking, Group Executive - International Banking, Board Member of UBL UK, and Chairman of UBL Insurers Limited.

Before UBL, Zia worked at Allied Bank Limited (ABL) for 12 years, where he held positions such as Chief Financial Officer (CFO), Group Chief of Commercial & Retail Banking, and Group Chief of Operations. Additionally, he has served as Financial Controller at Riyad Bank, Saudi Arabia.

Zia's career began at Askari Bank, where he was a part of the pioneering team and later served as Chief Financial Officer (CFO) until 1999.

Term of Office

Joined the Board of Directors on February 17, 2025.

Membership of Board Committees

Information Technology Committee

Status

President & CEO

Other Directorships

Nil

BOARD COMMITTEES

COMPOSITION AND BRIEF TERMS OF REFERENCE

Board Audit Committee (BAC)

BAC oversees the integrity and effectiveness of the financial reporting process as well as of the financial statements with focus on compliance of accounting and reporting standards. BAC assists the Board of Directors by providing an independent review of the effectiveness of the financial reporting process, corporate governance standards, internal control systems, transparency culture, compliance with legal and regulatory requirements, policy and procedural framework and cost efficiencies. BAC also maintains an oversight on the adherence of management and employees to Bank's control framework and code of conduct. It also reviews financial and operational performance of Overseas Operations on periodic basis.

Board Human Resource & Remuneration Committee (BHR&RC)

The primary responsibility of the BHR&RC is to have an effective oversight on the Bank's human resource policies and procedures. The Committee reviews and provides recommendations on the human resource strategies, compensation and benefit schemes and related issues of strategic importance that affects the Bank's ability to attract, develop and retain talent. The Committee is also responsible to devise a mechanism for identification of employees in the categories of 'risk takers' and 'risk controllers' including development of a remuneration structure for them in line with regulatory guidance.

Board Risk Management Committee (BRMC)

The purpose of the BRMC is to provide oversight of risk management and compliance risk management functions including risk management policies, procedures and practices relating to overall enterprise risk management as well as the management of credit, financial, liquidity, market, operational, compliance, sustainability and other types of risk faced by the Bank. BRMC regularly reviews risk management performance relative to risk appetite, risk rating models and other tools to assess and monitor risk exposures and management's view on the acceptable and appropriate levels for such risk exposures. The Committee also regularly reviews overall performance of Special Asset Management function managing the infected portfolio. Similarly, it also regularly reviews compliance function performance in order to assess the effectiveness of controls for combating the Money Laundering including Trade Based Money Laundering, Terrorist Financing, Proliferation Financing and Sanctions Risks. It also reviews Bank's Internal Risk Assessment Report and Action Plan for mitigation of potential risks.

Board Information Technology Committee (BITC)

BITC is responsible to advise and report to the Board of Directors about status of technology and digital initiatives of the Bank. BITC reviews and recommends information technology governance framework, information technology policies, information technology and digital strategy of the Bank. The Committee oversees the progress of the information technology and digital initiatives and ensures that risk management tools and strategies are designed and implemented to achieve resilience against all type of cyber threats along with assessment of Bank's ability to effectively respond to wide-scale technology related disruptions.

CHAIRMAN'S REVIEW

Dear Fellow Shareholders,

On behalf of the Board of Directors, I present my first review report as Chairman of the Board of Directors of Askari Bank since assuming the role in April 2024.

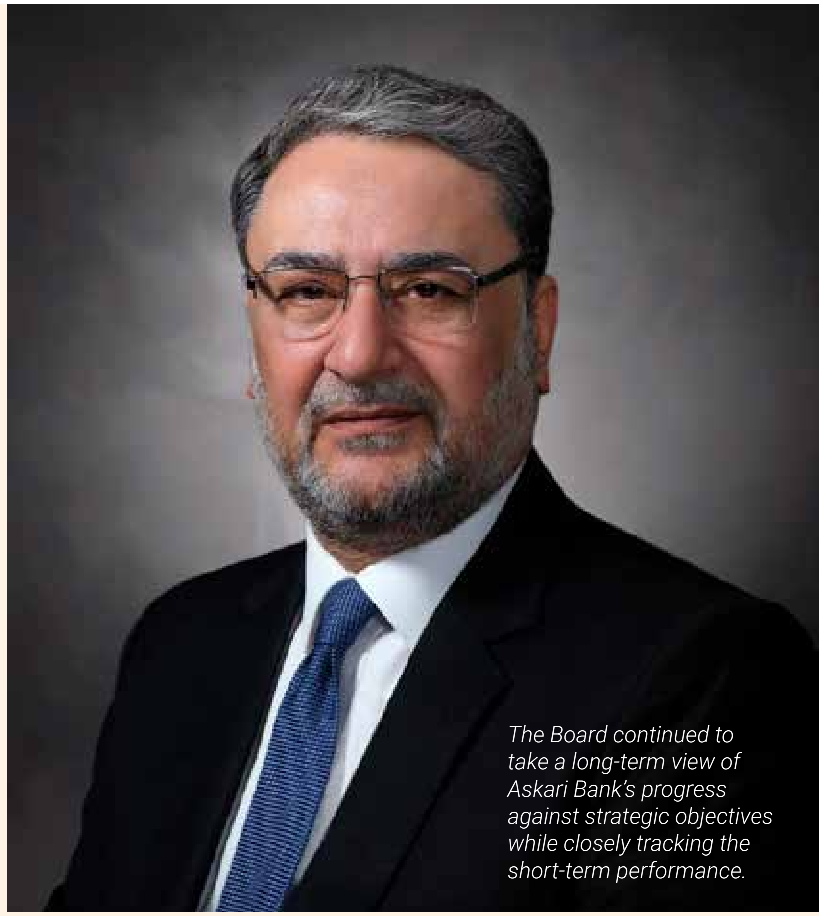
I am pleased to inform our shareholders that Mr. Zia Ijaz has been appointed as President & CEO of Askari Bank Limited. I am confident that his leadership will be foundational for the growth and transformation of Askari Bank as a leading brand in the years ahead.

Looking back on 2024, Askari Bank delivered resilient operating performance. After a moderate first half of the year, management delivered a positive operating leverage during the second half with good revenue growth, cost discipline and improved efficiency. Net assets increased by 25 percent during the year and I am pleased to inform that the Board has recommended a dividend of 30 percent for the year for our shareholders.

In the broader economy, inflation and interest rates have declined sharply, encouraging fundamentals for sustainable growth. The year ahead requires careful and deliberate management to capitalize on the growing confidence for enhanced economic activity leading to greater stability.

The Board continued to take a long-term view of Askari Bank's progress against strategic objectives while closely tracking the short-term performance. During the year, the Board maintained focus on liquidity and capital for an inclusive and sustainable value creation in an environment of elevated sectoral risks that needed to be stabilized to pave the way for normalcy and growth.

Strong governance is Board's top priority. The Board of Directors with its balanced representation of knowledge and experience has been assisted by dedicated Board committees that supervised specialized verticals with strategic insight enabled by an effective policy framework and terms of engagement. During the year, the Board and Board Committees remained actively engaged with the leadership team holding frequent in-depth reviews, providing prudent oversight and guidance on the strategies and progress, building resilience in both financial and non-financial dimensions of risk and compliance across the business lines. The Board's oversight is integral to the Bank's delivery of enduring value for all stakeholders – clients, teams, communities and shareholders.



The Board continued to take a long-term view of Askari Bank's progress against strategic objectives while closely tracking the short-term performance.

Customer centricity remains pivotal and the Bank is positioning with a clear strategy of building long term client relationships across multiple touch points making the best use of technology for attracting and on-boarding new clients and pursuing improved customer experience scores. The Bank's disciplined approach to risk management remains embedded in business and growth strategies. Recognizing that the strength of the Bank is rooted in its people, the Board is confident that the deepened focus on right values will drive a successful strategy and will enable Askari Bank to excel in 2025 and beyond.

On behalf of the Sponsors, I take this opportunity to convey my sincere gratitude to our customers for their continued trust and patronage of the Askari brand. I am thankful to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and other regulatory bodies for their continued support, and to my Board colleagues for their wisdom and valuable support. Lastly, I record my appreciation for our employees for all they do for Askari Bank and for our customers.

Lt Gen Anwar Ali Haider, HI(M) (Retd)
Chairman, Board of Directors

February 24, 2025
Islamabad

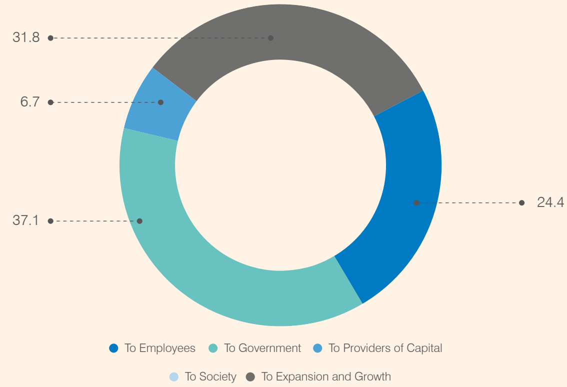
VALUE ADDED STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2024

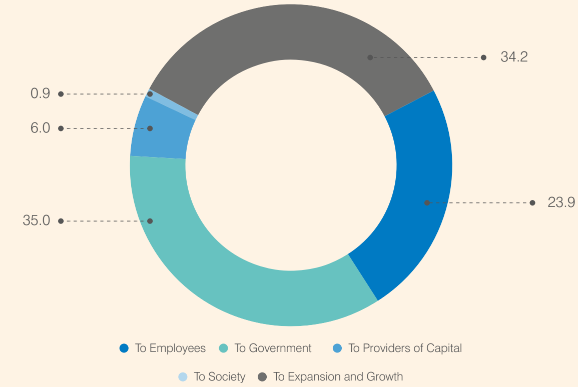
	2024 (Rs. in '000)	2023 (Rs. in '000)
Value Added		
Net Interest Income	62,001,334	59,422,956
Non-Interest Income	15,440,797	12,935,951
Operating expenses excluding staff cost, depreciation, amortization, donation and WWF	(14,510,501)	(10,978,160)
Credit Loss Allowance / Provisions & write offs	1,807,385	(966,361)
	64,739,015	60,414,386

	2024 (Rs. in '000)	(%)	2023 (Rs. in '000)	(%)
Value Allocated				
To Employee				
Compensation / staff costs	15,812,418	24.4	14,417,616	23.9
To Government				
Income Tax	23,484,708		20,609,804	
Workers Welfare Fund	540,000		533,110	
	24,024,708	37.1	21,142,914	35.0
To Providers of Capital				
Cash / Stock dividend	4,347,898	6.7	3,623,248	6.0
To Society				
Donations	–	–	524,398	0.9
To Expansion and Growth				
Depreciation	3,662,502		2,713,216	
Amortization	216,716		181,584	
Retained Earnings	16,674,773		17,811,410	
	20,553,991	31.8	20,706,210	34.2
	64,739,015	100.00	60,414,386	100.00

2024
(Percentage)

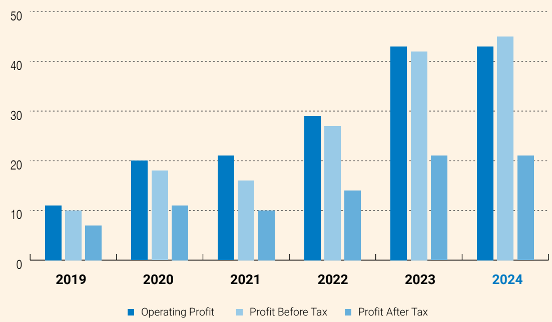


2023
(Percentage)



FINANCIAL REVIEW
FOR THE YEAR ENDED DECEMBER 31, 2024

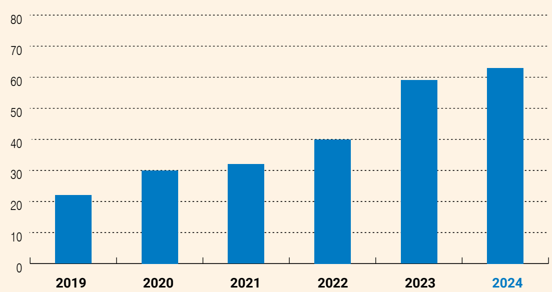
Profit
(Rs. in billion)



PROFIT

Profit before taxation of Rs. 44.5 billion, 6 percent YoY increase contributed by 6 percent growth in Net Mark-up/Interest Income and 19 percent growth in non-mark up income. Profit after tax declined by 2 percent to Rs. 21.0 billion mainly due to a five percent increase on corporate tax rate. Profit before credit loss allowance and taxation marginally declined by 1 percent to Rs. 42.7 billion as total income for the year increased by 9 percent, to Rs. 78.7 billion while total non mark-up/interest expenses increase by 23 percent to Rs. 36.0 billion. The Bank recognized reversal of credit loss allowance of Rs. 1.8 billion compared to a net provision charge of Rs. 966 million for the last year.

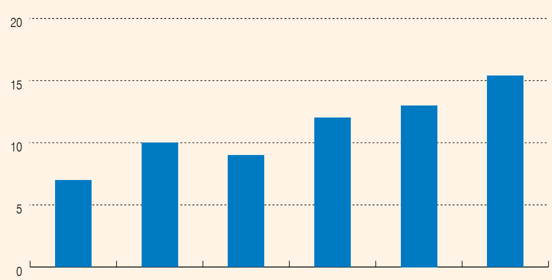
Net Mark-up / Interest Income
(Rs. in billion)



NET MARK-UP / INTEREST INCOME

Net markup / interest income grew by 6 percent benefitting from 29 percent growth in average earning assets as the interest spreads declined in line with the market rates. Bank's investment to deposit and advances to deposit ratios are reported at 110 percent and 54 percent respectively. Investment revenues grew by 42 percent to Rs. 274.6 billion and constitute 68 of total markup income while mark up on loans and advances increased by 9 percent. Markup/ Interest expense on deposits increased by 9 percent and on borrowings increased by 92% in line with growth in investments of the Bank.

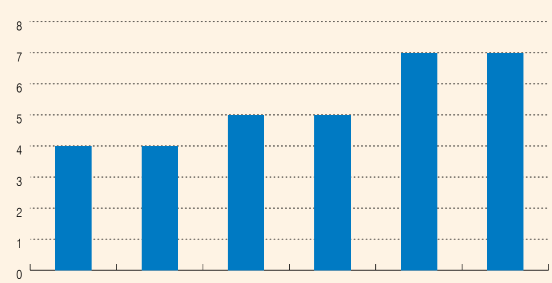
Non Mark-up / Interest Income
(Rs. in billion)



NON MARK-UP / INTEREST INCOME

Non-markup income recorded an increase of 19 percent to Rs. 15.4 billion. Growth mainly contributed by gain on securities, foreign exchange income and dividend income. Gain on securities surged to Rs. 2.8 billion with 267 percent rise and dividend income up by 20% to Rs. 0.8 billion. Fee and commission income marginally declined by 2 percent while foreign exchange income recorded a rise of 5 percent to Rs. 4 billion. The bank's active investment management and re-alignment of portfolio yielded higher gains.

Fee and Commission Income
(Rs. in billion)



FEE AND COMMISSION INCOME

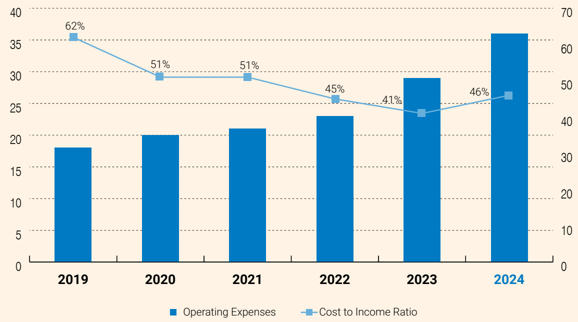
Fee and commission income of Rs. 7 billion marginally declined by 2 percent YoY as 35 percent rise in debit and credit card related fees was offset by 32 percent decline in commission on trade. Other major key revenue lines; Branch banking customer fees, Investment banking fees and commission on remittances recorded growth of 16 percent, 26 percent and 28 percent respectively while Credit related fees and Commission on guarantees declined by 40 percent and 4 percent respectively.

FINANCIAL REVIEW

FOR THE YEAR ENDED DECEMBER 31, 2024

Operating Expenses

(Rs. in billion) / Percentage

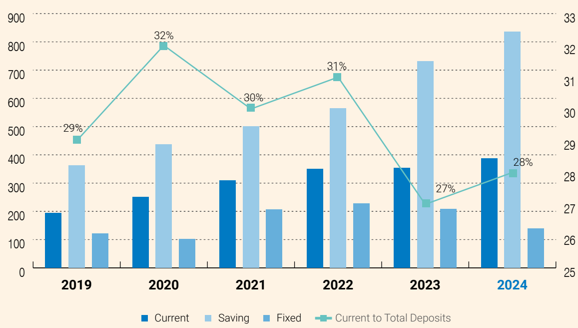


OPERATING EXPENSES

Total operating and other expenses increased by 18 percent yoy on comparable basis due to higher cost of technology and infrastructure and branch expansion. 60 new branches were added to the nation-wide network. Compensation expense increased by 10% excluding the impact of fair value adjustments under IFRS-9. The overall cost to income ratio was 45.8 percent during the year compared to 40.6 percent last year.

Deposits

(Rs. in billion) / Percentage

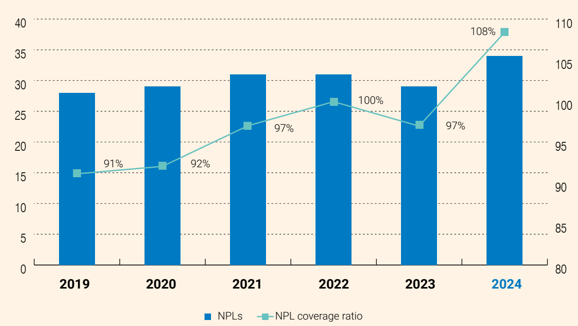


DEPOSITS

Customer deposits increased by 5 percent, to Rs. 1.36 trillion primarily driven by low-cost CASA. CASA deposit recorded a growth of 13 percent and were preferred over fixed deposit that declined by 33 percent yoy. CASA ratio improved to 90 percent at the close of the year from 84 percent last year. Current Account ratio slightly improved to 28.4 percent from 27.3 percent last year.

NPLs and NPL Coverage Ratio

(Rs. in billion / Percentage)



NPLs AND NPL COVERAGE RATIO

Non-performing loans at the close of year were recorded at Rs. 34.4 billion with rise of 18 percent. The infection ratio slightly deteriorated to 4.7 percent, from 4.4 percent last year. Credit Loss Allowance increased by 19 percent YoY, due to implementation of IFRS-9 during the year which requires to expected credit loss allowances against performing loans too, resultantly the coverage ratio improved from 97 percent to 108 percent at December 31, 2024.

FINANCIAL CALENDER

2024	
1st Quarter Results issued on	April 30, 2024
2nd Quarter Results issued on	August 29, 2024
3rd Quarter Results issued on	October 29, 2024
33rd Annual Results issued on	February 24, 2025
33rd Annual General Meeting scheduled for	March 24, 2025

2023	
1st Quarter Results issued on	April 20, 2023
2nd Quarter Results issued on	August 21, 2023
3rd Quarter Results issued on	October 27, 2023
32nd Annual Results issued on	February 21, 2024
32nd Annual General Meeting held on	March 28, 2024

Summarized Quarterly Financial Results

	2024				2023			
(Rupees in million)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Financial Position								
Assets								
Cash,short term funds & statutory deposits with SBP	146,661	217,647	149,939	148,849	118,709	145,941	136,344	173,876
Investments	1,321,232	1,370,949	1,495,982	1,509,746	842,620	1,098,816	1,042,294	1,182,538
Advances	687,414	717,280	461,587	695,758	581,019	622,816	524,133	633,133
Property and equipment, ROU & Intangible Assets	30,484	31,452	32,024	35,797	26,244	25,965	26,859	28,866
Other assets	130,296	131,723	153,267	108,224	93,490	95,528	105,038	105,593
Total assets	2,316,087	2,469,051	2,292,799	2,498,374	1,662,081	1,989,067	1,834,668	2,124,006
Liabilities								
Borrowings from financial institutions	829,830	862,532	685,135	869,212	323,113	540,356	378,683	643,363
Customers deposits	1,301,360	1,413,603	1,406,562	1,363,735	1,192,676	1,269,627	1,275,247	1,293,145
Sub-ordinated loans	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Other liabilities	80,286	80,781	73,480	131,798	62,495	90,263	83,989	78,375
Total liabilities	2,223,476	2,368,916	2,177,177	2,376,745	1,590,285	1,912,246	1,749,920	2,026,883
Net Assets	92,611	100,135	115,622	121,629	71,796	76,821	84,748	97,123
Shareholders' funds								
Share capital	14,493	14,493	14,493	14,493	14,493	14,493	14,493	14,493
Reserves and unappropriated profit	73,009	77,870	83,819	90,900	60,451	64,909	71,445	78,172
Surplus / (Deficit) on revaluation of assets	5,109	7,772	17,310	16,236	(3,148)	(2,582)	(1,190)	4,458
Total shareholders' funds	92,611	100,135	115,622	121,629	71,796	76,821	84,748	97,123
Profit & Loss								
Total income	16,627	15,642	21,876	24,576	15,076	16,508	18,834	21,941
Mark-up / return / interest earned	100,441	104,900	104,477	91,210	57,147	70,864	88,828	88,796
Mark-up / return / interest expensed	87,577	93,000	86,064	71,108	45,212	57,979	73,131	69,892
Net mark-up / interest income	12,864	11,900	18,413	20,103	11,936	12,885	15,698	18,904
Non - mark-up / interest income	3,763	3,742	3,463	4,473	3,141	3,622	3,137	3,036
Fee, commission and exchange income	3,184	2,689	2,767	2,404	2,955	3,222	2,662	2,142
Other income	579	1,053	696	2,069	186	401	475	894
Operating expenses	8,114	8,402	8,693	10,812	6,783	7,179	7,393	7,993
Credit Loss Allowance/Provisions and write offs - net	1,174	(1,628)	1,686	(3,039)	(58)	675	73	276
Operating profit	8,513	7,240	13,183	13,764	8,294	9,329	11,441	13,947
Profit before tax	7,339	8,868	11,497	16,803	8,352	8,654	11,368	13,671
Taxation	3,624	4,512	5,546	9,803	3,648	4,520	5,641	6,801
Profit after taxation	3,715	4,356	5,951	7,000	4,703	4,134	5,727	6,871
Ratios (percent)								
Return on average shareholders' funds (RoE) - annualised	15.7%	18.1%	22.1%	23.6%	26.3%	24.2%	33.4%	38.8%
Return on average assets (RoA) - annualised	0.7%	0.7%	1.0%	1.2%	1.2%	0.9%	1.2%	1.4%

SHARE & DEBT INFORMATION

1. Share Information

1.1 The ordinary shares of Askari Bank Limited ("the Bank") are listed on the Pakistan Stock Exchange. The audited financial statements have been submitted to the stock exchange within the requisite notice periods as required by the relevant Regulations. Askari Bank's Central Depository System ID is 05132.

1.2 Market symbols

Pakistan Stock Exchange – AKBL, Reuters – ASKB.KA, Bloomberg – AKBL: PA

1.3 Share price and volume - last 10 years

Year	Shares	Shareholders' funds (equity)	Market capitalization	KSE's market capitalization	share in market capitalization	Share Price			shares traded during the year
						High During the year	Low During the year	Close at December 31, 2024	
	(in Numbers)	(in Billion)			(Percent)	(in Rupees)			(in Numbers)
2014	1,260,260,180	23.71	29.07	7,380.53	0.39%	23.14	13.37	23.07	590,931,000
2015	1,260,260,180	26.85	27.40	6,947.36	0.39%	25.54	16.26	21.74	427,049,500
2016	1,260,260,180	32.58	31.44	9,628.51	0.33%	25.61	17.50	24.95	329,016,500
2017	1,260,260,180	32.44	24.34	8,570.93	0.28%	28.03	17.75	19.31	341,523,000
2018	1,260,260,180	33.51	30.15	7,692.79	0.39%	26.49	19.20	23.92	208,231,500
2019	1,260,260,180	42.26	23.37	7,811.81	0.30%	24.46	15.53	18.54	90,865,500
2020	1,260,260,180	54.55	29.48	8,035.36	0.37%	23.59	13.00	23.39	241,054,000
2021	1,260,260,180	55.90	27.75	7,900.14	0.35%	25.70	18.77	22.02	94,935,000
2022	1,260,260,180	73.32	25.33	6,382.60	0.40%	23.85	16.40	20.10	57,147,500
2023	1,449,299,207	97.12	35.83	9,003.70	0.40%	26.38	11.99	24.72	243,027,000
2024	1,449,299,207	121.63	55.46	14,495.89	0.38%	40.99	19.50	38.27	442,449,086

1.4 Record of share issues

Year	Issue	Number of shares	Share capital (Rs)
	Prior to public issue	15,000,000	150,000,000
1992	Public issue	15,000,000	150,000,000
1993	50% Rights issue @ Rs. 10 per share	15,000,000	150,000,000
1995	Bonus @ 15%	6,750,000	67,500,000
1996	50% Rights issue @ Rs. 20 per share	22,500,000	225,000,000
1996	Bonus @ 10%	7,425,000	74,250,000
1997	Bonus @ 15%	12,251,250	122,512,500
1998	Bonus @ 5%	4,696,312	46,963,120
2001	Bonus @ 5%	4,931,101	49,311,010
2002	Bonus @ 5%	5,177,712	51,777,120
2003	Bonus @ 5%	5,436,568	54,365,680
2004	Bonus @ 10%	11,416,794	114,167,940
2005	Bonus @ 20%	25,116,947	251,169,474
2006	Bonus @ 33%	49,731,555	497,315,549
2007	Bonus @ 50%	100,216,620	1,002,166,196
2008	Bonus @ 35%	105,227,450	1,052,274,496
2009	Bonus @ 25%	101,469,326	1,014,693,261
2010	Share issued to shareholders of erstwhile Askari Leasing Limited	28,273,315	282,733,150
2010	Bonus @ 20%	107,123,990	1,071,239,900
2011	Bonus @ 10%	64,274,460	642,744,604
2012	Bonus @ 15%	106,052,684	1,060,526,840
2013	55% Rights issue @ Rs. 10 per share	447,189,096	4,471,890,960
2022	Bonus @ 15%	189,039,027	1,890,390,270
		1,449,299,207	14,492,992,070

2. Debts Information

2.1 Askari Bank has issued seven Term Finance Certificates (TFCs), out of which the following are outstanding - unsecured subordinated debt.

(Rupees in million)	TFC - VI	TFC - VII
IPO investors	6,000	6,000
Market Symbols / IDs	AKBLTFC6	AKBLTFC7
Rating by PACRA	AA-	AA
Market Price as at December 31, 2024 (based on marketable lots of Rs. 1,000,000)	6,000	5,970
Applicable interest rate (p.a.) as at December 31, 2024	21.63%	13.44%

HORIZONTAL AND VERTICAL ANALYSIS

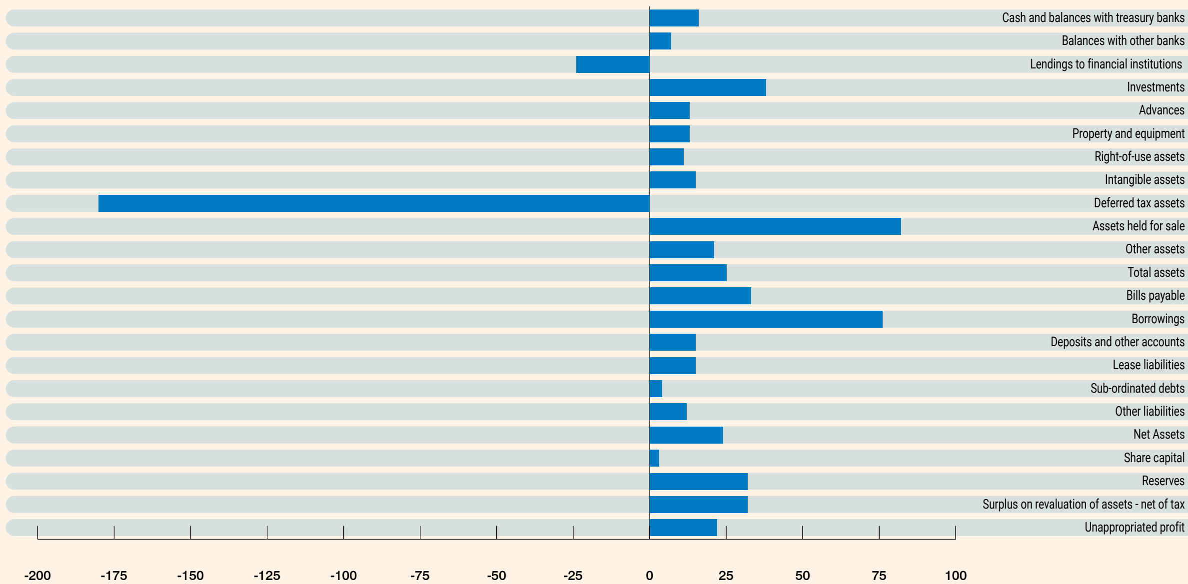
	Horizontal Analysis											
	2024	2023	2022	2021	2020	2019	2024 Vs 2023	2023 Vs 2022	2022 Vs 2021	2021 Vs 2020	2020 Vs 2019	2019 Vs 2018
	Rupees in million						Variance					
Balance Sheet												
Assets												
Cash and balances with treasury banks	133,505	160,087	70,950	89,432	73,652	63,039	(17%)	126%	(21%)	21%	17%	28%
Balances with other banks	10,776	13,789	9,677	3,455	7,720	7,887	(22%)	42%	180%	(55%)	(2%)	93%
Lendings to financial institutions	4,568	–	407	–	–	20,406	–	(100%)	100%	–	(100%)	100%
Investments	1,509,746	1,182,538	762,697	616,361	449,687	305,436	28%	55%	24%	37%	47%	17%
Advances	695,758	633,133	583,811	477,588	395,374	372,914	10%	8%	22%	21%	6%	9%
Property and equipment	21,796	18,698	17,593	13,714	13,811	12,379	17%	6%	28%	(1%)	12%	(3%)
Right-of-use assets	12,161	8,313	6,891	6,454	7,402	7,317	46%	21%	7%	(13%)	1%	–
Intangible assets	1,840	1,856	1,376	1,183	1,143	809	(1%)	35%	16%	3%	41%	9%
Assets held for sale	1,750	1,750	1,750	–	–	81	–	–	100%	–	(100%)	–
Deferred tax Assets	–	8,073	7,546	5,168	1,623	2,490	(100%)	7%	46%	218%	(35%)	(34%)
Other assets	106,474	95,769	62,973	45,789	42,105	40,450	11%	52%	38%	9%	4%	24%
	2,498,374	2,124,006	1,525,671	1,259,144	992,517	833,208	18%	39%	21%	27%	19%	18%
Liabilities												
Bills payable	66,704	12,394	11,879	10,235	12,630	15,769	438%	4%	16%	(19%)	(20%)	2%
Borrowings	869,212	643,363	233,432	123,564	84,164	51,188	35%	176%	89%	47%	64%	(3%)
Deposits and other accounts	1,363,735	1,293,146	1,142,575	1,015,430	791,187	679,299	5%	13%	13%	28%	16%	18%
Lease liabilities	14,137	9,699	8,084	7,394	8,224	7,358	46%	20%	9%	(10%)	12%	100%
Sub–ordinated loans	12,000	12,000	12,000	12,000	12,000	9,992	–	–	–	–	20%	–
Deferred tax liabilities	734	–	–	–	–	–	100%	–	–	–	–	–
Other liabilities	50,223	56,281	44,379	34,619	29,766	27,346	(11%)	27%	28%	16%	9%	29%
	2,376,745	2,026,883	1,452,349	1,203,242	937,971	790,952	17%	40%	21%	28%	19%	18%
Net Assets	121,629	97,123	73,322	55,902	54,546	42,256	25%	32%	31%	2%	29%	26%
Represented by												
Share capital	14,493	14,493	12,603	12,603	12,603	12,603	–	15%	–	–	–	–
Reserves	74,574	57,740	43,386	32,729	25,631	19,366	29%	33%	33%	28%	32%	25%
Surplus on revaluation of assets – net of tax	16,236	4,458	3,952	1,964	7,638	4,300	264%	13%	101%	(74%)	78%	161%
Unappropriated (loss) / profit	16,326	20,432	13,381	8,606	8,674	5,987	(20%)	53%	55%	(1%)	45%	61%
	121,629	97,123	73,322	55,902	54,546	42,256	25%	32%	31%	2%	29%	26%
Profit and Loss												
Mark–up / return / interest earned	401,029	305,636	165,796	77,550	77,322	71,704	31%	84%	114%	–	8%	64%
Mark–up / return / interest expensed	337,749	246,213	125,834	45,140	47,059	49,568	37%	96%	179%	(4%)	(5%)	98%
Net mark–up / interest income	63,280	59,423	39,962	32,410	30,263	22,136	6%	49%	23%	7%	37%	19%
Non mark–up/interest income												
Fee and commission income	6,966	7,085	5,446	4,609	3,851	3,617	(2%)	30%	18%	20%	6%	16%
Dividend income	854	709	486	420	273	274	20%	46%	16%	54%	–	19%
Foreign exchange income	4,078	3,897	5,495	3,123	2,673	2,508	5%	(29%)	76%	17%	7%	57%
Gain on securities	2,852	777	(251)	815	2,556	739	267%	410%	(131%)	(68%)	246%	184%
Other income	691	468	444	402	341	266	48%	5%	10%	18%	28%	(36%)
Total non–markup / interest income	15,441	12,936	11,620	9,369	9,694	7,404	19%	11%	24%	(3%)	31%	32%
Total income	78,721	72,359	51,582	41,779	39,957	29,540	9%	40%	23%	5%	35%	22%
Non mark–up/interest expenses												
Operating expenses	35,409	28,569	22,572	20,891	20,124	18,235	24%	27%	8%	4%	10%	12%
Workers' welfare fund / other provisions	540	533	340	213	43	42	1%	57%	60%	395%	2%	(108%)
Other charges	72	246	168	90	48	100	(71%)	46%	87%	88%	(52%)	(48%)
Total non–markup / interest expenses	36,021	29,348	23,080	21,194	20,215	18,377	23%	27%	9%	5%	10%	16%
Profit before credit loss allowance / provisions	42,700	43,011	28,502	20,585	19,742	11,163	(1%)	51%	38%	4%	77%	34%
Credit loss allowance / provisions and write-offs	(1,807)	966	1,042	4,940	1,975	773	(287%)	(7%)	(79%)	150%	155%	(47%)
Profit before taxation	44,507	42,045	27,460	15,645	17,767	10,390	6%	53%	76%	(12%)	71%	51%
Taxation	(23,485)	(20,610)	(13,398)	(5,944)	(6,967)	(3,373)	14%	54%	125%	(15%)	107%	38%
Profit after taxation	21,022	21,435	14,062	9,701	10,800	7,017	(2%)	52%	45%	(10%)	54%	58%
Basic and diluted earnings per share – Rupees	14.51	14.79	9.70	7.70	8.57	5.57						

HORIZONTAL AND VERTICAL ANALYSIS

	Vertical Analysis											
	2024	2023	2022	2021	2020	2019	2024	2023	2022	2021	2020	2019
	Rupees in million						Composition					
Balance Sheet												
Assets												
Cash and balances with treasury banks	133,505	160,087	70,950	89,432	73,652	63,039	5%	8%	5%	7%	7%	8%
Balances with other banks	10,776	13,789	9,677	3,455	7,720	7,887	–	1%	1%	–	1%	1%
Lendings to financial institutions	4,568	–	407	–	–	20,406	–	–	–	–	–	2%
Investments	1,509,746	1,182,538	762,697	616,361	449,687	305,436	60%	56%	50%	49%	45%	37%
Advances	695,758	633,133	583,811	477,588	395,374	372,914	28%	30%	38%	38%	40%	45%
Property and equipment	21,796	18,698	17,593	13,714	13,811	12,379	1%	1%	1%	1%	1%	1%
Right-of-use assets	12,161	8,313	6,891	6,454	7,402	7,317	–	–	–	1%	1%	1%
Intangible assets	1,840	1,856	1,376	1,183	1,143	809	–	–	–	–	–	–
Assets held for sale	1,750	1,750	1,750	–	–	81	–	–	–	–	–	–
Deferred tax Assets	–	8,073	7,546	5,168	1,623	2,490	–	–	–	–	–	–
Other assets	106,474	95,769	62,973	45,789	42,105	40,450	4%	5%	4%	4%	4%	5%
	2,498,374	2,124,006	1,525,671	1,259,144	992,517	833,208	100%	100%	100%	100%	100%	100%
Liabilities												
Bills payable	66,704	12,394	11,879	10,235	12,630	15,769	3%	1%	1%	1%	1%	2%
Borrowings	869,212	643,363	233,432	123,564	84,164	51,188	35%	30%	15%	10%	8%	6%
Deposits and other accounts	1,363,735	1,293,146	1,142,575	1,015,430	791,187	679,299	55%	61%	75%	81%	80%	82%
Lease liabilities	14,137	9,699	8,084	7,394	8,224	7,358	1%	–	1%	1%	1%	1%
Sub-ordinated loans	12,000	12,000	12,000	12,000	12,000	9,992	–	1%	1%	1%	1%	1%
Deferred tax liabilities	734	–	–	–	–	–	–	–	–	–	–	–
Other liabilities	50,223	56,281	44,379	34,619	29,766	27,346	2%	3%	3%	3%	3%	3%
	2,376,745	2,026,883	1,452,349	1,203,242	937,971	790,952	95%	95%	95%	96%	95%	95%
Net Assets	121,629	97,123	73,322	55,902	54,546	42,256	5%	5%	5%	4%	5%	5%
Represented by												
Share capital	14,493	14,493	12,603	12,603	12,603	12,603	1%	1%	1%	1%	1%	2%
Reserves	74,574	57,740	43,386	32,729	25,631	19,366	3%	3%	3%	3%	3%	2%
Surplus on revaluation of assets - net of tax	16,236	4,458	3,952	1,964	7,638	4,300	1%	–	–	–	1%	1%
Unappropriated (loss) / profit	16,326	20,432	13,381	8,606	8,674	5,987	1%	1%	1%	1%	1%	1%
	121,629	97,123	73,322	55,902	54,546	42,256	5%	5%	5%	4%	5%	5%
PROFIT AND LOSS												
Mark-up / return / interest earned	401,029	305,636	165,796	77,550	77,322	71,704	100%	100%	100%	100%	100%	100%
Mark-up / return / interest expensed	337,749	246,213	125,834	45,140	47,059	49,568	84%	81%	76%	58%	61%	69%
Net mark-up / interest income	63,280	59,423	39,962	32,410	30,263	22,136	16%	19%	24%	42%	39%	31%
Non mark-up/interest income												
Fee and commission income	6,966	7,085	5,446	4,609	3,851	3,617	2%	2%	3%	6%	5%	5%
Dividend income	854	709	486	420	273	274	–	–	–	1%	–	–
Foreign exchange income	4,078	3,897	5,495	3,123	2,673	2,508	1%	1%	3%	4%	3%	3%
Gain on securities	2,852	777	(251)	815	2,556	739	1%	–	–	1%	3%	1%
Other income	691	468	444	402	341	266	–	–	–	1%	–	–
Total non-markup / interest income	15,441	12,936	11,620	9,369	9,694	7,404	4%	4%	7%	12%	13%	10%
Total income	78,721	72,359	51,582	41,779	39,957	29,540	20%	24%	31%	54%	52%	41%
Non mark-up/interest expenses												
Operating expenses	35,409	28,569	22,572	20,891	20,124	18,235	9%	9%	14%	27%	26%	25%
Workers' welfare fund	540	533	340	213	43	42	–	–	–	–	–	–
Other charges	72	246	168	90	48	100	–	–	–	–	–	–
Total non-markup / interest expenses	36,021	29,348	23,080	21,194	20,215	18,377	9%	10%	14%	27%	26%	26%
Profit before Credit loss allowance/provisions	42,700	43,011	28,502	20,585	19,742	11,163	11%	14%	17%	27%	26%	16%
Credit loss allowance/provisions and write offs	(1,807)	966	1,042	4,940	1,975	773	–	–	1%	6%	3%	1%
Profit before taxation	44,507	42,045	27,460	15,645	17,767	10,390	11%	14%	17%	20%	23%	14%
Taxation	(23,485)	(20,610)	(13,398)	(5,944)	(6,967)	(3,373)	(6%)	(7%)	(8%)	(8%)	(9%)	(5%)
Profit after taxation	21,022	21,435	14,062	9,701	10,800	7,017	5%	7%	8%	13%	14%	10%

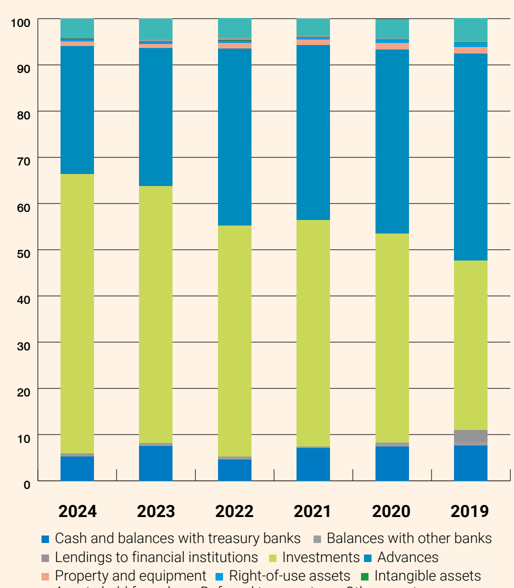
Balance Sheet Horizontal Analysis

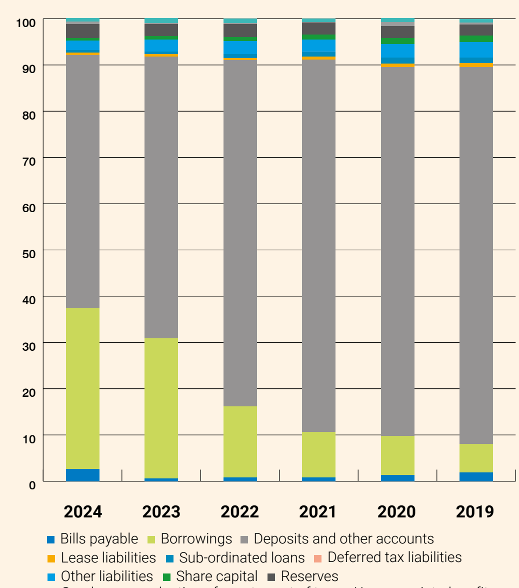
(Cumulative average growth rate for the last six years - % age)



Balance Sheet Vertical Analysis

(Composition for the last six years - % age)





OUR PRESENCE

Location	No. of Branches
Azad Jammu & Kashmir	**14**
Bagh	1
Bhimbar	2
Kotli	1
Mirpur	6
Muzaffarabad	2
Poonch	2
Balochistan	**32**
Gwadar	4
Jaffarabad	2
Kech (at Turbat)	1
Khuzdar	1
Killa Abdullah	1
Lasbela (at Uthal)	1
Loralai	1
Panjgur	1
Pishin	1
Sibbi	1
Quetta	16
Zhob	1
Mastung	1
Islamabad Capital Territory	**57**
Gilgit Baltistan	**11**
Khaplu	1
Astore	1
Jaglot	1
Skardu	3
Gilgit	4
Ghizer	1
Khyber Pakhtunkhwa	**69**
Abbottabad	9
Bannu	2
Charsadda	2
Chitral	1
D.I.Khan	1
Dera Ismail Khan	2
Dir	1
Ghazi	1
Hangu	2
Haripur	5
Kanju	1
Karak	1
Kohat	1
Kohistan	1
Lassan Nawab	1
Lower Dir	1

Location	No. of Branches
Khyber Pakhtunkhwa – Continued	
Malakand	4
Mansehra	7
Mardan	3
Mingora	1
Nowshera	4
Parachinar	1
Peshawar	13
Shangla	1
Swabi	1
Swat	2
Punjab	**366**
Attock	13
Bahawalnagar	4
Bahawalpur	11
Bewal	1
Bhakkar	1
Burewala	1
Chakwal	8
Chiniot	2
Choha Khalsa	1
Daska	1
Dera Ghazi Khan	3
Faisalabad	19
Fateh Jang	1
Ghakhar Mandi	1
Gujranwala	13
Gujar Khan	1
Gujrat	16
Hafizabad	3
Jhang	2
Jhelum	6
Joharabad	1
Kasur	4
Khanewal	3
Khushab	1
Lahore	79
Layyah	2
Lodhran	1
Mandi Bahauddin	6
Mandra	1
Mianwali	3
Multan	13
Muzaffar Garh	1
Muzaffargarh	1
Nankana Sahib	2
Narowal	1

Location	No. of Branches
Punjab – Continued	
Okara	6
Pakpattan	3
Pir Garatan Syedan	1
Rahim Yar Khan	7
Rawalpindi	68
Renala Khurd	1
Sadiqabad	1
Sahiwal	2
Sargodha	10
Sheikhupura	5
Sialkot	23
Taxila	1
Toba Tek Singh	5
Vehari	4
Wah Cantt.	1
Zafarwal	1
Sindh	**169**
Badin	2
Bholari	1
Babarloi	1
Dadu	1
Ghotki (at Mirpur Mathelo)	3
Hyderabad	11
Jacobabad	1
Jamshoro	2
Kambar Shahdadkot	1
Karachi	117
Kashmore	2
Khairpur	2
Larkana	4
Matiari	1
Mirpur Khas	2
Sanghar	2
Shaheed Benazirabad	2
Shikarpur	1
Sukkur	7
Tando Allahyar	1
Tando Muhammad Khan	1
Tharparkar	1
Thatta	1
Umer Kot	2
FATA	**1**
Khyber Agency	1
Bahrain	**1**
Beijing, China (Rep. office)	**1**

Our Presence

- Islamabad Capital Territory - 57
- Punjab - 366
- Sindh - 169
- Khyber Pakhtunkhwa - 69
- Balochistan - 32
- Gilgit Baltistan - 11
- Azad Kashmir - 14
- FATA - 01
- Bahrain - 01
- China Rep. office - 01

522

Conventional Branches / Sub Branches

198

Islamic Branches / Sub Branches

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors present 33rd Annual Report of Askari Bank Limited along with the audited unconsolidated and consolidated financial statements of the Bank and Auditors' reports thereon, for the year ended December 31, 2024.

Economy

The global economic growth is moderating in a complex landscape as inflation and interest rates decline gradually. The growth trends vary amongst advanced economies; in the US, underlying demand remains robust, reflecting strong wealth effects, a less restrictive monetary policy, and supportive financial conditions; in Europe growth is expected to pick up but at a gradual pace as geopolitical tensions continue to weigh on sentiment. The developing economies are faced with headwinds due to high debt burdens, weak investment and productivity growth, rising geopolitical tensions and mounting dangers of climate change. Growth in developing economies is expected to remain lower and insufficient to foster progress necessary to alleviate poverty and achieve wider development goals, thus warranting domestic reforms to quicken private investment, deepen trade relations, and promote more efficient use of capital, talent and energy.

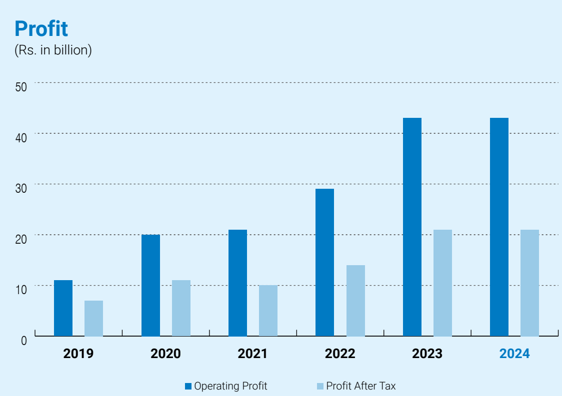
Pakistan's economy continued its gradual recovery supported by global prices, monetary easing stable exchange rate, and upgrade in sovereign rating. GDP growth accelerated to 2.5 percent for the fiscal year 2024, and moderating for first quarter of the current fiscal year due to high base effect in agriculture. Inflation has been on a downturn since the beginning of the year, CPI dropped sharply from 29.7 to 4.1 percent during 2024, primarily driven by declining food inflation, favourable global commodity prices and high base effect. The pace of disinflation, fiscal and external sector stability and improving indicators prompted sharp reduction in SBP policy rate from 22 to 13 percent during the year in review, leading to a surge in the private sector lending.

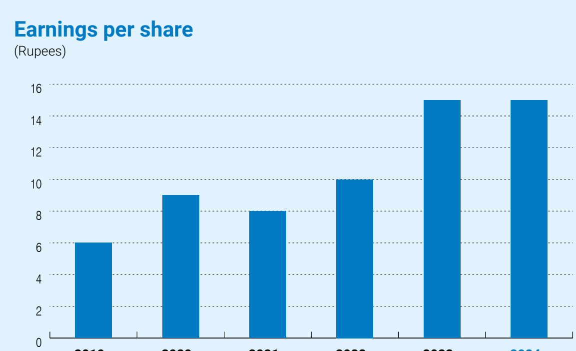
On the external front, current account remained positive for five consecutive months recording a surplus of $1.2 billion during the first half of current fiscal year, compared to a deficit of $1.4 billion for the same period last year, driven by elevated remittances, improved export earnings and favourable global commodity prices that compensated the increase in import volumes. Worker's remittances clocked in at $17.8 billion, a 33 percent increase while exports and imports grew by 7 percent and 9 percent, respectively during the first half of current fiscal year. As the import volumes increase in line with the ongoing domestic economic recovery, CAD is expected to remain contained due to sustained momentum in remittances and exports along with favorable commodity prices. Pakistan's foreign exchange reserves and currency demonstrated stability during the year despite of significant debt repayments, with total forex reserves reaching $15.9 billion from $12.7 billion at the close of last year.

The banking sector maintained its soundness amidst challenging economic environment. Banks' lending to the private sector and non-bank financial institutions accelerated amidst easing financial conditions and to comply with ADR thresholds. Government borrowing from the banks remained relatively contained and shifted to non-bank sources. Despite pressure on earnings, asset quality remained stable reflected by modest increase in non-performing loans and improvement in coverage ratio.

Bank's Performance

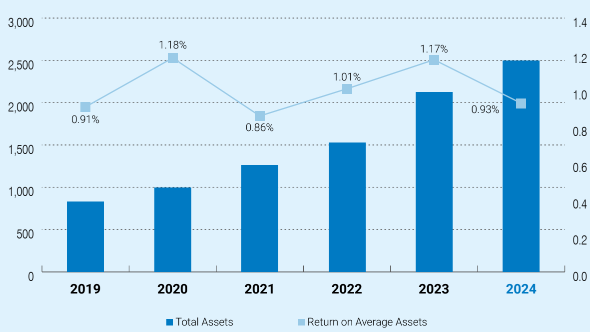
Askari Bank delivered profit before tax of Rs. 44.5 billion, 6 percent higher than last year's Rs. 42.0 billion. Profit after tax at Rs. 21.0 billion is showing a decline of 2 percent mainly due to a five percent increase on corporate tax rate. Earnings per share of Rs. 14.5 for the current year against Rs. 14.8 last year.





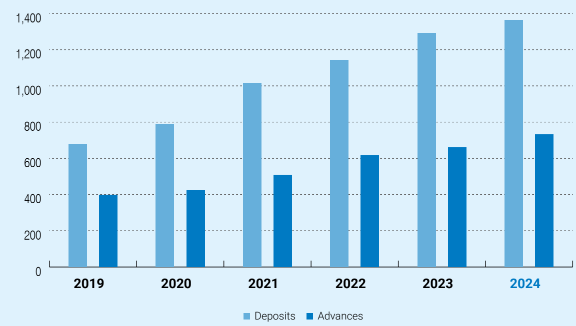
Total income for the year increased by 9 percent, to Rs. 79 billion mainly contributed by a 19 percent increase in non-mark-up income, despite a one-off reduction to comply with the restructuring terms of loan to a large PSE during the year. The average earning assets growth of 29 percent, to Rs. 2.1 trillion was the main contributor as the interest spreads declined in line with the market rates. Non-fund income grew to Rs. 15.4 billion, showing a yoy increase of 19 percent. Gain on securities surged to Rs. 2.8 billion and dividend income to Rs. 0.8 billion. Fee and commission income marginally declined by 2 percent while foreign exchange income recorded a rise of 5 percent. Administrative expenses increased by 18 percent on a comparable basis mainly due to higher cost of technology and infrastructure and branch expansion.

Return on Assets
(Rs. in billion)

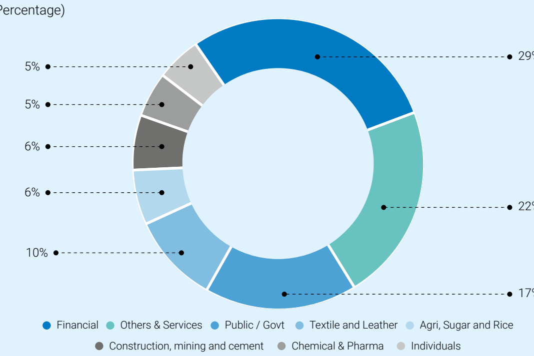


The Bank's balance sheet grew by 18 percent. Customer deposits increased by 5 percent, to Rs. 1.36 trillion primarily driven by low-cost CASA; CASA deposit recorded a growth of 13 percent and CASA ratio improved to 90 percent at the close of the year from 84 percent last year. Gross advances increased by 11 percent to Rs. 733 billion. The Bank recognized reversal of credit loss allowance of Rs. 1.8 billion compared to a net provision charge of Rs. 966 million for the last year. At December 31, 2024, the Bank's infection ratio stood at 4.7 percent while the coverage ratio was 108 percent. During the period, IFRS-9 has been adopted as per regulatory guidance and requisite financial disclosures have been made in the annexed financial statements which has resulted in a net negative impact on opening equity amounting to Rs. 3.9 billion. ADR ratio is reported at 54 percent at December 31, 2024.

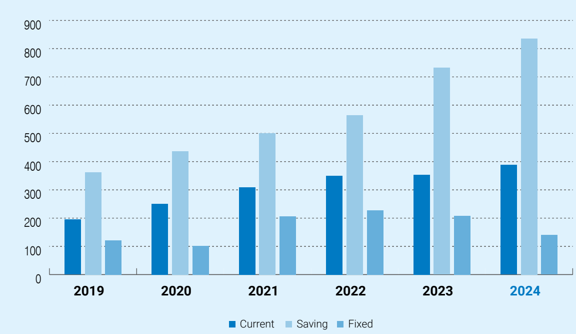
Advances and Deposits
(Rs. in billion)



Advances
(Percentage)



Deposits
(Rs. in billion)



The Bank is well capitalized with adequate buffers over regulatory requirements. At December 31, 2024, leverage ratio was recorded at 3.6 percent and capital adequacy ratio 21.4 percent. The Bank is committed to maintain capital ratios well above prescribed thresholds for better risk absorption capacity.

Appropriations

The Board of Directors recommends the following appropriations for the year ended December 31, 2024:

Rupees in '000		
Year Ended December 31,	**2024**	2023
	Unconsolidated	
Profit after taxation	21,022,671	21,434,659
Effect of recognition of actuarial gains	806,337	338,078
Effect of adoption of IFRS-9 on retained earnings	(5,649,522)	–
Transfer from surplus on revaluation	222,307	802,541
Profit available for appropriation	16,401,793	22,575,278
Cash dividend - 30 percent (2023:25 percent)	(4,347,898)	(3,623,248)
Transfer to statutory reserve	(2,102,267)	(2,143,466)
Accumulated profit carried forward	9,951,628	16,808,564
Earnings per share - Rupees	14.51	14.79

Rating

The Bank's entity rating was reaffirmed at 'AA+' (Double A Plus) for the long-term by Pakistan Credit Rating Agency Limited (PACRA), with outlook assigned as 'Stable'. The Bank's strong brand and affiliation with Fauji Foundation are recognized as the key rating drivers, supported by Bank's experienced management team, prudent risk management policies, and deep-rooted relationship with clients. Lately, retention of profits in the Bank to bolster the capital structure is also a testimonial of support. The short-term rating was maintained at 'A1+' (A One Plus).

Ikhlas Islamic Banking

Askari Ikhlas with a spread in 100 cities and towns remained steadfast in its mission to promote financial inclusion in Islamic way. Askari Ikhlas remains committed to Shariah compliant banking and innovative financial solutions. Guided by the principles of fairness, transparency, and social responsibility, Askari Ikhlas continued to deliver innovative financial solutions aligned with the values of our customers and the teachings of Islam through our 198 dedicated Islamic banking branches (including 4 sub-branches). During the year, Askari Ikhlas Islamic banking posted a 5 percent increase in operating profit to Rs. 7.7 billion from Rs. 7.4 billion last year. Deposits recorded a growth of 14 percent while gross financing declined by 39 percent due to net retirement of seasonal financing. Despite challenges, Askari Ikhlas has strengthened its position as a trusted partner in Islamic banking, empowering individuals, businesses, and communities to thrive in harmony with their faith and aspirations. Askari Ikhlas remains committed to building a future where finance serves as a force for good, fostering prosperity and inclusivity for all.

Distribution and Digital Channels

During the year, the Bank opened 60 new branches across the country of which 53 were Islamic banking branches. At December 31, 2024, Askari Bank was operating with 720 branches / sub branches; 521 conventional and 198 Islamic banking branches, a wholesale bank branch in Bahrain and a representative office in Beijing, China.

Driven by the mission 'getting closer to the customer', the Bank has embraced a digital-first mindset to transform customer experience through seamless technology. The enhanced features on Askari mobile app, fast pace of digital customer acquisition and the successful execution of strategic technology initiatives, including a dedicated digital innovation lab, are reflective of the digital transformation journey. Moving ahead, focus will remain on accelerating digital adoption, enhancing customer security and optimizing banking efficiency. By investing in next-generation banking solutions and prioritizing customer empowerment, Askari digital offerings will continue to shape a resilient, technology-driven financial institution that meets the challenges of tomorrow.

Information Security

During the year 2024, the Bank recorded significant improvement in cyber security posture to mitigate rising challenges and to comply with best practices. These include; ISO 27001:2022 [Q] Information Security Certification, PCI-DSS Version 4.0.1 Certification and Launch of MyID mobile application [End user management]. The Bank's cyber risk score has been maintained at A+ rating for the fourth consecutive year from a reputable firm. These demonstrate Bank's commitment to protect privileged information to maintain its position amongst cyber security leaders in the financial sector. Alongside, efforts to raise cyber awareness regarding cybercrime, phishing emails, online banking security, safe usage of mobile banking Apps and importance of strong password among staff and customers continue as integral part of the strategy.

Risk Management and Compliance

The Bank has a comprehensive risk management framework supported by processes designed to align with its prudent risk appetite while embedding resilience and fostering a strong risk-management culture. Risk decisions are governed by said framework, ensuring compliance with applicable regulatory requirements and guidance. This approach enables the Bank to mitigate and manage risks effectively within defined tolerance levels.

Oversight of risk management practices is maintained by the Board Risk Management Committee supported by multi-tier management structures, including credit risk, operational risk and ALCO – for interest rate and market risk, committees to ensure that the risk tolerance is well defined, and remains aligned with risk appetite, considering factors such as size, financials and market standing. This governance framework enables the Bank to continually refine processes, controls, and guidelines, not only to mitigate but manage risks proactively and efficiently.

The Bank recognizes that the impact and severity of external factors can vary significantly across obligors, even within the same sector or sub-sector. To this end, the Bank has implemented an obligor-level monitoring framework to ensure regular and granular oversight of individual obligors. This approach enhances the Bank's ability to assess and respond to risks at a more precise level, taking into account sector-specific dynamics and individual circumstances. Additionally, the Bank has established an Enterprise Risk Management Department tasked with ensuring readiness for potential adverse events that could negatively impact earnings, capital, operations, or reputation. By employing forward-looking strategies and maintaining robust risk management practices, the Bank is well-positioned to address emerging challenges.

The Bank remains committed to proactively managing credit and market portfolios, taking remedial actions whenever necessary. Through continuous monitoring and focused resilience, the Bank strives to safeguard its financial stability and sustain long-term growth.

An effective compliance culture remains high priority and the Bank has well defined processes to ensure seamless client services supported by highest ethical standards, while managing compliance risks. During the year, Compliance Risk Management Framework (CRMF) was further strengthened to ensure adherence to applicable laws and regulations. Such process is vital to conduct business operations responsibly, protect customers' interest while adhering to the highest regulatory standards. Regular staff trainings, compliance advisories and awareness through e-learning as well as classroom sessions is a focus area with an objective to improve compliance culture in the Bank. Collectively, all these efforts strengthened the compliance and operational resilience, ability to deliver smooth operations, and protect the Bank's interest.

Human Resource

The Bank firmly believes that its committed human resource is the key towards building a sustainable and productive organization. Over the years, the Bank has been nurturing its human capital by acquiring and deploying talent, raising the performance bar, investing extensively in training and development programs and enhancing leadership capacity and capabilities. During the year, as part of our continuous effort to grow impact as an organization and to promote fairness; emphasis remained on pay for performance by recognizing and rewarding employees displaying exceptional results through a differentiated payout approach in revenue and support roles.

Bank's commitment to crafting future talent pipeline lies in hiring function and role specific batches, tailored to enhance skill diversity and niche capabilities, inducted following a structured sourcing process and supported by high value programs before placement on specific roles with an aim to strengthen workforce, enabling them to stay ahead in a dynamic financial landscape while nurturing a culture of continuous growth and innovation.

Gender Pay Gap

The mean and median gender pay gap is 31 percent and 15 percent respectively as on 31 December 2024.

Customer Experience

The customer experience function spearheads service excellence across the customer touch points by implementing impactful change through new thinking, service-related trainings and process improvements. The function continually gauges service standards considering a range of factors including wait times and service quality. Customer pain points identified are addressed through automation, improvements in branch layouts and multi-skilling staff.

Askari contact center continued to offer real-time information and efficient self-service banking with 24/7 support. Customers are served over the phone and other digital channels including email, WhatsApp, and social media platforms. During the year, 85K complaints were registered with an improved average turnaround time of 3.5 working days as compared to last year. The Bank will continue to enhance its digital value proposition, consolidating position in cashless payments and pursue new collaborations and partnerships to transform the customer experience while aligning ourselves with the future landscape of banking.

Sustainability and Corporate Social Responsibility (CSR)

The Bank is committed to fostering a sustainable future, inclusivity, and strong governance. This commitment involves delivering strong returns to shareholders, prioritizing employee well-being, meeting customers' needs, supporting partners, enhancing environmental sustainability, making meaningful contributions to communities, and maintaining a robust corporate governance framework.

The Bank has integrated Environmental and Social Risk Management (ESRM) procedures in credit processes to systematically identify, assess, and mitigate environmental and social risks associated with its financing activities, aligning with regulatory requirements and best practices. Environmental due diligence of clients and resulting environmental and social risk rating along with sector-specific exposure limits and identification of climate-vulnerable geographies, duly support the Bank in monitoring, control and mitigation of environmental risks through credit decision making processes. Environmental improvement plans / corrective action plans for environmentally medium and high-risk obligors are accordingly documented as mitigation measures against identified E and S risks. The Bank also has green advisory service in place to provide continuous assistance and feedback on emerging concerns / issues during the assessment process of environmental and social risk identification and categorization. The Bank actively monitors its carbon footprint and has implemented measures to minimize it including financing to renewable energy business projects, transition of branches and ATMs to solar power, and promoting paperless banking.

Through continuous ESRM and ESG trainings, engagement with stakeholders, and technology-driven solutions, Askari Bank ensures sustainable and responsible banking operations.

Aligned with the organization's Diversity, Equity and Inclusion (DEI) agenda and evolving regulatory focus, the Bank actively advances initiatives that promote DEI, ensuring a workplace where every employee is provided equal opportunities to thrive. With dedicated hiring of females and Persons with Disabilities (PWDs), we believe a diverse workforce makes us a stronger organization and allows us to better serve our customers reflective through the gender diversity and PWDs ratios for year 2024 i.e. 20 percent and 1.96 percent as compared to 18.4 percent and 1.3 percent of last year, respectively, and establishment of 22 PWD friendly branches. Additionally, specialized financial products, such as 'Askari Sahar Finance' for women entrepreneurs and 'Askari Nai Umang' for differently abled individuals, reinforce the Bank's commitment to economic empowerment. Through continuous capacity building, awareness programs, and inclusive policies, Askari Bank fosters a diverse and equitable work environment.

Contribution to the national exchequer by the Bank in way of payment of direct taxes of Rs. 25.5 billion to the Government of Pakistan during the year; furthermore, an amount of Rs. 21.7 billion was deducted / collected by the Bank on account of withholding taxes, federal excise duties and sales tax on services, and paid to the Government of Pakistan.

These initiatives underscore Askari Bank's commitment to fostering socio-economic development, sustainability, and community well-being.

Askari Exchange Company

Askari Currency Exchange (Pvt.) Limited, (a wholly owned subsidiary of the Bank) has commenced commercial operations in November 2024 with 11 outlets. During the year, the Bank has increased paid-up capital of the company to Rs. 1 billion to support currency exchange business and expansion of outlets.

Corporate Governance

The Board of Directors of Askari Bank is committed to maintain high standards of corporate governance which has underpinned the Bank's long-term competitiveness, growth and sustainability. The requirements of Code of Corporate Governance as set out in Pakistan Stock Exchange Limited Regulations in the rule book for the year ended December 31, 2024 have been fully adopted and have been duly complied with. A statement to this effect is annexed in the annual report.

Corporate and Financial Reporting Framework

- The financial statements, prepared by the management of the Bank present its state of affairs fairly, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Bank have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of these financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting, Islamic and Shariah Standards, as applicable to banking companies in Pakistan, have been followed in preparation of these financial statements and there is no departure from the said standards.
- The system of internal control is sound in design and has been effectively implemented and monitored. The management statement on internal control has been endorsed by the Board of Directors.
- There are no significant doubts upon the Bank's ability to continue as a going concern.
- Key operating and financial data for the last six years, in a summarized form, is included in this report.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as of December 31, 2024, except as disclosed in annexed financial statements.
- Following is the fair value of investments as at December 31, 2024:
  - Provident Fund: Rs. 8,492 million based on un-audited financial statements (December 31, 2023: Rs. 7,400 million, based on audited financial statements)
  - Gratuity Fund: Rs. 4,399 million based on un-audited financial statements (December 31, 2023: Rs. 3,604 million based on audited financial statements)
- The Board consists of eleven directors including two female directors, four independent directors and the President and CEO as deemed director. During the year, six meetings of the Board of Directors were held. The record of the meetings attended by the directors, is as follows:

	Board of Directors	Board Audit Committee	Board Human Resource & Remuneration Committee	Board Risk Management Committee	Board Information Technology Committee
Total meetings held	**6**	**4**	**6**	**6**	**4**
Name of Directors and their attendance in each meeting					
Lt Gen Anwar Ali Hyder, HI(M) (Retd) Chairman	4	NA	NA	NA	NA
Mr. Waqar Ahmed Malik (ex-Chairman)	1	NA	NA	NA	NA
Mr. Jahangir Piracha	5	1	3	NA	NA
Mr. Arif ur Rehman	5	NA	NA	NA	NA
Lt General Ghayur Mahmood, (Retd) (ex-Director)	3	2	NA	NA	1
Dr. Nadeem Inayat (ex-Director)	1	NA	1	1	NA
Syed Bakhtiyar Kazmi	5	2	1	4	3
Mr. Manzoor Ahmed	6	4	6	6	NA
Mr. Kamran Yousuf Mirza	6	4	6	NA	NA
Ms. Zoya Mohsin Nathani	6	NA	6	6	NA
Ms. Samina Rizwan	6	NA	6	NA	4
Raja Muhammad Abbas	5	4	NA	NA	3
Mr. Saleem Anwar (Acting President & CEO)	3	NA	NA	3	3
Mr. Atif R Bokhari (ex-President & CEO)	2	NA	NA	2	1

DIRECTORS' REPORT TO THE SHAREHOLDERS

Board Evaluation

The Board of Directors and its sub-committee members are competent and experienced individuals, representing diverse educational and professional backgrounds and are invaluable for setting and determining the strategic direction of the Bank.

The Board of Directors is keen to ensure that the effectiveness of its performance is periodically evaluated and reviewed. The regulatory guidance prescribes such evaluation on an annual basis, and by an external independent evaluator at least once every three years. During the year, the Bank engaged Pakistan Institute of Corporate Governance (PICG) for this purpose and the evaluation was completed through a comprehensive questionnaire, bifurcated into different sections categories; board composition, strategic planning, board interactions, control environment, board and President and CEO's effectiveness, Chairperson, President and CEO, board information, board committees, directors compensation, independent directors, sustainability oversight and board procedures, as well as the objective contributions by individual directors. Quantitative techniques were used, where a scaled questionnaire was provided for each director's feedback. Assessments were carried out for the overall Board, Chairman, and President and CEO, board committees and individual directors. A Likert scale from 1 to 6 (1 being strongly disagree and 6 strongly agree) was used to quantify assessment criteria for each section category. Feedback from each director was then collated and analyzed to denote performance in percentage terms against respective categories.

The evaluation of the board committees is primarily based on the assessment of the compliance with the terms of reference of each committee. The evaluation criteria for individual directors, is based on their participation, contribution and offering guidance to and understanding of the areas which were relevant to them in their capacity as a board member. The evaluation criteria for the Chairman of the Board in addition to the general criteria, also encompasses leadership abilities and effective management of meetings.

This exercise in critical self-assessment allows the Board to evaluate its performance and overall effectiveness in setting strategies, devising control processes, reading market trends by monitoring micro and macroeconomic factors and responding to adverse unforeseen situations to further the cause of a learning organization. This process also ensures that the Board is constantly growing intellectually and the responsibility of steering the Bank for greater success is discharged effectively and efficiently.

Final results of the annual evaluation of the Board's performance are then presented to Board of Directors for review and actions. Disclosure on the mechanism of the evaluation process adopted by the Bank is published for all the stakeholders in compliance with the BPRD Circular No. 11, dated August 22, 2016. Directors' remuneration details are disclosed in financial statements. The Board's remuneration policy sets out the principles for determining remuneration for attending Board and Board Committee meetings, to value their skills and expertise, in alignment with the market and in compliance with applicable regulatory guidelines.

Pattern of Shareholding

The pattern of shareholding at the close of December 31, 2024 is included in the annual report.

Trading in Shares

No trades in the shares of the Bank were carried out by the President & CEO, CFO, Company Secretary their spouses and minor children during the year 2024.

Auditors

The present auditors, Messrs. KPMG Taseer Hadi and Co., Chartered Accountants have completed their term of five years, from 2020 to 2024 and are not eligible for re-appointment in pursuance of the Listed Companies (Code of Corporate Governance) Regulations. The Board of Directors, on the recommendation of the Board Audit Committee, has recommended Messrs. A. F. Ferguson & Co., Chartered Accountants, who have consented for appointment as statutory auditor for the next term; in place of retiring auditors. Messrs. A. F. Ferguson & Co., Chartered Accountants have confirmed that they have been given satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, and that the firm and all their partners are compliant with the International Federation of Accountant's (IFAC) Guideline on Code of Ethics, as adopted by the Institute of Chartered Accountants of Pakistan, and meet the requirements for appointment under the applicable laws. The appointment is subject to approval in the 33rd Annual General Meeting.

Events after the Date of Statement of Financial Position

There have not been any material events that occurred subsequent to the date of the Statement of Financial Position that require adjustments to the attached financial statements.

Looking Ahead

Pakistan's economy is gaining traction and is set to capitalize on recent progress, with GDP growth projected at approximately 3 percent for the current fiscal year. Inflation is declining and economic activity is expected to gain further with improving business conditions, continued fiscal discipline, easing monitory policy and export facilitation. Structural reforms, supportive environment for private sector-led growth, and the continuation of the IMF program, along with support from bilateral and multilateral partners, remains key imperatives for driving sustainable growth and stimulating economic activity. Committed to sustainable growth, the government is focused on overcoming structural challenges and promoting inclusive development. The Government has recently unveiled a homegrown 5-Year Economic Transformation Plan, URAAN Pakistan. The plan underscores inclusivity through a pragmatic and self-reliant approach to address Pakistan's economic challenges. Despite restoration of stability, the challenges remain and warrant sustained reforms and resilience, to place the economy on a path to greater stability and prosperity.

Acknowledgements

On behalf of the Board, we express our sincere appreciation to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and other regulatory bodies for the guidance and support extended to Askari Bank during the year. We also like to place on record our appreciation for the efforts of our Shariah Board for strengthening Shariah compliance and governance framework for Askari Ikhlas Islamic banking. We are indebted to our customers, who continue to entrust us with their business and confidence. Our shareholders have provided steadfast support and to them, and to all our stakeholders, we are deeply grateful. We express our deepest appreciation and gratitude to our staff for their hard work and dedication which has enabled successful delivery of our promise to all our stakeholders.

President & Chief Executive Officer

Chairman, Board of Directors

February 24, 2025
Islamabad

SIX YEARS' FINANCIAL SUMMARY - UNCONSOLIDATED

December 31	2019	2020	2021	2022	2023	2024
Assets						**Rupees in million**
Advances - net	372,914	395,374	477,588	583,811	633,133	695,758
Investments - net	305,436	449,687	616,361	762,697	1,182,538	1,509,746
Cash, short term funds and statutory deposits with SBP	91,332	81,606	92,887	81,034	173,876	148,849
Property and equipment, ROU & intangible assets	20,506	22,357	21,350	25,860	28,867	35,797
Other assets	43,020	43,493	50,957	72,269	105,592	108,224
Total assets	833,208	992,517	1,259,143	1,525,671	2,124,006	2,498,374
Non-performing advances	28,134	28,736	31,165	31,147	29,064	34,429
Credit loss allowance / Provisions against advances	25,635	26,446	30,228	31,123	28,175	37,315
Liabilities						**Rupees in million**
Deposits and other accounts	679,299	791,187	1,015,430	1,142,575	1,293,146	1,363,735
Refinance borrowings from SBP	19,713	38,644	47,252	49,240	48,448	36,861
Sub–ordinated loans	9,992	12,000	12,000	12,000	12,000	12,000
Borrowings / other liabilities	81,948	96,140	128,560	248,534	673,289	964,149
Total liabilities	790,952	937,971	1,203,242	1,452,349	2,026,883	2,376,745
Shareholders' funds						**Rupees in million**
Share capital	12,603	12,603	12,603	12,603	14,493	14,493
Reserves	25,353	34,306	41,336	56,767	78,172	90,900
Surplus on revaluation of assets – net of tax	4,300	7,638	1,964	3,952	4,458	16,236
Total shareholders' funds	42,256	54,546	55,902	73,322	97,123	121,629
Profitability						**Rupees in million**
Interest income	71,704	79,105	77,550	165,796	305,636	401,028
Interest expenditure	49,569	48,842	45,140	125,834	246,214	337,749
Net interest income	22,136	30,263	32,410	39,962	59,423	63,280
Fee and commission income	3,617	3,851	4,609	5,446	7,085	6,966
Other income	3,787	5,843	4,761	6,174	5,851	8,475
Non mark-up expenses	18,377	20,215	21,194	23,080	29,348	36,020
Operating profit	11,163	19,742	20,585	28,502	43,011	42,700
Credit loss allowance / provision	773	1,975	4,940	1,042	966	(1,807)
Profit before taxation	10,389	17,767	15,645	27,460	42,045	44,507
Taxation	3,372	6,967	5,944	13,398	20,610	23,485
Profit after taxation	7,017	10,800	9,701	14,062	21,435	21,023
Business transacted						**Rupees in billion**
Imports	334	371	541	574	426	643
Exports	248	206	264	279	377	377
Guarantees	156	112	142	110	86	82

December 31	2019	2020	2021	2022	2023	2024
Profitability ratios						**Percentage**
Return on average shareholders' core equity (RoE)	20.10	25.45	19.24	22.81	26.46	21.23
Return on average shareholders' total equity (RoE)	18.52	22.31	17.57	21.76	25.15	19.22
Return on average assets (RoA)	0.91	1.18	0.86	1.01	1.17	0.91
Return on average capital employed	15.63	20.21	15.54	19.09	23.04	18.93
Cost to income (CIR)	62.21	50.59	50.73	44.74	40.56	45.76
Gross yield on average earning assets	10.62	9.44	7.85	12.15	18.59	18.95
Weighted average cost of deposits	6.96	5.54	4.18	7.84	12.80	12.85
Net advances to deposits	54.90	49.97	47.03	51.10	48.96	51.02
NPLs to gross advances	7.06	6.81	6.14	5.07	4.39	4.70
NPLs coverage	91.12	92.03	96.99	99.92	96.94	108.38
Current accounts to total deposits	28.68	31.78	30.46	30.61	27.33	28.45
Earning assets to total assets - gross	85.56	86.53	87.65	89.31	86.43	88.92
Capital Adequacy Ratio (CAR)	13.38	15.48	13.38	15.95	18.35	21.40
DuPont analysis						
Net operating margin (PAT/Net Income)	23.86	27.21	23.45	27.24	29.62	26.70
Net operating margin (PAT/Gross Income)	8.87	12.16	11.16	7.93	6.73	5.05
Asset Turnover (Net Income/ Avg Assets)	3.82	4.35	3.67	3.70	3.97	3.41
Asset Turnover (Gross Income/ Avg Assets)	10.28	9.73	7.72	12.74	17.46	18.02
Equity Multiplier (Avg Assets/ Avg equity) - Times	22.05	21.51	22.33	22.58	22.52	23.34
Return on average shareholders' core equity (RoE)	20.10	25.45	19.24	22.81	26.46	21.23
Share information						
Price earning (PE) - times	3.33	2.73	2.86	2.07	1.67	2.64
Price to book - times	0.55	0.54	0.50	0.35	0.37	0.46
Dividend yield (%)	8.09	12.83	-	-	10.11	-
Dividend payout - times	0.27	0.35	-	-	0.17	-
Cash dividends - Final* (%)	15.00	30.00	-	-	25.00	30.00
Stock dividend	-	-	-	15.00	-	-
Earnings per share (EPS) - Rupees	5.57	8.57	7.70	9.70	14.79	14.51
Market value per share - year end - Rupees	18.54	23.39	22.02	20.10	24.72	38.27
Market value per share - high - Rupees	24.46	23.59	25.70	23.85	26.38	40.99
Market value per share - low - Rupees	15.53	13.00	18.77	16.40	11.99	19.50
Net asset per share - Rupees	33.53	43.28	44.36	58.18	67.01	83.92
Other information						**Number**
Number of employees	7,848	7,949	7,478	7,348	7,881	8,269
Female staff - (%)	13.70	14.00	13.69	14.67	17.38	18.39
Number of branches	535	537	560	600	660	720

** post balance sheet event*

مستقبل کا جائزہ

پاکستان کی معیشت میں بہتری کے آثار نمایاں ہو رہے ہیں، اور ملک حالیہ پیش رفت سے فائدہ اٹھانے کے لیے تیار نظر آتا ہے۔ رواں مالی سال کے لیے جی ڈی پی کی شرح نمو تقریباً 3 فیصد رہنے کی توقع ہے۔ افراطِ زر میں کمی آ رہی ہے، جبکہ کاروباری حالات میں بہتری، مالیاتی نظم و ضبط، نرم مانیٹری پالیسی اور برآمدات میں سہولت کے نتیجے میں اقتصادی سرگرمیوں میں مزید تیزی متوقع ہے۔ پائیدار ترقی کے لیے ساختی اصلاحات، نجی شعبے کی سرپرستی کے لیے سازگار ماحول، اور آئی ایم ایف پروگرام کا تسلسل، دو طرفہ اور کثیر الجہتی شراکت داروں کی حمایت کے ساتھ نہایت اہم ہے۔ حکومت پائیدار ترقی کے لیے پرعزم ہے اور ساختی مسائل پر قابو پانے کے ساتھ ساتھ جامع ترقی کے فروغ پر توجہ مرکوز کیے ہوئے ہے۔ حال ہی میں حکومت نے "اڑان پاکستان" کے نام سے ایک مقامی پانچ سالہ اقتصادی ترقیاتی منصوبہ متعارف کرایا ہے، جو حقیقت پسندانہ، جامع اور خود انحصاری پر مبنی حکمت عملی کے ذریعے ملک کے اقتصادی چیلنجز سے نمٹنے پر زور دیتا ہے۔ اگرچہ استحکام بحال ہو رہا ہے، لیکن چیلنجز اب بھی موجود ہیں اور معیشت کو مزید مستحکم اور خوشحال بنانے کے لیے مسلسل اصلاحات کی ضرورت ہے۔

اعترافات

بورڈ کی جانب سے ہم سٹیٹ بینک آف پاکستان، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اداروں کے عسکری بینک کی سال بھر بھرپور رہنمائی اور معاونت کے تہہ دل سے معترف ہیں۔ ہم عسکری اخلاص اسلامی بینکاری کیلئے شریعہ کی تشکیل اور گورننس فریم ورک کو مضبوط بنانے کیلئے اپنے شریعہ بورڈ کی کاوشوں کو بھی سراہتے ہیں۔ ہم اپنے صارفین کے مشکور ہیں جنہوں نے اپنے کاروبار اور اعتماد کے ذریعے ہم پر بھروسہ کیا۔ ہمارے شیئرز ہولڈرز پوری ثابت قدمی سے ہمارے ساتھ کھڑے رہے اور ہم ان گراں قدر خدمات پر شیئرز ہولڈرز اور تمام سٹیک ہولڈرز کے تہہ دل سے شکر گزار ہیں۔ ہم اپنے عملے کی محنت اور لگن کا اعتراف کرتے ہیں اور ان کے ممنون ہیں کیونکہ ان کی بدولت ہی ہم اپنے تمام سٹیک ہولڈرز کیلئے وعدوں کی پاسداری یقینی بنا سکے۔

صدر و چیف ایگزیکٹو آفیسر

چیئرمین، بورڈ آف ڈائریکٹرز

24 فروری 2025

اسلام آباد

ڈائریکٹرز رپورٹ برائے حصص داران

بورڈ کی جانچ پڑتال

بورڈ آف ڈائریکٹرز اور اس کی ذیلی کمیٹی کے اراکین قابل اور تجربہ کار ہیں، جو مختلف تعلیمی اور پیشہ ورانہ پس منظر کے حامل ہیں اور بینک کی حکمت عملی کے تعین اور اس کی جانچ کیلئے اصول ہیں۔

بورڈ آف ڈائریکٹرز اس بات کی یقین دہانی کیلئے کوشاں ہیں کہ کارکردگی کو مؤثر رکھنے کیلئے وقتاً فوقتاً اس کی تشخیص اور جائزہ لیا جاتا رہے۔ قواعد کے مطابق اس طرز کی جانچ پڑتال بیرونی آزاد تشخیص کار کی مدد سے سالانہ بنیادوں پر ہر تین سال میں کم از کم ایک دفعہ ہونی چاہیے۔ رواں سال بینک نے پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) کو اس مقصد کیلئے منتخب کیا اور تشخیص کا یہ عمل ایک جامع سوالنامہ کے ذریعے مکمل کیا گیا۔ اس سوالنامہ کو بورڈ کی ساخت، تشکیل، حکمت عملی، بورڈ کا ردعمل، کنٹرول انوائرمنٹ، بورڈ اور سی ای او کی مؤثر گی، چیئرپرسن، سی ای او، بورڈ انفارمیشن، بورڈ کمیٹیاں، ڈائریکٹرز کے معاوضے، آزاد ڈائریکٹرز، اخلاقیات اور بورڈ کے طریقہ کار کے ساتھ ساتھ اہداف کے حصول میں انفرادی طور پر ڈائریکٹرز کے کردار جیسی مختلف حصوں میں تقسیم کیا گیا تھا۔ کوانٹیٹیٹو تکنیک کا استعمال کرتے ہوئے ہر ڈائریکٹر کی آراء کیلئے ایک مخصوص سوالنامہ فراہم کیا گیا تھا۔ مجموعی بورڈ، چیئرمین اور صدر اینڈ سی ای او، بورڈ کمیٹیوں اور انفرادی ڈائریکٹرز کیلئے تشخیصات عمل میں لائی گئیں۔ ہر کیٹگری میں تشخیص کے معیار کو ظاہر کرنے کیلئے 1 سے 6 (1 سخت اختلاف کیلئے اور 6 مکمل متفق کیلئے) تک کا لائکرٹ سکیل استعمال کیا گیا۔ اس کے بعد ہر ڈائریکٹر کی رائے کو یکجا کرتے ہوئے کا جائزہ لیا گیا اور ہر متعلقہ کیٹگری میں کارکردگی کو فیصد میں ظاہر کیا گیا۔

بورڈ کمیٹیوں کی تشخیص بنیادی طور پر ہر کمیٹی کی شرائط کی تکمیل کی تشخیص پر مبنی ہے۔ جبکہ انفرادی ڈائریکٹرز کی تشخیص کا معیار بطور بورڈ رکن ان کے عہدے سے متعلقہ شعبوں میں شمولیت، شرکت اور رہنمانہ کردار پر مبنی ہے۔ عام معیار کے علاوہ بورڈ چیئرمین کیلئے تشخیص کا معیار قائدانہ صلاحیتوں اور اجلاسوں کے مؤثر انتظام کا احاطہ کرتا ہے۔

خود تشخیصی کی یہ اہم مشق بورڈ کو بینک آرگنائزیشن کے مقصد کو مزید آگے بڑھانے کیلئے داخلی عمل کی جاری کنٹرول کے طریقہ کار کی تشکیل، مانیٹرنگ اور میکرو اکنامک عوامل کی نگرانی کے ذریعے مارکیٹ رجحانات کا علم اور اجتماعی نامساعد حالات میں ردعمل سے متعلقہ اپنی کارکردگی اور مجموعی مؤثر گی کی جانچ کا موقع دیتی ہے۔ یہ طریقہ کار اس بات کی یقین دہانی بھی کرواتا ہے کہ بورڈ شفاف انداز میں مسلسل ترقی کررہا ہے اور بینک کی مزید کامیابی کیلئے بہتر اور مؤثر انداز میں اپنی ذمہ داریاں سرانجام دے رہا ہے۔

بورڈ کارکردگی کی سالانہ تشخیص کے حتمی نتائج بورڈ آف ڈائریکٹرز کے جائزہ اور اقدامات کیلئے انہیں پیش کیے جاتے ہیں۔ بینک کا اختیار کردہ تشخیصی طریقہ کار بی پی آر ڈی سرکلر نمبر 11، بتاریخ 22 اگست 2016 کی تعمیل میں شائع کرکے تمام اسٹیک ہولڈرز کیلئے واضح کردیا گیا ہے۔ بورڈ کی معاوضہ سے متعلق پالیسی بورڈ اور کمیٹی میٹنگز میں حاضری کے معاوضہ کا تعین کرنے کیلئے اصول وضع کرتی ہے تاکہ مارکیٹ کے مطابق اور نافذ العمل قواعد کے حساب سے ان کی صلاحیتوں اور قابلیت کو نمایا جائے۔

شیئر ہولڈنگ کا پیٹرن

31 دسمبر 2024 کے اختتام پر شیئر ہولڈنگ کا پیٹرن سالانہ رپورٹ میں شامل ہے۔

حصص کی تجارت

سال 2024 کے دوران صدر اینڈ سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کے شریک حیات و نابالغ بچوں کی جانب سے بینک کے حصص میں کسی قسم کا لین دین نہیں کیا گیا۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے سال 2020 سے 2024 تک اپنی پانچ سالہ مدت مکمل کرلی ہے اور لسٹڈ کمپنیز (کارپوریٹ گورننس کوڈ) ریگولیشنز کے تحت دوبارہ تقرری کے اہل نہیں ہیں۔ بورڈ آف ڈائریکٹرز نے، بورڈ آڈٹ کمیٹی کی سفارش پر، میسرز اے۔ ایف۔ فرگوسن، چارٹرڈ اکاؤنٹنٹس کو اگلی مدت کے لیے بطور قانونی آڈیٹر مقرر کرنے کی سفارش کی ہے، جنہوں نے اس تقرری کے لیے اپنی رضامندی ظاہر کردی ہے۔ میسرز اے۔ ایف۔ فرگوسن، چارٹرڈ اکاؤنٹنٹس نے تصدیق کی ہے کہ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے کوالٹی کنٹرول ریویو پروگرام کے تحت انہیں تسلی بخش درجہ بندی دی گئی ہے اور یہ کہ ان کی فرم اور تمام شراکت دار انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ضابطہ اخلاق کے رہنما اصولوں پر مکمل طور پر عمل پیرا ہیں، جو انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان نے اپنائے ہیں، اور وہ متعلقہ قوانین کے تحت تقرری کی ضروریات پر پورا اترتے ہیں۔ یہ تقرری 33ویں سالانہ جنرل میٹنگ میں منظوری سے مشروط ہوگی۔

مالیاتی پوزیشن کے بیان کی تاریخ کے بعد کے واقعات:

مالیاتی پوزیشن کے بیان کی تاریخ کے بعد ایسا کوئی اہم واقعہ پیش نہیں آیا جس کے باعث منسلک مالیاتی گوشواروں میں کسی قسم کی ترمیم یا ایڈجسٹمنٹ کو ظاہر کرنا ضروری ہو۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

- بینک انتظامیہ کی طرف سے تیار کردہ مالی گوشوارے اس کے معاملات، کاروباری سرگرمیوں کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- بینکنگ کمپنی نے باضابطہ طور پر اکاؤنٹس کے کھاتے مرتب کر رکھے ہیں۔
- ان مالیاتی گوشواروں کی تیاری میں ضروری اکاؤنٹنگ پالیسیوں کی پیروی کی گئی ہے اور اکاؤنٹنگ کے تخمینے انتہائی محتاط اور دانشمندانہ اندازے پر مبنی ہیں۔
- ان مالیاتی گوشواروں کی تیاری کے دوران بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز اور پاکستان میں بینکنگ کمپنیوں کیلئے نافذ کردہ اسلامک اور شریعہ معیاری اصولوں کی پیروی کی گئی ہے اور ان اصولوں سے کسی بھی قسم کی روگردانی نہیں کی گئی۔
- اندرونی کنٹرول کا نظام اپنے ڈیزائن کے اعتبار سے مستحکم ہے اور اس کا مؤثر اطلاق اور نگرانی کی جاتی ہے۔ انٹرنل کنٹرول پر مینجمنٹ کے بیانیہ کی بورڈ آف ڈائریکٹرز کی جانب سے توثیق کی گئی ہے۔
- بینک کے مستقبل میں کام جاری رکھنے کی اہلیت پر کوئی شکوک و شبہات نہیں ہیں۔
- گزشتہ چھ سال کا نمایاں آپریٹنگ اور فنانشل ڈیٹا خلاصہ کی صورت میں اس رپورٹ میں شامل کیا گیا ہے۔
- 31 دسمبر 2024 تک ٹیکسز، ڈیوٹیز، لیویز اور چارجز کی مد میں کسی قسم کی قانونی ادائیگیاں نہیں ہیں ماسوائے اُن کے جو مالیاتی گوشواروں میں بیان کی گئی ہیں۔
- 31 دسمبر 2024 تک سرمایہ کاری کی حقیقی قدر حسب ذیل ہے:

پراویڈنٹ فنڈ: غیر آڈٹ شدہ مالیاتی گوشواروں کی بنیاد پر 8,492 ملین روپے (31 دسمبر 2023 تک آڈٹ شدہ مالی گوشواروں کی بنیاد پر 7,400 ملین)

گریجویٹی فنڈ: غیر آڈٹ شدہ مالیاتی گوشواروں کی بنیاد پر 4,399 ملین روپے (31 دسمبر 2023 تک آڈٹ شدہ مالی گوشواروں کی بنیاد پر 3,804 ملین)

- بورڈ گیارہ ڈائریکٹرز پر مشتمل ہے جس میں دو خواتین ڈائریکٹرز، چار آزاد ڈائریکٹرز اور سی ای او بطور ڈیمڈ ڈائریکٹر شامل ہیں۔ سال کے دوران بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے اور ان میں ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے:

	بورڈ آف ڈائریکٹرز	بورڈ آڈٹ کمیٹی	ہیومن ریسورس اینڈ ریمونریشن کمیٹی	بورڈ رسک مینجمنٹ کمیٹی	بورڈ انفارمیشن ٹیکنالوجی کمیٹی
میٹنگز کی کل تعداد	6	4	6	6	4
ڈائریکٹرز کے نام اور اجلاس میں ان کی حاضری					
لیفٹیننٹ جنرل انور علی حیدر، HI(M) (ریٹائرڈ)، چیئرمین	4	قابل اطلاق نہیں	قابل اطلاق نہیں	قابل اطلاق نہیں	قابل اطلاق نہیں
جناب وقار احمد ملک - (سابق چیئرمین)	1	قابل اطلاق نہیں	قابل اطلاق نہیں	قابل اطلاق نہیں	قابل اطلاق نہیں
جناب جہانگیر پراچہ	5	1	3	قابل اطلاق نہیں	قابل اطلاق نہیں
جناب عارف الرحمان	5	قابل اطلاق نہیں	قابل اطلاق نہیں	قابل اطلاق نہیں	قابل اطلاق نہیں
لیفٹیننٹ جنرل نعیم محمود (ریٹائرڈ) - (سابق ڈائریکٹر)	3	2	قابل اطلاق نہیں	قابل اطلاق نہیں	1
ڈاکٹر فہیم عنایت - (سابق ڈائریکٹر)	1	قابل اطلاق نہیں	1	1	قابل اطلاق نہیں
سید علی کاظمی	5	2	1	4	3
جناب منظور احمد	6	4	6	6	قابل اطلاق نہیں
جناب کامران یوسف مرزا	6	4	6	قابل اطلاق نہیں	قابل اطلاق نہیں
محترمہ سعدیہ محسن قاضی	6	قابل اطلاق نہیں	6	6	قابل اطلاق نہیں
محترمہ ثمینہ رضوان	6	قابل اطلاق نہیں	6	قابل اطلاق نہیں	4
راجہ محمد عباس	5	4	قابل اطلاق نہیں	قابل اطلاق نہیں	3
جناب سلیم انور (قائم مقام صدر و چیف ایگزیکٹیو آفیسر)	3	قابل اطلاق نہیں	قابل اطلاق نہیں	3	3
جناب عاطف آر. بخاری (سابق قائم مقام صدر و چیف ایگزیکٹیو آفیسر)	2	قابل اطلاق نہیں	قابل اطلاق نہیں	2	1

بینک کا کانٹیکٹ سینٹر مسلسل رئیل ٹائم معلومات اور خودکار بینکاری سہولیات فراہم کرتا ہے، جس میں 24/7 سپورٹ شامل ہے۔ صارفین کو فون، ای میل، واٹس ایپ، اور سوشل میڈیا پلیٹ فارمز کے ذریعے خدمات فراہم کی جاتی ہیں۔ سال کے دوران 85,000 شکایات درج ہوئیں اور ان کے حل کا اوسط وقت 3.5 کاروباری دن رہا، جو کہ پچھلے سال کے مقابلے میں بہتر تھا۔ بینک اپنی ڈیجیٹل بینکاری خدمات کو مزید بہتر بنانے، کیش لیس حل سلوشنز کو مستحکم کرنے، اور نئے اشتراک اور شراکت داریوں کو فروغ دینے پر کام جاری رکھے گا تاکہ صارفین کے تجربے میں مزید بہتری لائی جا سکے اور مستقبل کی جدید بینکاری سے ہم آہنگ رہا جا سکے۔

استحکام اور ای ایس آر

بینک ایک پائیدار مستقبل، شمولیت، اور مضبوط گورننس کو فروغ دینے کے عزم پر قائم ہے۔ اس عزم میں حصص داران کے لیے بہتر منافع کی فراہمی، ملازمین کی فلاح و بہبود کو اولین ترجیح دینا، صارفین کی ضروریات کو پورا کرنا، کاروباری شراکت داروں کی معاونت، ماحولیاتی پائیداری میں بہتری لانا، معاشرتی فلاح و بہبود کے لیے نمایاں اقدامات کرنا، اور مضبوط کارپوریٹ گورننس فریم ورک کو برقرار رکھنا شامل ہیں۔

بینک نے ماحولیاتی اور سماجی خطرات کے انتظام (ESRM) کے طریقہ کار کو اپنے کریڈٹ پراسیس میں شامل کیا ہے، تاکہ مالیاتی سرگرمیوں سے جڑے ماحولیاتی اور سماجی خطرات کی شناخت، تخمینہ اور تخفیف کو مؤثر طریقے سے یقینی بنایا جا سکے۔ یہ اقدامات ریگولیٹری تقاضوں اور بہترین بین الاقوامی اصولوں کے مطابق ترتیب دیے گئے ہیں۔

بینک مختلف اقدامات کے ذریعے ماحولیاتی خطرات کی نگرانی اور کنٹرول کو یقینی بناتا ہے، جس میں کلائنٹس کی ماحولیاتی جانچ (Environmental Due Diligence) اور سماجی خطرات کی درجہ بندی، مخصوص شعبوں کے لیے ماحولیاتی اور سماجی ایکسپوژر کی حد بندی، موسمیاتی خطرے سے دوچار جغرافیائی علاقوں کی شناخت اور متاثرہ کلائنٹس کے لیے ماحولیاتی بہتری کے منصوبے (Corrective Action Plans) کی دستاویزات جیسے اہم اقدام شامل ہیں۔ بینک کے پاس ایک گرین ایڈوائزری سروس بھی موجود ہے، جو ماحولیاتی اور سماجی رسک کی تشخیص اور درجہ بندی کے دوران مستقل معاونت اور رائے فراہم کرتی ہے۔ بینک اپنے کاربن فٹ پرنٹ کی مسلسل نگرانی کر رہا ہے اور اسے کم کرنے کے لیے مختلف اقدامات کر رہا ہے، جن میں قابل تجدید توانائی کے کاروباری منصوبوں کی مالی معاونت، برانچز اور اے ٹی ایمز کو سولر پاور پر منتقل کرنا، اور پیپرلیس بینکاری (کاغذ کے کم سے کم استعمال) کو فروغ دینا شامل ہیں۔ یہ تمام اقدامات ماحولیاتی تحفظ اور پائیداری کے فروغ میں بینک کے عزم کی عکاسی کرتے ہیں۔

مسلسل ESRM اور ESG ٹریننگ، اسٹیک ہولڈرز کے ساتھ روابط، اور ٹیکنالوجی پر مبنی حل کے ذریعے، عسکری بینک پائیدار اور ذمہ دارانہ بینکنگ آپریشنز کو یقینی بناتا ہے۔

بینک اپنے تنوع، مساوات اور شمولیت (DEI) کے ایجنڈے اور جدید ریگولیٹری تقاضوں کے مطابق ایسے اقدامات کو فروغ دے رہا ہے، جو تمام ملازمین کو برابر مواقع فراہم کرتے ہیں تاکہ وہ اپنی صلاحیتوں کو مکمل طور پر بروئے کار لا سکیں۔ خواتین اور معذور افراد (PWDs) کی بھرتی کے ساتھ ہمیں یقین ہے کہ متنوع افرادی قوت ہمیں ایک مضبوط ادارہ بناتی ہے۔ 2024 میں خواتین ملازمین کا تناسب 20 فیصد جبکہ معذور افراد کا تناسب 1.96 فیصد تک پہنچ گیا جو کہ 2023 میں بالترتیب 18.4 فیصد اور 1.3 فیصد تھا۔ اس کے ساتھ ساتھ 22 شاخوں کو معذور دوست بنایا گیا۔ بینک نے معاشی خودمختاری کو فروغ دینے کے لیے خصوصی مالیاتی مصنوعات متعارف کروائی ہیں جیسا کہ 'عسکری نسواں' - خواتین کاروباری شخصیات کے لیے اور 'عسکری نئی امنگ' - معذور افراد کے لیے خصوصی مالیاتی سہولیات مہیا کر رہی ہیں۔

بینک مسلسل استعداد کار میں اضافے، آگاہی پروگراموں، اور جامع پالیسیوں کے ذریعے متنوع اور مساویانہ کام کے ماحول کو فروغ دے رہا ہے، تاکہ ایک مضبوط اور سماجی طور پر ذمہ دار مالیاتی ادارہ تشکیل دیا جا سکے۔ سال 2024 کے دوران بینک نے حکومت پاکستان کے قومی خزانے میں 25.5 بلین روپے براہ راست ٹیکسوں کی مد میں جمع کروائے۔ مزید برآں، سروسز پر ودہولڈنگ ٹیکس، فیڈرل ایکسائز ڈیوٹی اور سیلز ٹیکس کی مد میں 21.7 بلین روپے جمع کر کے حکومت پاکستان کو ادا کیے گئے۔

یہ تمام اقدامات پائیدار ترقی اور سماجی بہتری کو یقینی بنانے میں بینک کے کردار کو مزید مستحکم کرتے ہیں۔

عسکری کرنسی ایکسچینج (پرائیویٹ) لمیٹڈ

عسکری کرنسی ایکسچینج (پرائیویٹ) لمیٹڈ، جو کہ عسکری بینک کی مکمل ملکیتی ذیلی کمپنی ہے، نے نومبر 2024 میں 11 آؤٹ لیٹس کے ساتھ اپنی تجارتی سرگرمیوں کا آغاز کیا۔ سال کے دوران، بینک نے کمپنی کے پیڈ اپ کیپٹل کو بڑھا کر 1 ارب روپے کر دیا تاکہ کرنسی ایکسچینج کے کاروبار کو وسعت دی جا سکے اور مزید آؤٹ لیٹس کھولی جا سکیں۔

کارپوریٹ گورننس

عسکری بینک کا بورڈ آف ڈائریکٹرز کارپوریٹ گورننس کے اعلیٰ معیارات کو برقرار رکھنے کیلئے پرعزم ہے جس نے بینک کی طویل مدتی ترقی اور پائیداری کو تقویت بخشی ہے۔ 31 دسمبر 2024 کو اختتام پذیر ہونے والے سال کیلئے پاکستان اسٹاک ایکسچینج لمیٹڈ ریگولیشنز میں بیان کردہ ضابطہ کے مطابق کوڈ آف کارپوریٹ گورننس کی ضروریات کو مکمل طور پر اپنایا گیا اور ان کی مناسب تعمیل کی گئی ہے۔ اس سلسلے میں ایک بیان سالانہ رپورٹ میں شامل ہے۔

بینک کا سائبر رسک اسکور مسلسل چوتھے سال بھی ایک معروف فرم کی جانب سے A+ ریٹنگ پر برقرار رہا، جو کہ مالیاتی شعبے میں سائبر سیکیورٹی کے صف اول کے اداروں میں بینک کی پوزیشن کو ظاہر کرتا ہے۔ اس کے ساتھ، سائبر کرائم، فشنگ ای میلز، آن لائن بینکنگ سیکیورٹی، موبائل بینکنگ ایپس کے محفوظ استعمال، اور مضبوط پاس ورڈ کی اہمیت سے متعلق بینک کے عملے اور صارفین میں آگاہی پیدا کرنے کی کوششیں ہماری حکمت عملی کا ایک اہم حصہ ہیں۔

رسک مینجمنٹ اور کمپلائنس

بینک کے پاس ایک جامع رسک مینجمنٹ فریم ورک موجود ہے، جو بورڈ کی رسک اپیٹائٹ (رسک برداشت کرنے کی حد) کے مطابق ترتیب دیا گیا ہے۔ اس فریم ورک کا مقصد مضبوط، لچکدار حکمت عملی کو فروغ دینا اور بینک میں مؤثر رسک مینجمنٹ کلچر کو مضبوط کرنا ہے۔ بینک کی رسک مینجمنٹ پالیسی، تمام متعلقہ ریگولیٹری تقاضوں اور گائیڈ لائنز کی عمل تعمیل کو یقینی بناتی ہے۔ اس طریقہ کار کے ذریعے بینک مؤثر طریقے سے رسک کو کم کر سکتا ہے اور انہیں متعین کردہ حدود کے اندر سنبھال سکتا ہے۔

بینک میں رسک مینجمنٹ کی نگرانی بورڈ رسک مینجمنٹ کمیٹی کے ذریعے کی جاتی ہے، جو کہ متعدد سطحی انتظامی ڈھانچے کی مدد سے کام کرتی ہے۔ ان میں کریڈٹ رسک، آپریشنل رسک، اور ایسٹ اینڈ لائبلٹی کمیٹی (ALCO) شامل ہیں، جو انٹرسٹ ریٹ اور مارکیٹ رسک کو منظم کرتی ہیں۔ یہ گورننس فریم ورک بینک کو نہ صرف رسک کے ازالے میں مدد فراہم کرتا ہے بلکہ بینک کی پالیسیوں، کنٹرولز، اور گائیڈ لائنز کو مسلسل بہتر بنانے میں بھی معاون ثابت ہوتا ہے، تاکہ بینک پیشگی اور مؤثر طریقے سے رسک کا انتظام کر سکے۔

بینک اس حقیقت کو تسلیم کرتا ہے کہ بیرونی عوامل کے اثرات اور شدت مختلف صارفین (Obligors)، یہاں تک کہ ایک ہی شعبے یا ذیلی شعبے کیلئے نمایاں حد تک مختلف ہو سکتے ہیں۔ اسی وجہ سے، بینک نے صارفین کی سطح پر ایک مانیٹرنگ فریم ورک نافذ کیا ہے، تاکہ ہر فرد یا ادارے کی باقاعدہ اور تفصیلی نگرانی کی جا سکے۔ یہ طریقہ کار بینک کو زیادہ درست اور مخصوص سطح پر رسک کا اندازہ لگانے اور اس کا مؤثر حل فراہم کرنے میں مدد دیتا ہے، جس میں شعبہ جاتی محرکات اور مخصوص حالات کو مدنظر رکھا جاتا ہے۔ مزید برآں، بینک نے انٹرپرائز رسک مینجمنٹ (ERM) ڈیپارٹمنٹ قائم کیا ہے، جس کا مقصد ایسے ممکنہ خطرناک عوامل کے لیے تیاری یقینی بنانا ہے جو بینک کی آمدنی، سرمایہ، آپریشنز یا ساکھ پر منفی اثر ڈال سکتے ہیں۔ مستقبل کے امکانات پر مبنی حکمت عملیوں اور مضبوط رسک مینجمنٹ پریکٹسز کو اپنا کر، بینک خود کو درپیش نئے چیلنجز کا مؤثر طریقے سے سامنا کرنے کے لیے منظم بنا رہا ہے۔

بینک مؤثر طریقے سے کریڈٹ اور مارکیٹ پورٹ فولیو کو منظم کرنے کے لیے پُرعزم ہے اور جب بھی ضروری ہو، اصلاحی اقدامات کرنے کو ترجیح دیتا ہے۔ مسلسل نگرانی اور لچکدار حکمت عملی کے ذریعے، بینک اپنی مالی استحکام کو یقینی بنانے اور طویل مدتی ترقی کو برقرار رکھنے کی کوشش کرتا ہے۔

بینک کے لیے مؤثر کمپلائنس کلچر اولین ترجیح ہے۔ بینک نے ایسے منظم طریقہ کار وضع کیے ہیں جو بہترین اخلاقی معیارات کے تحت بغیر کسی رکاوٹ کے صارفین کیلئے بہتر خدمات فراہم کرنے اور کمپلائنس رسک کو مؤثر طریقے سے منظم کرنے میں مدد دیتے ہیں۔ سال کے دوران، کمپلائنس رسک مینجمنٹ فریم ورک (CRMF) کو مزید مضبوط کیا گیا تاکہ بینک تمام متعلقہ قوانین اور ضوابط کی مکمل تعمیل کر سکے۔ یہ طریقہ کار بینک کے آپریشنز کو ذمہ داری کے ساتھ چلانے، ساکھ برقرار رکھنے، اور صارفین کے مفادات کے تحفظ کے لیے نہایت اہم ہے، جبکہ اعلیٰ ترین ریگولیٹری معیارات پر عمل درآمد کو بھی یقینی بناتا ہے۔ بینک نے عملے کی مسلسل تربیت، کمپلائنس ایڈوائزریز، اور آگاہی پروگراموں پر خاص توجہ دی ہے۔ اس میں ای لرننگ سیشنز اور کلاس روم ٹریننگ شامل ہیں، تاکہ بینک کے اندر کمپلائنس کلچر کو مزید بہتر بنایا جا سکے۔ یہ تمام اقدامات کمپلائنس اور آپریشنل رسک کو مضبوط بنانے، بہترین کاروباری خدمات فراہم کرنے اور بینک کے مفادات کے تحفظ میں اہم کردار ادا کرتے ہیں۔

ہیومن ریسورس

بینک کا پختہ یقین ہے کہ اس کے پُرعزم انسانی وسائل ہی ایک پائیدار اور پیداواری تنظیم کی بنیاد ہیں۔ کئی سالوں سے بینک اپنے انسانی وسائل کو فروغ دینے کے لیے باصلاحیت افراد کی بھرتی، تربیت، اور بہتری میں سرمایہ کاری کر رہا ہے، تاکہ کارکردگی کے معیار کو بلند کیا جا سکے اور قیادت کی صلاحیتوں کو بہتر بنایا جا سکے۔ رواں سال، بینک نے اپنے تاثر کو بڑھانے اور شفافیت و منصفانہ پالیسیوں کو فروغ دینے کے عزم کے تحت کارکردگی پر مبنی معاوضے (Pay for Performance Culture) کے اصول کو اپنایا۔ اس پالیسی کے تحت، بہترین نتائج کا مظاہرہ کرنے والے ملازمین کو سراہتے ہوئے نوازا گیا، جس میں رویے اور معاونت کے عملے کے لیے ایک مؤثر اور مختلف معاوضے کی حکمت عملی اپنائی گئی۔

بینک مستقبل کی ہنرمند افرادی قوت کو پروان چڑھانے کے عزم پر قائم ہے اور اس کے لیے مخصوص بھرتیوں پر توجہ مرکوز کی گئی ہے، تاکہ مہارتوں میں تنوع اور خصوصی صلاحیتوں کو فروغ دیا جا سکے۔ نئے بھرتی کیے گئے افراد کو ایک منظم سلیکشن پراسیس سے گزارا جاتا ہے اور اعلیٰ معیار کے ابتدائی ترقیاتی پروگرام میں شامل کیا جاتا ہے، جس کے بعد انہیں ان کے متعلقہ عہدوں پر تعینات کیا جاتا ہے۔ اس حکمت عملی کا مقصد بینک کی افرادی قوت کو مزید مضبوط بنانا ہے، تاکہ ہم ایک مسلسل بدلتے ہوئے مالیاتی ماحول میں مسابقتی برتری برقرار رکھ سکیں اور مسلسل ترقی اور جدت کو فروغ دے سکیں۔

صنفی تنخواہ کا جائزہ

31 دسمبر 2024 تک صنفی تنخواہ کا مین (mean) اور میڈین (median) بالترتیب 31 فیصد اور 15 فیصد ہے۔

صارفین کے تجربات

بینک میں صارفین کے تجربے کا شعبہ اعلیٰ درجے کی سروس فراہم کرنے میں اہم کردار ادا کرتا ہے۔ اس مقصد کے لیے نئے خیالات، سروس سے متعلق تربیت، اور پروسیس میں بہتری کے ذریعے نمایاں تبدیلیاں متعارف کروائی گئیں۔ یہ شعبہ مسلسل سروس کے معیارات کا جائزہ لیتا ہے، جس میں انتظار کا وقت، سروس کے معیار، اور مجموعی تجربہ جیسے عوامل شامل ہیں۔ بینک صارفین کے مسائل کو حل کرنے کے لیے خودکار نظام (Automation)، برانچ کے لے آؤٹ میں بہتری، اور عملے کی مہارتوں کی اپ اسکلنگ جیسے اقدامات کو اپناتا ہے، تاکہ صارفین کو بہترین اور مؤثر خدمات فراہم کی جا سکیں۔

تصرفات

بینک کے بورڈ آف ڈائریکٹرز نے 31 دسمبر 2024 کو اختتام پذیر ہونے والے مالی سال کے لیے درج ذیل تخصیصات کی سفارش کی ہے۔

000/روپوں میں

31 دسمبر کو اختتام شدہ سال	2024	2023
		غیر نظرثانی شدہ
بعد از ٹیکس منافع	21,022,671	21,434,659
ایکچوریل نقصان کو تسلیم کرنے کا اثر	806,337	338,078
IFRS-9 کو اپنانے کا آمدنی پر اثر	(5,649,522)	-
ری ویلیوایشن پر سرپلس سے منتقل	222,307	802,541
تصرفات کے لیے دستیاب منافع	16,401,793	22,575,278
کیش ڈیویڈنڈ @30% (2023: 25%)	(4,347,898)	(3,623,248)
قانونی ریزرو کو منتقلی	(2,102,267)	(2,143,466)
جمع شدہ منافع	9,951,628	16,808,564
آمدنی فی حصص روپے	14.51	14.79

ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) کی جانب سے طویل مدت کے لیے بینک کی اینٹٹی ریٹنگ +AA (ڈبل اے پلس) ہونے کی دوبارہ تصدیق کی گئی۔ جس کا آؤٹ لک مستحکم تفویض کیا گیا ہے۔ بینک کے مضبوط برانڈ اور فوجی فاؤنڈیشن کے ساتھ وابستگی کو کلیدی درجہ بندی کے اہم جزو کے طور پر تسلیم کیا جاتا ہے۔ جس میں بینک کی تجربہ کار مینجمنٹ ٹیم، موثر رسک مینجمنٹ پالیسیز اور کنٹرولز کی گہری وابستگی کی معاونت حاصل ہے۔ موخر الذکر کیپٹل کو سہارا دینے کے لیے بینک میں منافع کی برقراری بھی مددگار ثابت ہوئی ہے۔ مختصر درجہ بندی +A1 (اے ون پلس) پر برقرار رہی۔

اخلاص اسلامی بینکنگ

عسکری بینک-اخلاص جو کہ 100 شہروں اور قصبوں میں پھیلا ہوا ہے، اسلامی طریقے سے مالی شمولیت کے فروغ کے اپنے مشن پر قائم رہا۔ عسکری اخلاص اسلامی اصولوں پر مبنی شریعت کے مطابق بینکاری اور جدید مالیاتی حل فراہم کرنے کے عزم کو برقرار رکھے ہوئے ہے۔ انصاف، شفافیت اور سماجی ذمہ داری کے اصولوں کی رہنمائی میں، ہم نے ایسے جدید مالیاتی حل فراہم کیے جو ہمارے صارفین کی اقدار اور اسلامی تعلیمات سے ہم آہنگ ہیں۔ 4 ذیلی شاخوں سمیت بینک 198 مخصوص اسلامی بینکنگ شاخوں کے ذریعے اپنی خدمات فراہم کر رہا ہے۔ سال کے دوران، عسکری اخلاص اسلامی بینکنگ نے آپریٹنگ منافع میں 5 فیصد اضافہ کرتے ہوئے اسے 7.7 بلین روپے تک پہنچا دیا، جو پچھلے سال 7.4 بلین روپے تھا۔ ڈپازٹس میں 14 فیصد اضافہ ہوا، جبکہ مجموعی فنانسنگ 39 فیصد کم ہوئی، جس کی بنیادی وجہ سیزنل فنانسنگ کی ایڈ ریٹائرمنٹ تھی۔ چیلنجز کے باوجود، ہم نے اسلامی بینکاری میں ایک قابل اعتماد شراکت دار کے طور پر اپنی پوزیشن مزید مستحکم کی ہے، تاکہ افراد، کاروباری ادارے، اور معاشرتی طبقات اپنے عقائد اور مالی ضروریات میں ہم آہنگی کے ساتھ ترقی کر سکیں۔ عسکری اخلاص ایسے مستقبل کی تشکیل کیلئے کوشاں ہیں جہاں خوشحالی اور شمولیت کو فنانسنگ کے اہم حصے کے طور پر فروغ دیا جائے۔

ڈسٹری بیوشن اور ڈیجیٹل چینلز

رواں سال، بینک نے ملک بھر میں 60 نئی شاخیں قائم کیں، جن میں سے 53 شاخیں اسلامی بینکاری کے لیے مختص کی گئیں۔ 31 دسمبر 2024 تک عسکری بینک 720 شاخوں / ذیلی شاخوں کے نیٹ ورک کے ساتھ کام کر رہا تھا، جس میں 521 روایتی (کنوینشنل) شاخیں اور 198 اسلامی بینکاری شاخیں شامل ہیں۔ اس کے علاوہ، بحرین میں ایک شاخ اور بیجنگ، چین میں ایک نمائندہ دفتر بھی شامل ہے۔

"صارف کے قریب تر ہونے" کے مشن کے تحت، بینک نے ڈیجیٹل فرسٹ حکمت عملی کو اپنایا ہے، تاکہ بہترین ٹیکنالوجی کے ذریعے صارفین کے تجربے کو بہتر بنایا جا سکے۔ عسکری موبائل ایپ میں جدید فیچرز کی شمولیت، سنٹرل ڈیجیٹل آرگنائزیشن میں تیزی، اور ڈیجیٹل انوویشن لیب جیسے اسٹریٹجک اقدامات، بینک کی ڈیجیٹل ترقی کی عکاسی کرتے ہیں۔ مستقبل میں بینک کی توجہ ڈیجیٹل اقدامات کے عمل کو تیز کرنے، صارفین کی سکیورٹی میں بہتری، اور بینکاری کی موثر کارکردگی کے فروغ پر مرکوز رہے گی۔ جدید بینکاری کے طریقوں میں سرمایہ کاری اور صارفین کو بااختیار بنانے کے ذریعے، عسکری بینک اپنے ڈیجیٹل بینکاری ماڈل کو مزید مستحکم کرے گا، تاکہ مستقبل کے چیلنجز کا موثر انداز میں مقابلہ کیا جا سکے۔

انفارمیشن سکیورٹی

سال 2024 کے دوران، بینک نے سائبر سکیورٹی میں نمایاں بہتری دکھائی، تاکہ بڑھتے ہوئے چیلنجز کا مقابلہ کیا جا سکے اور بہترین عالمی معیارات کے مطابق عمل کیا جا سکے۔

اس میں [Q]ISO 27001:2022 انفارمیشن سکیورٹی سرٹیفیکیشن، PCI-DSS ورژن 4.0.1 سرٹیفیکیشن، MyID موبائل ایپلیکیشن کا اجراء (صارفین کے لیے) جیسے اہم اقدامات شامل ہیں۔

ڈائریکٹرز رپورٹ برائے حصص داران

ڈائریکٹرز 31 دسمبر 2024 کو اختتام پذیر ہونے والے سال کے لیے عسکری بینک لمیٹڈ کی تینتیسویں سالانہ رپورٹ بمع بینک کے آڈٹ شدہ مدغم شدہ اور غیر مدغم شدہ مالیاتی گوشوارے اور آڈیٹرز کی رپورٹ پیش کر رہے ہیں۔

معیشت

عالمی اقتصادی ترقی ایک پیچیدہ منظرنامے میں استحکام کی جانب گامزن ہے، کیونکہ مہنگائی اور شرح سود بتدریج کم ہو رہی ہے۔ ترقی یافتہ معیشتوں میں ترقی کے رجحانات مختلف ہیں؛ امریکہ میں بنیادی طلب مستحکم ہے، جو مضبوط دولت کے اثرات، نسبتاً نرم مالیاتی پالیسی، اور سازگار مالی حالات کی عکاسی کرتی ہے۔ یورپ میں ترقی کی رفتار سست رہنے کا امکان ہے کیونکہ جغرافیائی سیاسی کشیدگی مسلسل کاروباری رجحانات پر اثر انداز ہو رہی ہے۔ ترقی پذیر معیشتیں بلند قرضوں کے بوجھ، کمزور سرمایہ کاری اور پیداوار میں کمی، بڑھتی ہوئی جغرافیائی کشیدگی، اور ماحولیاتی تبدیلیوں کے بڑھتے ہوئے خطرات جیسے چیلنجز کا سامنا کر رہی ہیں۔ ان معیشتوں میں ترقی کی شرح کم رہنے کا امکان ہے، جو غربت کے خاتمے اور وسیع تر ترقیاتی اہداف کے حصول کے لیے ناکافی ہو سکتی ہے۔ اس صورت حال میں نجی سرمایہ کاری میں تیزی، تجارتی تعلقات کو مزید مستحکم کرنے، سرمایہ صلاحیت، اور توانائی کے مؤثر استعمال کو فروغ دینے کے لیے ملکی سطح پر اصلاحات ناگزیر ہیں۔

پاکستان کی معیشت، عالمی قیمتوں، مالیاتی نرمی، مستحکم شرح تبادلہ، اور حکومتی وجہ بندی میں بہتری کی بدولت بتدریج بحالی کی طرف گامزن رہی۔ مالی سال 2024 کے دوران جی ڈی پی کی شرح نمو بڑھ کر 2.5 فیصد تک پہنچ گئی، جبکہ زرعی شعبے میں بحالی رہی۔ انفلیشن کے باعث موجودہ مالی سال کی پہلی سہ ماہی میں اس کی رفتار قدرے کم رہی۔ سال کے آغاز سے ہی مہنگائی میں نمایاں کمی دیکھی گئی اور 2024 کے دوران کنزیومر پرائس انڈیکس (CPI) 29.7 فیصد سے کم ہو کر 4.1 فیصد پر آ گیا۔ اس کی بنیادی وجوہات میں اشیائے خورد و نوش کی قیمتوں میں کمی، عالمی اجناس کی سازگار قیمتیں، اور ہائی بیس ایفیکٹ شامل ہیں۔ کم ہوتی ہوئی مہنگائی، مالیاتی اور بیرونی شعبے میں استحکام، اور بہتر ہوتے ہوئے اقتصادی اشاریوں کے باعث اسٹیٹ بینک آف پاکستان نے زیر جائزہ سال کے دوران پالیسی ریٹ میں نمایاں کمی کرتے ہوئے اسے 22 فیصد سے کم کر کے 13 فیصد کر دیا، جس سے نجی شعبے میں قرضوں کے حصول میں نمایاں اضافہ دیکھنے میں آیا۔

بیرونی سطح پر کرنٹ اکاؤنٹ مسلسل پانچ ماہ تک مثبت رہا، اور موجودہ مالی سال کی پہلی ششماہی کے دوران 1.2 بلین امریکی ڈالر کا سرپلس ریکارڈ کیا گیا، جبکہ گزشتہ سال اسی مدت میں 1.4 بلین امریکی ڈالر کا خسارہ تھا۔ اس بہتری کی بنیادی وجوہات میں ترسیلات زر میں اضافہ، برآمدات سے حاصل شدہ آمدنی میں بہتری، اور عالمی اجناس کی سازگار قیمتیں شامل ہیں، جنہوں نے درآمدات میں اضافے کے اثرات کو متوازن رکھا۔ موجودہ مالی سال کی پہلی ششماہی میں ترسیلات زر 33 فیصد اضافے کے ساتھ 17.8 بلین امریکی ڈالر تک پہنچ گئیں، جبکہ برآمدات اور درآمدات میں بالترتیب 7 فیصد اور 9 فیصد اضافہ ہوا۔ چونکہ درآمدات کا حجم ملکی اقتصادی بحالی کے ساتھ بڑھ رہا ہے، توقع ہے کہ کرنٹ اکاؤنٹ خسارہ (CAD) ترسیلات زر اور برآمدات کی مستحکم رفتار اور عالمی اجناس کی موافق قیمتوں کے باعث قابو میں رہے گا۔ پاکستان کے زرمبادلہ کے ذخائر اور کرنسی نے سال بھر استحکام کا مظاہرہ کیا، حالانکہ اس دوران بڑے پیمانے پر قرضوں کی ادائیگیاں بھی کی گئیں۔ مالی سال کے اختتام پر کل زرمبادلہ کے ذخائر 12.7 بلین امریکی ڈالر سے بڑھ کر 15.9 بلین امریکی ڈالر تک پہنچ گئے۔ مشکل معاشی حالات کے باوجود بینکاری شعبہ اپنے استحکام کو برقرار رکھنے میں کامیاب رہا۔ مالیاتی حالات میں بہتری اور ایڈوانس-ٹو-ڈپازٹ ریشو (ADR) کی حد کو پورا کرنے کے لیے بینکوں کی نجی شعبے اور نان بینک مالیاتی اداروں کو قرضوں کی فراہمی میں تیزی آئی۔ حکومت کی بینکوں سے قرض لینے کی سرگرمی نسبتاً محدود رہی اور زیادہ تر نان بینک ذرائع سے فنڈنگ کی طرف منتقل ہو گئی۔ اگرچہ آمدنی پر دباؤ رہا، لیکن بینکوں کے اثاثوں کا معیار مستحکم رہا، جس کا اظہار غیر فعال قرضوں (NPLs) میں معمولی اضافے اور کوریج ریشو میں بہتری سے ہوتا ہے۔

بینک کی کارکردگی

عسکری بینک نے اس سال قبل از ٹیکس 44.5 بلین روپے کا منافع حاصل کیا، جو پچھلے سال کے 42.0 بلین روپے کے مقابلے میں 6 فیصد زیادہ ہے۔ بعد از ٹیکس منافع 2 فیصد کی کمی کے ساتھ 21 بلین روپے رہا، جس کی بنیادی وجہ کارپوریٹ ٹیکس کی شرح میں 5 فیصد اضافہ ہے۔ فی شیئر آمدنی 14.5 روپے رہی جو کہ پچھلے سال 14.8 روپے تھی۔

رواں سال کی مجموعی آمدنی میں 9 فیصد اضافہ ہوا، جو کہ بڑھ کر 79 بلین روپے تک پہنچ گئی۔ اس اضافے میں نان مارک اپ آمدنی میں 19 فیصد اضافہ بنیادی عنصر رہا، حالانکہ ایک بڑے سرکاری ادارے (PSE) کے قرض کی تنظیم نو کی شرائط پر عمل درآمد کی وجہ سے آمدن میں کمی ہوئی۔ کمائی والے اثاثوں میں اوسطاً 29 فیصد اضافے کے ساتھ ان کی مجموعی مالیت 2.1 ٹریلین روپے تک پہنچ گئی، جس نے آمدنی میں نمایاں کردار ادا کیا، اگرچہ منافع کی شرح مارکیٹ ریٹس کے مطابق کم ہوئی۔ نان مارک اپ آمدنی 19 فیصد اضافے کے ساتھ 15.4 بلین روپے تک پہنچ گئی۔ سیکیورٹیز پر منافع 2.8 بلین روپے تک بڑھ گیا، جبکہ ڈیویڈنڈ انکم 0.8 بلین روپے رہی۔ فیس اور کمیشن آمدنی میں 2 فیصد کی معمولی کمی ہوئی، جبکہ زرمبادلہ سے حاصل ہونے والی آمدنی میں 5 فیصد اضافہ ریکارڈ کیا گیا۔ انتظامی اخراجات میں 18 فیصد اضافہ ہوا، جس کی بنیادی وجوہات ٹیکنالوجی اور انفراسٹرکچر پر بڑھتے ہوئے اخراجات اور نئی شاخوں کے قیام میں سرمایہ کاری ہے۔

بینک کی بیلنس شیٹ میں 18 فیصد اضافہ ہوا۔ صارفین کے ڈپازٹس 5 فیصد اضافے کے ساتھ 1.36 ٹریلین روپے تک پہنچ گئے، جس میں بنیادی کردار کم لاگت والے CASA ڈپازٹس کا رہا۔ CASA ڈپازٹس میں 13 فیصد کا اضافہ ریکارڈ کیا گیا، اور CASA تناسب سال کے اختتام پر 90 فیصد تک پہنچ گیا، جو کہ گزشتہ سال 84 فیصد تھا۔ مجموعی قرضہ جات (گراس ایڈوانسز) 11 فیصد بڑھ کر 733 بلین روپے ہو گئے۔ بینک نے اس سال 1.8 بلین روپے کے کریڈٹ لاس الاؤنس کا ریورسل ریکارڈ کیا، جبکہ پچھلے سال نیٹ پروویژن چارج 966 ملین روپے تھا۔ 31 دسمبر 2024 تک، بینک کی انفیکشن ریشو 4.7 فیصد جبکہ کوریج ریشو 108 فیصد رہی۔ اس دوران، IFRS-9 کو ریگولیٹری ہدایات کے مطابق اپنایا گیا، اور اس سے متعلق تمام مالیاتی انکشافات منسلک مالیاتی گوشواروں میں شامل کیے گئے۔ اس اقدام کے نتیجے میں ابتدائی ایکویٹی پر 3.9 بلین روپے کا مثبت حتمی اثر پڑا۔ مزید برآں ADR (Advance to Deposit Ratio) 31 دسمبر 2024 تک 54 فیصد رہی۔

بینک کی سرمایہ کی صورتحال مضبوط ہے اور یہ ریگولیٹری تقاضوں سے مطابقت رکھتی ہے۔ 31 دسمبر 2024 تک، لیوریج ریشو 3.6 فیصد اور کیپٹل ایڈیکویسی ریشو (CAR) 21.4 فیصد ریکارڈ کی گئی۔ بینک اس عزم پر قائم ہے کہ وہ رسک کے مؤثر انتظام کے لیے اپنی ریشوز ریگولیٹری سرمائے کی سطح سے بڑھ کر برقرار رکھے گا۔

STATEMENT ON INTERNAL CONTROLS

The Management of Askari Bank Limited (the Bank) assumes full responsibility for establishing and maintaining effective system of internal controls throughout the Bank to ensure reliable, accurate and fair financial reporting, effectiveness of operations and compliance with the applicable laws and regulations. This system encompasses the policies, procedures, and practices implemented by the bank to safeguard its assets, ensure accuracy in financial records, and detect and prevent fraud or errors. It consists of comprehensive & strong processes, effective communication, and a resilient monitoring mechanism, all designed to work in tandem to ensure that the information provided in the financial statements is accurate and free from any material misstatement. The responsibility for establishing such a system lies with the bank's management, aiming to facilitate effective and efficient operations in a well-controlled environment.

The Bank's internal control structure comprises of "Three Lines of defense (TOD) model", Business/Support units, being the first line of defense, manages business risk 'inherent' in their day-to-day activities, processes and systems for which they are accountable. Compliance Division serves as second line of defense and primarily responsible for assisting line managers/departments in designing and implementing adequate controls to manage risks of non-compliance. This involves advising on and overseeing the implementation of regulatory requirements and related policies, including AML/CFT/CPF compliance management. Compliance Division works in close collaboration with the business to Identify, assess, monitor and report compliance risk.

The Bank's Compliance & Control Committee of Management (CCM) consisting of the CEO and Senior Executives, plays vital role in ensuring that the bank operates within a strong control environment, adheres to regulatory requirements, and continuously improves its processes to meet evolving business needs. It oversees the management of bank wide compliance risks including assistance / facilitation in implementing Compliance Risk Management Framework. The Compliance function also actively monitors implementation of the corrective / remedial measures to ensure that identified risks are mitigated to safeguard the interest of the Bank.

Internal Audit Division, as the third line of defense, is responsible for providing independent assurance to Board Audit Committee (BAC) on the quality, effectiveness and adequacy of bank's governance, risk management and control environment including the working of first and second line of defense to achieve risk management and control objectives. Internal Audit assesses the bank's risk management system, identifies potential risks and evaluates the effectiveness of risk mitigation strategies. They examine the adequacy and effectiveness of internal controls in financial, operational and compliance areas to ensure that they are properly designed, implemented and functioning as intended.

In compliance with the SBP's directives, the Bank had completed the implementation of road map regarding Internal Controls over Financial Reporting (ICFR). This included detailed documentation of the existing processes, comprehensive evaluation of controls both at entity as well as activity level, development of detailed remedial action plans for the gaps identified as a result of such evaluation and devising comprehensive testing plans of the controls of all processes. Consequent to grant of exemption by the State Bank of Pakistan (SBP) from the requirement of submission of Long Form Report (LFR), the documentation including the testing results have been reviewed by Internal Auditors of the Bank, on the basis of which Annual Assessment Report is prepared and submitted to Board Audit Committee for review.

Management understands that the effective maintenance of the internal controls system is an ongoing process. All significant and material findings pointed out by the internal, external auditors and regulators are addressed on priority basis by management. During the year under review, we have endeavored to follow the guidelines issued by SBP on internal controls for evaluation and management of significant risks and we will continue to endeavor for further improvements in the Internal Controls system.

While an internal controls system is effectively implemented and monitored; however, due to inherent limitations, internal controls system is designed to manage rather than eliminate the risk of failure to achieve the desired objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors has endorsed the management's assessment of internal controls including ICFR in the director's report.

Chief Financial Officer	Chief Compliance Officer	Chief Internal Auditor	President & CEO

February 24, 2025
Islamabad

STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019
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 is 11 as per the following detail:

   a. Male: 09
   b. Female: 02

2. The composition of Board is as follows:

Category	Names
Independent Directors	Mr. Kamran Yousuf Mirza Ms. Zoya Mohsin Nathani Ms. Samina Rizwan Raja Muhammad Abbas
Non-Executive Directors	Lt Gen Anwar Ali Hyder, HI(M) (Retd) - Chairman Mr. Jahangir Piracha Syed Bakhtiyar Kazmi Mr. Arif Ur Rehman Mr. Manzoor Ahmed - Nominee NIT Mr. Khurshid Zafar*
Executive Director / President & CEO	Mr. Zia Ijaz**
Female Director	Ms. Zoya Mohsin Nathani Ms. Samina Rizwan

* Appointed on February 17, 2025 subject to FPT clearance from SBP.
** Assumed office on February 17, 2025.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including Askari Bank Limited.
4. The Bank has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures.
5. The Board has developed a vision / mission statement, overall corporate strategy and has approved significant policies of the Bank. The Board has ensured that complete record of particulars of the significant policies along with the dates of approval or updating is maintained by the Bank.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Bank is compliant with the requirement of director training program provided in these Regulations. The Bank has also arranged a Directors' Orientation Session during the year.
10. The Board has approved the appointments of Chief Financial Officer (CFO), 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. CFO and the President & CEO duly endorsed the financial statements before approval of the Board.
12. The Board has formed Committees comprising of members given below:

a) Board Audit Committee (BAC)

1	Mr. Kamran Yousuf Mirza	Chairman
2	Mr. Jahangir Piracha	Member
3	Syed Bakhtiyar Kazmi	Member
4	Mr. Manzoor Ahmed	Member
5	Raja Muhammad Abbas	Member

b) Board Human Resource & Remuneration Committee (BHR & RC)

1	Mr. Manzoor Ahmed	Chairman
2	Mr. Jahangir Piracha	Member
3	Mr. Kamran Yousuf Mirza	Member
4	Ms. Zoya Mohsin Nathani	Member
5	Ms. Samina Rizwan	Member

c) Board Risk Management Committee (BRMC)

1	Ms. Zoya Mohsin Nathani	Chairperson
2	Syed Bakhtiyar Kazmi	Member
3	Mr. Manzoor Ahmed	Member
4	Mr. Khurshid Zafar*	Member

d) Board Information Technology Committee (BITC)

1	Ms. Samina Rizwan	Chairperson
2	Syed Bakhtiyar Kazmi	Member
3	Mr. Khurshid Zafar*	Member
4	Raja Muhammad Abbas	Member
5	Mr. Zia Ijaz**	Member

* Appointed on February 17, 2025 subject to FPT clearance from SBP.
** Assumed office on February 17, 2025

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

Board Committees	Frequency of Meetings
Audit Committee	Quarterly
Risk Management Committee	Quarterly
HR & Remuneration Committee	Twice in a year
Information Technology Committee	Quarterly

15. The Board has set-up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Bank.
16. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) 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 President & CEO, Chief Financial Officer, Chief Internal Auditor, 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 requirements 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, and
19. The composition of the Board Human Resource & Remuneration Committee (the Committee) is in line with the Corporate Governance Regulatory Framework (CGRF) issued by the State Bank of Pakistan which allows a non-executive director to be the Chairman in case majority members of the Committee are independent directors. The Chairman of the Committee is not an independent director, however, as per CGRF, majority members of the Committee are independent directors.

For and on behalf of the Board

Zia Ijaz
President & Chief Executive Officer

Lt Gen Anwar Ali Hyder, HI(M) (Retd)
Chairman

February 24, 2025

Islamabad

KPMG Taseer Hadi & Co.
Chartered Accountants
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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ASKARI BANK LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Askari Bank Limited "The Bank" for the year ended 31 December 2024, in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

We highlight below instance of non-compliance with the requirement of the Regulation as reflected in para 19 where it is stated in the Statement of Compliance:

Sr. No.	Paragraph Reference	Description
1	19	The composition of the Board Human Resource & Remuneration Committee (the Committee) is in line with the Corporate Governance Regulatory Framework (CGRF) issued by the State Bank of Pakistan which allows a non-executive director to be the Chairman in case majority members of the Committee are independent directors. The Chairman of the Committee is not an independent director, however, as per CGRF, majority members of the Committee are independent directors.

Lahore

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: March 2, 2025

UDIN: CR2024101831Gl37t9ev

UNCONSOLIDATED
FINANCIAL STATEMENTS

ASKARI BANK LIMITED
FOR THE YEAR ENDED DECEMBER 31, 2024

KPMG Taseer Hadi & Co.
Chartered Accountants
351 Shadman–1, Jail Road,
Lahore 54000 Pakistan
+92 (42) 111–KPMGTH (576484), Fax +92 (42) 3742 9907

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASKARI BANK LIMITED

REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed unconsolidated financial statements of Askari Bank Limited ("the Bank"), which comprise the unconsolidated statement of financial position as at 31 December 2024 and the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows for the year then ended, along with unaudited certified returns received from the branches except for 30 branches which have been audited by us and notes to the unconsolidated financial statements, including a summary of 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 unconsolidated statement of financial position, the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 31 December 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

KPMG Taseer Hadi & Co.

Following is the Key Audit Matter:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	**Credit loss allowance against advances and off-balance sheet items**	
	Refer to notes 10 and 22, and the accounting policy in note 5.1.2 to the unconsolidated financial statements. As at 31 December 2024, the Bank's Credit loss allowance against advances and off-balance sheet items stands at Rs. 37,315 million and Rs. 756 million, respectively. As per the BPRD Circular No. 07 of 2023, the Bank adopted requirements of IFRS 9 along with the Application Instructions issued by State Bank of Pakistan (SBP) (hereafter referred to as "application instruction of IFRS 9") from 1 January 2024 which requires the Bank to recognize Expected Credit Losses (ECL) on advances and off-balance sheet items. The estimation of ECL, involves judgement and complexity. The key areas which are subject to complexity and judgement in the estimation of ECL are: • Model estimations – judgmental modelling and assumption are used to estimate ECL which involves determining Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD). Respective models assumptions are key driver of uncertainty, and are required in the application of these model for calculation of the ECL estimate. • Economic scenarios – IFRS 9 requires the Bank to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Complex Statistical methodology is applied in determining the forward-looking economic scenarios used as an input to calculate ECL, the associated scenario probability weightings, and the key economic variables that drive the scenarios. • Qualitative criteria – the criteria selected to identify a SICR involves judgment and can lead to unreliable ECL recognized for certain portfolios.	Our audit procedures, amongst others, included the following: • Performing risk assessment procedures over the credit loss allowance against advances and off-balance sheet exposure within the Bank's unconsolidated financial statement. As part of these risk assessment procedures, identifying the elements associated with risk of material misstatement on application including those arising from judgements over the estimation of ECL either due to, methods / models, assumptions or data. • Assessing the design and implementation of key controls established by the Bank over measurement of ECL and provision calculated as per PR. • We involved in-house specialist who assisted in the following: - Evaluating the Bank's ECL model methodologies for compliance with application instructions of IFRS 9; - Assessing the reasonableness of the Bank's methodology for determining the economic scenarios used and the probability weightings applied to them by independently validating and challenging the assumption, methodologies, and outputs of the models; - Assessing the reasonableness of macro-economic variables and economic forecasts by comparing these to external sourced data extracted; and - Performing independent testing of the Expected Credit Loss (ECL) allowance on a sample basis. • Assessing the appropriateness of SICR criteria applied by the Bank by ensuring that the SICR criteria and staging methodology are consistent with the application instructions of IFRS 9. • Ensuring relevance and completeness of the key inputs into the ECL calculations with their respective sub-ledgers and general ledgers. • Performing testing on sample basis over key inputs into the ECL calculations with their respective source documents.

S. No.	Key Audit Matters	How the matter was addressed in our audit
	In line with the application instructions of IFRS 9, the Bank must compare the ECL for Stage 3 with the provision determined under the Prudential Regulations (PR) issued by the SBP. The PR requires specific provisioning against advances on the basis of time-based criteria which should be supplemented by a Bank's subjective evaluation of credit worthiness of customers. The determination of provision, therefore, involves use of management's judgement, on a case-to-case basis, taking into account factors such as the economic and business conditions, borrowers' repayment behaviors and realizability of collateral held by the Bank. Because of the high degree of estimation uncertainty and complexity involved in the calculation of ECL we considered the area of ECL as a key audit matter.	• In accordance with the PR, we sampled at least sixty percent of the total advances outstanding exposure and performed credit reviews through the following substantive procedures: - verifying repayments of principal and markup and checked that non-performing advances have been correctly classified and categorized based on the number of days overdue; - examining watch list accounts and, based on review of the individual facts and circumstances, discussions with management and our assessment of financial conditions of the borrowers, formed a judgement as to whether classification of these accounts as performing was appropriate; and - assessing the accuracy of specific provision made against non-performing advances in accordance with the criteria prescribed under the PRs by performing recalculation. • Assessing the appropriateness of ECL categorized as Stage 3 by performing a comparison of ECL computed, through the use of methodology and models with the provision required to be computed as required under the PR to ensure that an amount which is higher of the ECL and PR requirements is appropriately recognized for these stage 3 customers pursuant to the requirement of application instructions of IFRS 9. • Evaluating the adequacy of the financial statement disclosures.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

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

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

KPMG Taseer Hadi & Co.

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

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

Management is responsible for the preparation and fair presentation of the unconsolidated 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated 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 Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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 unconsolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

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

a) proper books of account have been kept by the Bank as required by the Companies Act, 2017 (XIX of 2017) and the returns referred above from the branches have been found adequate for the purpose of our audit;

b) the unconsolidated statement of financial position, the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 and the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account and returns;

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

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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 M. Rehan Chughtai.

Lahore

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: March 2, 2025

UDIN: AR202410183qgnZL7CFe

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

Rupees in '000	Note	2024	2023
Assets			
Cash and balances with treasury banks	6	133,505,285	160,087,394
Balances with other banks	7	10,776,034	13,789,031
Lendings to financial institutions	8	4,567,619	–
Investments	9	1,509,745,761	1,182,537,688
Advances	10	695,758,143	633,132,827
Property and equipment	11	21,796,057	18,698,072
Right–of–use assets	12	12,161,484	8,312,812
Intangible assets	13	1,839,788	1,855,607
Assets held for sale	14	1,750,000	1,750,000
Deferred tax assets	15	–	8,072,702
Other assets	16	106,474,034	95,769,826
Total Assets		2,498,374,205	2,124,005,959
Liabilities			
Bills payable	17	66,704,448	12,394,336
Borrowings	18	869,212,410	643,362,665
Deposits and other accounts	19	1,363,735,115	1,293,145,575
Lease liabilities	20	14,136,598	9,699,474
Subordinated debts	21	12,000,000	12,000,000
Deferred tax liabilities	15	734,350	–
Other liabilities	22	50,222,725	56,281,088
Total Liabilities		2,376,745,646	2,026,883,138
Net Assets		121,628,559	97,122,821
Represented By			
Share capital	23	14,492,992	14,492,992
Reserves		74,574,030	57,739,655
Surplus on revaluation of assets – net of tax	24	16,235,737	4,458,362
Unappropriated profit		16,325,800	20,431,812
		121,628,559	97,122,821
Contingencies and Commitments	25		

The annexed notes 1 to 50 and Annexures I and II form an integral part of these unconsolidated financial statements.

Chief Financial Officer	President & CEO	Director	Director	Chairman

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

Rupees in '000	Note	2024	2023
Mark–up / return / interest earned	27	401,028,447	305,636,456
Mark–up / return / interest expensed	28	337,748,716	246,213,500
Net mark–up / interest income		63,279,731	59,422,956
Non mark–up / interest income			
Fee and commission income	29	6,965,656	7,084,603
Dividend income		853,800	709,093
Foreign exchange income		4,078,427	3,896,622
Income / (loss) from derivatives		–	–
Gain on securities	30	2,851,511	777,042
Other income	31	691,403	468,591
Total non–markup / interest income		15,440,797	12,935,951
Total income		78,720,528	72,358,907
Non mark–up / interest expenses			
Operating expenses	32	35,408,493	28,569,430
Workers' welfare fund		540,000	533,110
Other charges	33	72,041	245,543
Total non–markup / interest expenses		36,020,534	29,348,083
Profit before credit loss allowance / provisions		42,699,994	43,010,824
Credit loss allowance / provisions and write offs – net	34	(1,807,385)	966,361
Other income / expense		–	–
Profit before taxation		44,507,379	42,044,463
Taxation	35	(23,484,708)	(20,609,804)
Profit after taxation		21,022,671	21,434,659
		Rupees	
Basic and diluted earnings per share	36	14.51	14.79

The annexed notes 1 to 50 and Annexures I and II form an integral part of these unconsolidated financial statements.

Chief Financial Officer | President & CEO | Director | Director | Chairman

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

Rupees in '000	Note	2024	2023
Profit after taxation for the year		21,022,671	21,434,659
Other comprehensive income			
Items that may be reclassified to profit and loss account in subsequent periods:			
Effect of translation of net investment in wholesale bank branch Bahrain		(50,182)	719,284
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI – net of tax		8,463,900	1,181,832
		8,413,718	1,901,116
Items that will not be reclassified to profit and loss account in subsequent periods:			
Remeasurement gain on defined benefit plan	39.8.2	806,337	273,074
Movement in surplus on revaluation of equity investments through FVOCI – net of tax		1,641,903	–
Reversal of deferred tax liability recognized in previous year	15	–	65,004
Movement in surplus on revaluation of non–banking assets	16.4.1	142,282	126,715
		2,590,522	464,793
Total comprehensive income		32,026,911	23,800,568

The annexed notes 1 to 50 and Annexures I and II form an integral part of these unconsolidated financial statements.

Chief Financial Officer President & CEO Director Director Chairman

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

						Surplus / (deficit) on revaluation of			
Rupees in '000	Share capital	Share premium account	Exchange translation reserve	Statutory reserve	General reserve	Investments	Property and equipment / Non banking assets	Un-appropriated profit / (loss)	Total
Balance as at January 1, 2023	12,602,602	234,669	1,192,942	15,605,063	26,353,180	(7,549,155)	11,501,511	13,381,441	73,322,253
Total comprehensive income for the year ended December 31, 2023									
Profit after taxation for the year ended December 31, 2023	–	–	–	–	–	–	–	21,434,659	21,434,659
Other comprehensive income	–	–	719,284	–	–	1,181,832	126,715	338,078	2,365,909
Transfer to:									
Statutory reserve	–	–	–	2,143,466	–	–	–	(2,143,466)	–
General reserve	–	–	–	–	13,381,441	–	–	(13,381,441)	–
	–	–	–	2,143,466	13,381,441	–	–	(15,524,907)	–
Transfer from surplus on revaluation of assets to unappropriated profit on disposal	–	–	–	–	–	–	(802,541)	802,541	–
Transaction with owners, recorded directly in equity									
Bonus shares issued	1,890,390	(234,669)	–	–	(1,655,721)	–	–	–	–
Balance as at December 31, 2023	14,492,992	–	1,912,226	17,748,529	38,078,900	(6,367,323)	10,825,685	20,431,812	97,122,821
Effect of reclassification / remeasurement on adoption of IFRS–9 (net of tax)	–	–	–	–	–	1,751,597	–	223,613	1,975,210
Effect of adoption of IFRS–9 – ECL (net of tax)	–	–	–	–	–	–	–	(5,873,135)	(5,873,135)
Balance as at January 1, 2024 – restated	14,492,992	–	1,912,226	17,748,529	38,078,900	(4,615,726)	10,825,685	14,782,290	93,224,896
Total comprehensive income for the year ended December 31, 2024									
Profit after taxation for the year ended December 31, 2024	–	–	–	–	–	–	–	21,022,671	21,022,671
Other comprehensive income	–	–	(50,182)	–	–	10,105,803	142,282	806,337	11,004,240
Transfer to:									
Statutory reserve	–	–	–	2,102,267	–	–	–	(2,102,267)	–
General reserve	–	–	–	–	14,782,290	–	–	(14,782,290)	–
	–	–	–	2,102,267	14,782,290	–	–	(16,884,557)	–
Gain on disposal of equity instruments measured at FVOCI – net of tax	–	–	–	–	–	(222,307)	–	222,307	–
Transaction with owners, recorded directly in equity									
Final dividend 2023: Rs. 2.5 per share	–	–	–	–	–	–	–	(3,623,248)	(3,623,248)
Balance as at December 31, 2024	14,492,992	–	1,862,044	19,850,796	52,861,190	5,267,770	10,967,967	16,325,800	121,628,559

The annexed notes 1 to 50 and Annexures I and II form an integral part of these unconsolidated financial statements.

Chief Financial Officer | President & CEO | Director | Director | Chairman

UNCONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

Rupees in '000	Note	2024	2023
Cash flow from operating activities			
Profit before taxation		44,507,379	42,044,463
Less: dividend income		(853,800)	(709,093)
		43,653,579	41,335,370
Adjustments:			
Depreciation		1,405,401	990,509
Amortization		216,716	181,584
Depreciation on ROU assets		2,257,101	1,722,707
Interest expense on lease liability against ROU assets		1,544,722	1,061,886
Gain on termination of lease contracts under IFRS – 16, Leases		(31,978)	(13,731)
Charge for defined benefit plans		570,541	495,046
Credit loss allowance & write offs – net	34	(1,686,906)	1,093,302
Unrealized gain on revaluation of securities – FVTPL		(1,051,535)	(18,393)
Gain on sale of property and equipment		(43,029)	(25,960)
		3,181,033	5,486,950
		46,834,612	46,822,320
(Increase) / decrease in operating assets			
Lendings to financial institutions		(4,538,497)	436,656
Net investment in securities classified as FVTPL / HFT		(653,345)	(69,721)
Advances		(72,136,166)	(50,586,948)
Other assets		(6,257,678)	(36,089,893)
		(83,585,686)	(86,309,906)
Increase / (decrease) in operating liabilities			
Bills payable		54,310,112	515,773
Borrowings from financial institutions		225,849,745	409,930,576
Deposits		70,589,540	150,570,969
Other liabilities		(6,816,854)	12,390,537
		343,932,543	573,407,855
		307,181,468	533,920,269
Payment made to defined benefit plan		(183,597)	(260,241)
Income tax paid		(25,495,371)	(18,562,856)
Net cash flow generated from operating activities		281,502,500	515,097,172
Cash flow from investing activities			
Net investment in securities classified as FVOCI / AFS		(320,939,863)	(474,802,208)
Net investment in securities measured at amortized cost / HTM		21,183,847	56,059,672
Investment made in subsidiary		(1,000,000)	(31,081)
Dividend received		852,135	709,626
Investments in property and equipment		(3,998,463)	(2,067,983)
Investments in intangible assets		(311,410)	(699,951)
Proceeds from non–banking assets		–	751,400
Proceeds from sale of property and equipment		61,691	39,285
Effect of translation of net investment in wholesale bank branch		(50,182)	719,284
Net cash flow used in investing activities		(304,202,245)	(419,321,956)
Cash flow from financing activities			
Payments against lease liabilities under IFRS–16		(3,309,401)	(2,523,755)
Dividends paid		(3,586,808)	(2,226)
Net cash flow used in financing activities		(6,896,209)	(2,525,981)
(Decrease) / increase in cash and cash equivalents		(29,595,953)	93,249,235
Cash and cash equivalents at beginning of the year		173,876,425	80,627,190
Cash and cash equivalents at end of the year	37	144,280,472	173,876,425

The annexed notes 1 to 50 and Annexures I and II form an integral part of these unconsolidated financial statements.

Chief Financial Officer President & CEO Director Director Chairman

1 STATUS AND NATURE OF BUSINESS

Askari Bank Limited (the Bank) was incorporated in Pakistan on October 9, 1991 as a Public Limited Company and is listed on the Pakistan Stock Exchange. The registered office of the Bank is situated at AWT Plaza, the Mall, Rawalpindi. The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962. The Fauji Consortium: comprising of Fauji Foundation (FF), Fauji Fertilizer Company Limited (FFCL) and Fauji Fertilizer Bin Qasim Limited (FFBL) collectively owned 71.91 (2023: 71.91) percent shares of the Bank. The ultimate parent of the Bank is Fauji Foundation. During the year ended December 31, 2024, FFBL has been amalgamated into FFCL. Consequently, the Fauji consortium now consists of only FF and FFCL which collectively owns 71.91%. The Bank has 720 branches (2023: 660 branches); 719 in Pakistan and Azad Jammu and Kashmir including 198 (2023: 137) Islamic Banking branches and 68 (2023: 659) sub–branches and a Wholesale Bank Branch (WBB) in the Kingdom of Bahrain.

2 BASIS OF PRESENTATION

These unconsolidated financial statements have been presented in accordance with the requirements of format prescribed by the State Bank of Pakistan's BPRD Circular No. 2 dated February 9, 2023 with further addition made vide BPRD Circular Letter No. 13 of 2024, dated 01 July 2024 and accounting and financial reporting standards as applicable in Pakistan.

These unconsolidated financial statements are separate financial statements of the Bank in which the investments in subsidiaries are stated at cost and have not been accounted for on the basis of reported results and net assets of the investees which is done in consolidated financial statements.

In accordance with the directives of the Federal Government regarding shifting of the banking system to Islamic modes, the SBP has issued various circulars from time to time. One permissible form of trade related mode of financing comprises of purchase of goods by the Bank from its customers and resale to them at appropriate profit in price on a deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these unconsolidated financial statements as such but are restricted to the amount of facilities actually utilized and the appropriate portion of profit thereon.

The financial results of the Islamic banking branches have been consolidated in these unconsolidated financial statements for reporting purposes, after eliminating material inter–branch transactions / balances. Key figures of the Islamic banking branches are disclosed in Annexure – II to these unconsolidated financial statements.

Items included in the unconsolidated financial statements are measured using the currency of the primary economic environment in which the Bank operates. The unconsolidated financial statements are presented in Pak. Rupee, which is the Bank's functional and presentation currency. Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

2.1 Statement of Compliance

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

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

Wherever the requirements of the BCO, 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 BCO, 1962, the Companies Act, 2017 and the said directives, shall prevail.

The State Bank of Pakistan has deferred the applicability of IFAS 3 'Profit and Loss Sharing on Deposits', vide BPRD Circular No. 04 dated February 25, 2015 and International Accounting Standard 40, Investment Property, vide BSD Circular Letter no. 10 dated August 26, 2002, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements.

IFRS 10 Consolidated Financial Statements was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O 56(I) /2016 dated January 28, 2016, that the requirements of consolidation under section 228 of Companies Act 2017 and IFRS–10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under Trust structure. Accordingly, the requirements of this standard has not been considered in the preparation of these unconsolidated financial statements.

As per BPRD Circular Letter No. 16 of 2024 dated 29 July 2024, unlisted equity securities are currently carried at the lower of cost or breakup value as per the exemption granted by SBP. Effective from 01 January 2025, as per the requirement of IFRS 9, these will be measured at fair value under IFRS 13.

The Bank received an extension from SBP up to 31 December 2025 for application of Effective interest rate (EIR) in general for all financial assets and liabilities (excluding staff loans / subsidized loans) at amortized cost, net of expected credit loss allowances.

Further, SBP through BPRD Circular Letter No. 01 of 2025 dated 22 January 2025 has clarified the followings:

- Islamic Banking Institutions (IBIs) are allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue the existing accounting methodology on other Islamic products until issuance of further instructions in this regard.
- The treatment of charity should be in line with the existing practices as defined in SBP instructions issued via IBD Circular No. 02 of 2008 and should not be recognized as income.

All Islamic products are governed by the product manual approved by the Shariah Board of the Bank. The related accounting and revenue recognition policies are outlined in notes 5.6.2, 5.15.2 and 5.15.3 of these unconsolidated financial statements, respectively. However, in case of Ijarah and Murabaha, the Bank has also complied with the requirements of IFAS 1 and IFAS 2.

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

As directed by SBP via BPRD Circular Letter No. 7 of 2023 dated 13 April 2023, IFRS 9, (Financial Instruments) is effective in Pakistan for period beginning on or after 01 January 2024. In addition, due to the application of IFRS 9, SBP vide BPRD Circular No. 02 dated 09 February 2023, has also amended the format of the annual financial statements. Details regarding the aforementioned adoption and amendment, including the impact thereof are discussed in more detail in note 5.1 to these unconsolidated financial statements.

Except for the above, there are certain other interpretations and amendments to accounting and reporting standards that are mandatory for the Bank's accounting periods beginning on or after January 1, 2024. These are either considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these unconsolidated financial statements.

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

Following standards and amendments to published accounting standards will be effective in future periods and have not been early adopted by the Bank.

		Effective date (periods ending on or after)
IAS 28	Investments in Associates and Joint Ventures (amendments)	Not yet finalized
IFRS 10	Consolidated Financial Statements (Amendments)	Not yet finalized
IFRS S1	General Requirements For Disclosure Of Sustainability Related Financial Information	January 1, 2025
IFRS S2	Climate Related Disclosures	January 1, 2025
IAS 21	Lack of exchangeability (amendments to IAS 21).	January 1, 2025
IFRS 9	Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of unconsolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Bank's accounting policies. Estimates and judgments are continually evaluated and are based on historical experiences, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are 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 of assumptions and estimates which are significant to the Bank's financial statements or where judgment was exercised in the application of accounting policies are as follows:

i) expected credit loss against financial instruments (note 5.1.13)

ii) staff retirement benefits (note 5.13)

iii) taxation (note 5.16)

4 BASIS OF MEASUREMENT

These unconsolidated financial statements have been prepared under the historical cost convention as modified for certain investments and derivative financial instruments which are carried at fair value, non–banking assets acquired in satisfaction of claims, freehold and leasehold land which are shown at revalued amounts and staff retirement gratuity and compensated absences which are carried at present value.

5 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those followed in the preparation of the unconsolidated financial statements for the year ended 31 December 2023, except as disclosed in note 5.1 below.

5.1 Changes in accounting policies

5.1.1 Revised format of unconsolidated financial statements

SBP through its BPRD Circular No. 02 dated 09 February 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 accounting year starting from 01 January 2024. Accordingly, the Bank has prepared these unconsolidated financial statements on the new format prescribed by SBP. The adoption of the new format contains additional disclosures and certain changes in the financial statements' presentation, primarily due to the implementation of IFRS 9 as applicable in Pakistan. However, the corresponding figures continue to be classified and disclosed in accordance with the previous financial accounting and reporting framework.

Adoption of revised financial statements format has also resulted in following material changes (due to which the corresponding presentations have also been changed):

- Right–of–use–assets (note 12) amounting to Rs 12,161,484 thousand (December 31, 2023: Rs 8,312,812 thousand) which were previously shown as part of fixed assets are now shown separately on the unconsolidated statement of financial position.
- Lease liabilities (note 20) amounting to Rs 14,136,598 thousand (December 31, 2023: Rs 9,699,474 thousand) which were previously shown as part of other liabilities are now shown separately on the unconsolidated statement of financial position.

5.1.2 IFRS 9 – 'Financial Instruments'

During the year, as directed by the SBP vide its BPRD Circular No. 07 of 2023 dated April 13, 2023, IFRS 9: 'Financial Instruments' (the Standard) became applicable to the Bank.

BPRD Circular No. 03 of 2022 dated 05 July 2022 issued by SBP provides detailed instructions on implementation of IFRS 9 (the Application Instructions) for ensuring smooth and consistent implementation of the standard across banks.

The standard 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 'Expected Credit Losses' (ECL) approach rather than 'incurred credit losses' approach as previously followed. The ECL has impact on all the assets of the Bank which are exposed to credit risk.

The Bank has adopted IFRS 9 in accordance with the Application Instructions from 01 January 2024, using the modified retrospective approach and has not restated comparatives for the 2023 reporting period and the differences in carrying amount of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings and reserves as at 01 January 2024, as permitted under the specific transitional provisions in the Standard. Accordingly, the information presented for 2023 does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2024 under IFRS 9.

SBP through its BPRD Circular Letter No. 16 of 2024 dated 29 July 2024, has amended and extended the timelines for application instructions. Under the revised guidelines, banks are required to implement modification accounting for financial assets and liabilities in accordance with the Standard. These changes took effect from 01 October 2024, and have been applied retrospectively from 01 January 2024. SBP through its BPRD Circular Letter No. 01 of 2025 dated 22 January 2025, SBP further clarifies that modification accounting to be applied to loans modified on or after 01 January 2020.

5.1.3 Impact on the unconsolidated statement of financial position:

Rupees in '000		Classification under IFRS 9	Balances as of December 31, 2023 (Audited)	Impact due to: Change in classification	Impact due to: Remeasure-ments	Impact due to: Surplus / (Deficit)	Impact due to: Reversal of provisions held	Impact due to: Recognition of Expected Credit Losses (ECL)	Total impact - gross of tax	Taxation	Total impact - net of tax	Balances as of January 01, 2024
Assets												
Cash and balances with treasury banks		Amortised Cost	160,087,394	-	-	-	-	-	-	-	-	160,087,394
Balances with other banks		Amortised Cost	13,789,031	-	-	-	-	(1,089)	(1,089)	-	(1,089)	13,787,942
Lendings to financial institutions		Amortised Cost	-	-	-	-	-	-	-	-	-	-
Investments												
Held for trading	(a)	FVTPL	552,832	-	-	-	-	-	-	-	-	552,832
Available for sale	(b)	FVTPL	-	9,312,588	(82,500)	-	-	-	9,230,088	-	9,230,088	9,230,088
Available for sale	(c)	FVOCI	1,124,989,158	(23,111,196)	-	(609,057)	609,057	(26,215)	(23,137,411)	-	(23,137,411)	1,101,851,747
Available for sale		Amortised Cost	-	13,798,608	4,282,000	-	-	-	18,080,608	-	18,080,608	18,080,608
Held to maturity	(d)	Amortised Cost	56,798,998	-	-	-	-	-	-	-	-	56,798,998
Subsidiaries		Cost	196,700	-	-	-	-	-	-	-	-	196,700
Advances	(e)											
Subsidized SBP financing		Amortised Cost	12,083,595	-	(3,797,359)	-	-	-	(3,797,359)	-	(3,797,359)	8,286,236
Concessional staff loans		Amortised Cost	9,680,498	-	(3,315,022)	-	-	-	(3,315,022)	-	(3,315,022)	6,365,476
Modified financing		Amortised Cost	5,625,103	-	(247,274)	-	-	-	(247,274)	-	(247,274)	5,377,829
Other advances		Cost	633,918,853	-	-	-	-	-	-	-	-	633,918,853
- Provision against advances			(28,175,222)	-	-	-	-	(9,944,270)	(9,944,270)	-	(9,944,270)	(38,119,492)
Property and equipment			18,698,072	-	-	-	-	-	-	-	-	18,698,072
Right-of-use assets			8,312,812	-	-	-	-	-	-	-	-	8,312,812
Intangible assets			1,855,607	-	-	-	-	-	-	-	-	1,855,607
Assets held for sale			1,750,000	-	-	-	-	-	-	-	-	1,750,000
Deferred tax assets			8,072,702	-	-	-	-	-	-	4,081,073	4,081,073	12,153,775
Other assets												
Financial other assets		Amortised Cost	90,249,523	-	(2,120,302)	-	-	(431,571)	(2,551,873)	-	(2,551,873)	87,697,650
Non financial other assets			5,520,303	-	5,329,934	-	-	-	5,329,934	(415,272)	4,914,662	10,434,965
			2,124,005,959	-	49,477	(609,057)	609,057	(10,403,145)	(10,353,668)	3,665,801	(6,687,867)	2,117,318,092
Liabilities												
Bills payable		Amortised Cost	12,394,336	-	-	-	-	-	-	-	-	12,394,336
Borrowings		Amortised Cost	643,362,665	-	(3,935,463)	-	-	-	(3,935,463)	-	(3,935,463)	639,427,202
Deposits and other accounts		Cost	1,293,145,575	-	-	-	-	-	-	-	-	1,293,145,575
Lease liabilities			9,699,474	-	-	-	-	-	-	-	-	9,699,474
Subordinated debts			12,000,000	-	-	-	-	-	-	-	-	12,000,000
Other liabilities												
Financial other liabilities		Amortised Cost	45,249,204	-	(80,012)	-	-	1,112,808	1,032,796	-	1,032,796	46,282,000
Non financial other liabilities			9,709,295	-	112,726	-	-	-	112,726	-	112,726	9,822,021
Forward foreign exchange contracts		FVTPL	1,322,589	-	-	-	-	-	-	-	-	1,322,589
			2,026,883,138	-	(3,902,749)	-	-	1,112,808	(2,789,941)	-	(2,789,941)	2,024,093,197
Net Assets			97,122,821	-	3,952,226	(609,057)	609,057	(11,515,953)	(7,563,727)	3,665,801	(3,897,926)	93,224,895
REPRESENTED BY												
Share capital			14,492,992	-	-	-	-	-	-	-	-	14,492,992
Reserves			57,739,655	-	-	-	-	-	-	-	-	57,739,655
Surplus on revaluation of assets - net			4,458,362	-	4,282,000	(847,496)	-	-	3,434,504	(1,682,907)	1,751,597	6,209,959
Unappropriated profit			20,431,812	-	(329,774)	238,439	609,057	(11,515,953)	(10,998,231)	5,348,708	(5,649,523)	14,782,289
			97,122,821	-	3,952,226	(609,057)	609,057	(11,515,953)	(7,563,727)	3,665,801	(3,897,926)	93,224,895

(a) Certain equity securities are held by the Bank in separate portfolios and are managed with an objective of realising cash flows through sale. The Bank primarily focuses on fair value information and uses that information to assess the securities' performance and to make decisions.

(b) Units of mutual funds and certain debt securities have contractual cash flows that do not meet the SPPI criteria. These assets are measured at FVTPL under IFRS 9 (AFS to FVTPL). Additionally, certain debt securities held by the Bank in a transitory capacity, with the intent to pass them on to customers, fall under the "Held to Sell" business model and are also measured at FVTPL.

(c) Certain debt securities are held by the Bank in separate portfolios to meet everyday liquidity needs. The Bank seeks to minimise the costs of managing these liquidity needs and therefore actively manages the return on the portfolio. That return consists of collecting contractual payments as well as gains and losses from the sale of financial assets. The investment strategy often results in sales activity that is significant in value. The Bank considers that under IFRS 9 these securities are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Moreover, certain equity investments held by the Bank have been designated under IFRS 9 as at FVOCI. (AFS to FVOCI).

(d) Debt securities that were previously classified as held–to–maturity are now classified at amortised cost. The Bank intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and profit on the principal amount outstanding. (HTM to AC).

(e) Advances except for Temporary Economic Refinance Facility (TERF), staff loans and modified financing are stated at cost. Whereas, Temporary Economic Refinance Scheme, staff loans and modified financing are stated at amortized cost.

5.1.4 Impact on regulatory capital

The introduction of IFRS 9 has resulted in reduction in regulatory capital of the banks, which has reduced their lending capacity and ability to support their clients. In order to mitigate the impact of ECL models on capital, SBP has determined that it may be appropriate for the banks to introduce a transitional arrangement for the impact on regulatory capital from the application of ECL accounting. Annexure B of the Application Instructions issued by SBP has detailed the transitional arrangement.

The transitional arrangement applies only to provisions for stage 1 and stage 2 financial assets. The transitional arrangement must adjust CET1 capital. Where there is a reduction in CET1 capital due to new provisions, net of tax effect, upon adoption of an ECL accounting model, the decline in CET1 capital (the "transitional adjustment amount") must be partially included (i.e., added back) to CET1 capital over the "transition period" of five years.

Moreover, SBP has allowed to adjust the amount of Stage 1 and Stage 2 provisions in Tier 2 Capital that have not been added back to CET 1 and vice versa as per Annexure A of BPRD Circular no 16 of 2024 dated 29 July 2024.

Had IFRS 9 been applied at 31 December 2023 then CAR would have been lower by 49 bps from 18.35% to 17.86%.

5.1.5 Classification and measurement

Under the new Standard, classification and measurement of financial assets depends on how these are managed based on business model and their contractual cash flow characteristics. Financial assets that do not meet the Solely Payment of Principal and Interest (SPPI) criteria are required to be measured at fair value through profit or loss (FVTPL) regardless of the business model in which they are held.

Recognition and initial measurement

Debt securities issued are initially recorded when they are originated. All other financial assets and financial liabilities are initially recognised when the Bank becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at transaction price. The fair value of a financial asset on initial recognition is generally its transaction price. If the Bank determines that the fair value on initial recognition differs from the transaction price then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in unconsolidated statement of profit and loss account on an appropriate basis over the life of the asset but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out. Advances other than staff loans, Temporary Economic Refinance Facility (TERF) and advances pertaining to overseas operations are initially measured at transaction price i.e., the amount of loan disbursed at disbursement date.

Staff loans, Temporary Economic Refinance Facility (TERF) loans and advances pertaining to overseas operations are recognized at fair value at the time of disbursement. The fair value is determined by discounting the expected future cash flows using the prevailing market rates for instruments.

Classification

Financial Assets

On initial recognition, a financial asset excluding advances with the exception of staff loans and Temporary Economic Refinance Facility (TERF) and advances pertaining to overseas operations is classified as measured at amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment–by–investment basis.

Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in scope of the Standard are never bifurcated. Instead, the whole hybrid instrument is assessed for classification.

Advances are carried at cost, net of expected credit loss allowances, excluding staff loans, Temporary Economic Refinance Facility (TERF) and advances pertaining to overseas operations, which are measured at amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Bank changes its business models for managing financial assets, in which cases all affected financial assets are reclassified on the first day of the first reporting period following changes in the business model.

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

Financial Liabilities

Financial liabilities are either classified as fair value through profit or loss (FVTPL), when they are held for trading purposes, or at amortised cost. Financial liabilities classified as FVTPL are measured at fair value and all the fair value changes are recognized in profit and loss account. Financial liabilities classified at amortised cost are initially recorded at their fair value and subsequently measured using the effective interest rate method. Markup expense and foreign exchange gain and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

5.1.6 Business model assessment

A financial asset is classified as either Held to collect (HTC), Held to collect and Sell (HTC&S) and Held to Sell (HTS) based on Business model assessment. The Bank makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The assessment requires judgement based on facts and circumstances on the date of assessment. The assessment considers the policies and objectives for the portfolio of financial assets, risk affecting, performance evaluation, business manager's compensation and historical sales information.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

5.1.7 Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as interest margin.

In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

– contingent events that would change the amount and timing of cash flows;
– leverage features;
– prepayment and extension terms;
– terms that limit the Bank's claim to cash flows from specified assets (e.g. non–recourse loans); and
– features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

A prepayment feature aligns with SPPI if it mainly represents unpaid principal and profit, including reasonable compensation for early termination.

The Bank holds a portfolio of long–term fixed–rate loans for which the Bank has the option to propose to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The

Bank has determined that the contractual cash flows of these loan are SPPI because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

5.1.8 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any markup or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest rate method in case of investments, lendings to financial institutions, cash and balances with treasury banks, balances with other banks, Temporary Economic Refinance Facility (TERF), staff loans, and advances pertaining to overseas operations and other financial assets. The amortised cost is reduced by impairment losses. Markup, foreign exchange gains and losses and impairment are recognised in unconsolidated statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value and are assessed for impairment under the new ECL model. Markup income is calculated using the effective interest rate method and includes amortization of premiums and accretion of discount, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment, in which case they are adjusted from the carrying value of investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.
Advances at cost	Advances are carried at cost, net of expected credit loss allowances, excluding staff loans, Temporary Economic Refinance Facility (TERF) and advances pertaining to overseas operations, which are measured at amortized cost, net of expected credit loss allowances.

5.1.9 Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount for investments and lendings to financial institution. For financial assets, adjusted for any expected credit loss allowance or impairment allowance before 01 January 2024.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

5.1.10 Calculation of markup income and expense

Income from performing advances of the domestic operations is recognised on accrual basis as per the terms of the contract. However, where debt securities, classified as investments in the financial statements, are purchased at premium or discount, such premium / discount including the transaction cost is amortized through the unconsolidated statement of profit and loss account over the remaining maturity of the debt security using the effective interest rate method. The interest income on staff loans and Temporary Economic Refinance Facility (TERF) and advances pertaining to overseas operations is recognized in line with the EIR method, while any expected credit losses are assessed and accounted for in accordance with the requirements of IFRS 9.

Income from advances except for staff loans and TERF are recognized in unconsolidated statement of profit and loss account using contractual rate. Similarly, under the local regulatory requirement, income recoverable on classified domestic advances and investments (debt securities), is recognized on a receipt basis.

Income on rescheduled / restructured advances and investments is recognized as permitted by SBP regulations.

In case of overseas operations, income on the financial assets is recognised under the effective interest rate method or as prescribed by the regulatory authorities of the countries in which the Bank operates.

Markup expense on domestic financial liabilities (comprising deposits, subordinated debts, and borrowings) is recognized on an accrual basis in the period in which it is incurred, based on contracted rates.

5.1.11 Derecognition

The Bank derecognises a financial asset when:

– the contractual rights to the cash flows from the financial asset expire; or

– it transfers the rights to receive the contractual cash flows in a transaction in which either:

i) substantially all of the risks and rewards of ownership of the financial asset are transferred; or

ii) the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognized in OCI is recognized in the unconsolidated statement of profit and loss, except that in case of the derecognition of equity securities held at FVOCI, cumulative gains or losses are transferred to unappropriated profit.

The Bank derecognises a financial liability when its contractual obligations are discharged, cancelled, or expired. The Bank also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

5.1.12 Modification

Financial assets

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows to its customers. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

Where derecognition of financial assets is appropriate, the newly recognised residual loans are assessed to determine whether the assets should be classified as purchased or originated credit-impaired assets (POCI).

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the bank first recalculates the gross carrying amount of the financial asset using the original effective yield rate of the asset and recognised the resulting adjustment as a modification gain or loss in profit and loss account.

If such a modification is carried out because of financial difficulties of the borrower then the gain or loss is presented together with impairment losses. In other cases, it is presented as profit income calculated using the effective yield rate method.

Financial liabilities

The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability recognised and consideration paid is recognised in profit and loss account.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective yield rate and the resulting gain or loss is recognised in profit and loss account. For floating-rate financial liabilities, the original effective yield rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective yield rate on the instrument.

5.1.13 Impairment

The impairment requirements apply to financial assets measured at amortised cost and FVOCI (other than equity instruments), lease receivables, and certain loan commitments and financial guarantee contracts. At initial recognition, an impairment allowance (or provision in the case of commitments and guarantees) is required for expected credit losses (ECL) resulting from default events that are possible within the next 12 months (12–month ECL). In the event of a significant increase in credit risk, a provision is required for ECL resulting from all possible default events over the expected life of the financial instrument (lifetime ECL).

Measurement of ECL

ECL is a probability–weighted estimate of credit losses. It is measured as follows:

– financial assets that are not credit–impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);

– financial assets that are credit–impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;

– undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and

– financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank expects to recover

Non–Performing financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost, at cost and, debt financial assets carried at FVOCI, and finance lease receivables are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'non–performing' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit–impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan by the Bank on terms that the Bank would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit–impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered credit–impaired even when the regulatory definition of default is different.

Under SBP's IFRS 9 Application instructions, the Bank is not required to compute ECL on Government Securities and on Government guaranteed credit exposure in local currency. The Bank is required to calculate ECL on it's non–performing financial assets as higher of provision under Prudential Regulations (PR) and ECL under IFRS 9. Further, the Bank recognizes income on impaired assets (loans classified under PRs i.e., OAEM and Stage 3 loans) on a receipt basis in accordance with the requirements of PR issued by SBP.

The Bank calculates the ECL against corporate, commercial, SME and retail loan portfolios as higher of PR and ECL under IFRS 9 at borrower level.

ECL is a probability-weighted estimate of credit losses which is determined by multiplying the probability of default with the loss given default with the expected exposure at the time of default. Based on the requirements of IFRS 9 Application Instructions, the Bank has performed an ECL assessment considering the following key elements:

- PD: The probability that a counterparty will default over the next 12 months from the reporting date (12- month ECL, Stage1) or over the lifetime of the product (lifetime ECL, Stage 2). PD is estimated using internal rating classes and are based on the Bank's internal risk rating. The Bank has used a statistical method for the estimation of Through the Cycle (TTC) PDs associated with each of its obligors risk rating. PD are then adjusted with forward looking information for calculation of ECL. Forward looking information is incorporated to convert TTC PD to Point in Time Probability of Default (PiT) PD. The bank has estimated PiT PDs in its PD model. For this purpose the Bank incorporated five years forecast obtained from the Macro Economic Variable (MEV) database of the International Monetary Fund (IMF).
- EAD: The expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortisation, pre-payments and forward-looking information where relevant. The Bank estimates EAD for financial assets carried at an amortised cost and carried at cost equal to principal plus profit. Each repayment date is assumed to be default point in the model and the ECL is calculated on EAD at each reporting date and discounted at the effective interest rate or contractual interest rate for advances other than staff loans and Temporary Economic Refinance Facility (TERF) and advances pertaining to overseas operations for which effective interest rate is used. The unutilized exposures are multiplied with credit conversion factors (CCF) to compute the EAD of revolving facilities. Additionally liquid collateral that the Bank holds are adjusted from the EAD and the ECL is computed on the net amount.

– LGD: An estimate of the loss incurred on a facility upon default by a customer. The Bank estimates LGD based on actual recoveries from defaulted accounts over a historical period prior to the assessment date. Forward looking information is incorporated into the LGD calculation to reflect the impact of macro economic factors on the expected recoveries.

Presentation of allowance for Expected Credit Loss in the Unconsolidated Statement of Financial Position

Loss allowances for ECL are presented in the unconsolidated statement of financial position as follows:

– Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets.
– For advances measured at cost: as a deduction from the gross carrying amount of the advances.
– Loan commitments and financial guarantee contracts: as a provision in other liabilities.
– Where a financial instrument includes both a drawn and an undrawn component, and the Bank does not identify the ECL on the loan commitment component separately from those on the drawn component and instead presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
– Debt instruments measured at FVOCI: no loss allowance is recognized in the unconsolidated statement of financial position because the carrying amount of these assets is their fair value.

5.1.14 Significant increase in credit risk (SICR)

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

As required by the Application Instructions, financial assets may be reclassified out of Stage 3 if they meet the requirements of PR issued by SBP. Financial assets in Stage 2 may be reclassified to Stage 1 if the conditions that led to a SICR no longer apply. However, a minimum period of 6 months from initial downgrade is required before any facility is moved back to Stage 1 from Stage 2. For a facility to move back from Stage 3 to Stage 2, it should meet the criteria defined under the respective Prudential Regulations for de–classification of account / facility. An exposure cannot be upgraded from Stage 3 to Stage 1 directly and should be upgraded to Stage 2 initially.

IFRS 9 includes a rebuttable presumption that a default does not occur later than 90 days past due and it also presumes that there is SICR if credit exposure is more than 30 days past due. In order to bring consistency, SBP has allowed the backstop to the rebuttable presumption of days past due of credit portfolio against a specific credit facility and its stage allocation under IFRS 9 as mentioned in Annexure–C of BPRD Circular No. 3 of 2022. However, banks are free to choose more stringent days past due criteria. The Bank aligns its policy with Annexure–C of BPRD Circular No. 3 of 2022; hence, SICR is considered if credit exposure exceeds 60 days past due.

5.1.15 Undrawn loan commitments and guarantees:

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. Loan commitments are firm commitments to provide credit under pre–specified terms and conditions.

When estimating lifetime ECL for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected cash flows if the loans are drawn down, based on a probability–weighting of the three scenarios.

5.1.16 Governance, ownership and responsibilities

The Bank has adopted a governance framework requiring multiple functions to effectively work together to ensure input from all business lines. The Risk Department defines the staging criteria for the new impairment model and take ownership of all models, methodologies and the ECL calculation approach. Additionally, the Risk department takes the ownership of the impact of ECL on the Bank's capital.

The Bank's Finance Division performs ECL calculation. As a result, the department then assesses the financial impact, meets the financial reporting requirements and further monitors the impact on the financial ratios.

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

5.2 Cash and cash equivalents

Cash and cash equivalents comprise of cash and balances with treasury banks, balances with other banks and call money lending.

5.3 Lending (reverse repo)

Consideration for securities purchased under resale agreements (reverse repo) are included in lending to financial institutions. The difference between purchase and resale price is recognized as mark–up / return earned on a time proportion basis. Reverse repo balances are reflected under lending to financial institutions.

5.4 Bai Muajjal receivable from other financial institutions

In Bai Muajjal, the Bank sells Sukuk on deferred payment basis to other financial institutions. The deferred price is agreed at the time of sale and such proceeds are received at the end of the credit period. Bai Muajjal balances are reflected under lending to financial institutions. Bai Muajjal with the Federal Government is classified as investment.

5.5 Investment in subsidiaries

Investments in subsidiaries are carried at cost less impairment, if any.

5.6 Advances

Advances are stated at cost net of provision for expected credit losses except for staff loans, TERF and advance pertaining to overseas branch which are carried at amortized cost less credit loss allowance.

The provision for expected credit losses against advances is charged to the profit and loss account. Advances are written off when there is no realistic prospect of recovery.

The Bank reviews its loan portfolio to assess the amount of non–performing advances and provision required thereon, on regular basis. While assessing this requirement various factors including the delinquency in the account, financial position of the borrowers and the requirements of the PR are considered.

5.6.1 Finance lease receivables

Leases where the Bank transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee are classified as finance leases. A receivable is recognized at an amount equal to the present value of the lease payments including any guaranteed residual value. Finance lease receivables are included in advances to the customers.

5.6.2 Islamic financing and related assets

Ijarahs booked under Islamic Financial Accounting Standard 2 – Ijarah (IFAS – 2) are stated at cost less accumulated depreciation and impairment if any, and are shown under advances.

Depreciation on Ijarah assets is charged to profit and loss account by applying the straight line method whereby the depreciable value of Ijarah assets is written off over the Ijarah period. The Bank charges depreciation from the date of delivery of respective assets to Mustajir upto the date of maturity / termination of Ijarah agreement.

In Murabaha transactions, the Bank purchases the goods through its agent or client and after taking the possession, sells them to the customer on cost plus profit basis either in a spot or credit transaction. Under Murabaha financing, funds disbursed for purchase of goods are recorded as 'Advance against Murabaha finance'. On culmination of Murabaha i.e. sale of goods to customers, Murabaha financing are recorded at the deferred sale price. Goods purchased but remaining unsold at the statement of financial position date are recorded as inventories.

In Salam financing, the Bank pays full in advance to its customer for buying specified goods / commodities to be delivered to the Bank within an agreed time. The goods are then sold and the amount financed is received back by the Bank along with profit.

In Musharaka a relationship is established under a contract by the mutual consent of the Bank and the customer for sharing of profits and losses arising from a joint enterprise or venture.

Diminishing Musharaka (DM) is a form of co–ownership in which Bank and the customer share the ownership of a tangible asset in an agreed proportion and customer undertakes to buy in periodic installments the proportionate share of the Bank until the title to such tangible asset is completely transferred to the customer. The rental payment is recognized as profit while the assets transfer / sale payments are applied towards reducing the outstanding principal.

In Istisna financing, the Bank acquires the described goods to be manufactured by the customer from raw material of its own and deliver to the Bank within an agreed time. The goods are then sold and the amount financed is received back by the Bank along with profit.

In Running Musharaka based financing, the Bank enters into financing with the customer based on Shirkat–ul–Aqd or Business Partnership in the customer's operating business where the funds can be withdrawn or refunded during the Musharaka period.

The Bank values its inventories at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale. Cost of inventories represents actual purchases made by the Bank / customers as an agent of the Bank for subsequent sale. Inventory against each contract is maintained on specific identification method.

5.7 Property & equipment and depreciation

Capital work–in–progress

Capital work–in–progress is stated at cost less impairment losses, if any.

Property and equipment

Property and equipment are stated at cost less impairment losses and accumulated depreciation except for freehold / leasehold land. Land is carried at revalued amounts which is not depreciated. Land is revalued by professionally qualified valuers with sufficient regularity to ensure that the carrying amount does not differ materially from their fair value. Major renewals and improvements are capitalized. Gains and losses on disposal of property and equipment are taken to the profit and loss account.

Surplus arising on revaluation of fixed assets is credited to the surplus on revaluation of assets account and is shown under the shareholders' equity in the unconsolidated statement of financial position. Except to the extent actually realized on disposal of land which are revalued, the surplus on revaluation of land shall not be applied to set–off or reduce any deficit or loss, whether past, current or future, or in any manner applied, adjusted or treated so as to add to the income, profit or surplus of the Bank or utilized directly or indirectly by way of dividend or bonus. Surplus on revaluation of fixed assets (net of associated deferred tax) to the extent of the incremental depreciation charged on the related assets is transferred to unappropriated profit.

Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized from the month when these assets are available for use, using the straight line method, whereby the cost of the intangible assets are amortized over its estimated useful lives over which economic benefits are expected to flow to the Bank. The useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Depreciation / amortization

Depreciation / amortization is computed on monthly basis over the estimated useful lives of the related assets at the rates set out in note 11.2 and 13.1 respectively on monthly basis. The cost of assets is depreciated / amortized on straight line basis, except for buildings which are depreciated on reducing balance method. Depreciation / amortization commences when the related asset is available for use and discontinues when the asset is disposed off or retired from the active use. Maintenance and normal repairs are charged to profit and loss account as and when incurred.

In making estimates of the depreciation / amortization, the management uses useful life and residual value which reflects the pattern in which economic benefits are expected to be consumed by the Bank. The useful life and the residual value are reviewed at each financial year end and any change in these estimates in future years might effect the carrying amounts of the respective item of operating fixed assets with the corresponding effect on depreciation / amortization charge.

5.8 Assets held for sale

Non–current assets and associated liabilities are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than continuing use and the sale is highly probable. Assets designated as held for sale are carried at the lower of carrying amount at designation and fair value less costs to sell, if fair value can reasonably be determined.

5.9 IFRS 16 – Leases

A lessee recognizes a right–of–use (ROU) asset representing its right of using the underlying asset and a corresponding lease liability representing its obligations to make lease payments.

Lease liabilities are initially measured at the present value of lease payment, discounted using the Bank's contract wise incremental borrowing rate. The lease liabilities are subsequently measured at amortized cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or change in lease terms. These remeasurements of lease liabilities are recognised as adjustments to the carrying amount of related ROU assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the profit and loss account as markup expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The ROU assets are initially measured based on the initial amount of the lease liability plus any initial direct costs incurred. ROU assets are subsequently stated at cost less any accumulated depreciation. The ROU assets are depreciated on a straight line basis over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The estimated useful lives of ROU assets are determined on the same basis as that used for owned assets. The ROU assets are reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

5.10 Borrowings (Repo)

Consideration received against securities sold under repurchase agreement (repo) are included in borrowings from financial institutions. The difference between sale and repurchase price is recognized as mark–up / return expensed on a time proportion basis.

5.11 Deposits

Deposits are recorded at the fair value of proceeds received. Markup accrued on deposits is recognized separately as part of other liabilities and is charged to profit and loss account on a time proportion basis.

The Bank generates deposits in two modes i.e. "Qard" and "Modaraba" under Islamic Banking Operations. Deposits taken on Qard basis are classified as 'Current Accounts' and deposits generated on Modaraba basis are classified as 'Saving Accounts' and 'Fixed Deposit Accounts'.

5.12 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 accrual basis.

5.13 Staff retirement benefits

Defined benefit plan

The Bank operates an approved funded gratuity scheme for all its regular employees. Contributions are made in accordance with the actuarial recommendations. The actuarial valuation is carried out periodically using the "Projected Unit Credit Method".

Actuarial gains / losses arising from experience adjustment and changes in actuarial assumptions are recognized in other comprehensive income in the period of occurrence. Past service cost is recognized as expense when the plan is amended.

Certain actuarial assumptions have been adopted as disclosed in note 39 of these unconsolidated financial statements for the actuarial valuation of staff retirement benefit plan. Actuarial assumptions are entity'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 these plans in those years.

Defined contribution plan

The Bank operates a recognized provident fund scheme for all its regular employees for which equal monthly contributions are made both by the Bank and by the employees at the rate of 8.33% of the basic salary of the employee.

Compensated absences

The Bank provides compensated absences to all its regular employees. Liability for unfunded scheme is recognized on the basis of actuarial valuation using the "Projected Unit Credit Method". Provision for the year is charged to unconsolidated profit and loss account. The amount recognized in the unconsolidated statement of financial position represents the present value of defined benefit obligations. Actuarial gains / losses arising from experience adjustment and changes in actuarial assumptions are recognized in the profit and loss account in the period of occurrence.

5.14 Foreign currencies

Foreign currency transactions

Foreign currency transactions other than results of foreign operations are translated into Pak. Rupee at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated to Pak. Rupee at the exchange rates prevailing at the reporting date. Forward transactions in foreign currencies are valued at the rates applicable to the remaining maturities. Exchange gains and losses are included in unconsolidated profit and loss account currently.

Foreign operation

The assets and liabilities of Wholesale Bank Branch are translated to Pak. Rupee at exchange rates prevailing at the date of unconsolidated statement of financial position. The income and expenses of foreign operations are translated at the average rate of exchange for the year.

Translation gains and losses

Translation gains and losses are included in unconsolidated profit and loss account, except those arising on translation of the Bank's net investment in foreign operations which are taken to equity under "Exchange Translation Reserve" through other comprehensive income and on disposal are recognized in unconsolidated profit and loss account.

Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed in these unconsolidated financial statements at committed amounts. 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 statement of financial position date.

5.15 Revenue recognition

5.15.1 (a) Mark–up / interest on advances and return on investments is recognized on time proportionate basis except on classified advances and investments which is recognized on receipt basis. Mark–up / interest on rescheduled / restructured advances and investments is recognized as permitted by the regulations of the SBP or overseas regulatory authority of the country where branch operates, except where in the opinion of the management it would not be prudent to do so.

(b) Where debt securities are purchased at a premium or discount, such premium / discount is amortised through the profit and loss account over the remaining period of maturity using effective yield method.

(c) Fees and commission income is recognized at the time of performance of service.

(d) Dividend income is recognized when Bank's right to receive the income is established.

(e) Gains or losses on sale of investments are recognized in unconsolidated profit and loss account.

(f) Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of the total lease rentals and estimated residual value over the cost of leased assets) is deferred and taken to income over the term of the lease period so as to produce a constant periodic rate of return on the outstanding net investment in lease. Repossessed vehicles on account of loan default are recorded in memorandum account.

Unrealized lease income is suspended on classified leases, in accordance with the requirements of the Prudential Regulations issued by the SBP. Gains / losses on termination of lease contracts, documentation charges, front–end fees and other lease income are recognized as income on receipt basis.

5.15.2 Revenue recognition under IFAS 2

(a) The rentals from Ijarah are recognised as income over the term of the contract net of depreciation expense relating to the Ijarah assets.

5.15.3 Revenue recognition under product manual as approved by Shariah Board of the Bank

(a) Profits on Musharaka and Diminishing Musharaka financing are recognized on accrual basis. Profit required to be suspended in compliance with the Prudential Regulations issued by SBP is recorded on receipt basis.

(b) Profit on Salam finance is recognised on time proportionate basis.

(c) Profit on Istisna and Murabaha financing is recognised on a time proportionate basis over the period of transaction.

5.15.4 Revenue from Islamic products would have increased by Rs. 640,038 thousand, if IFRS 9 had been adopted in its entirety.

5.16 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the unconsolidated profit and loss account, except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income. In making the estimates for income taxes currently payable by the Bank, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past.

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into consideration available tax credits and rebates at a tax rate enacted or substantively enacted at the reporting date. The charge for current tax also includes adjustments where considered necessary, relating to prior years which arise from assessments framed / finalized during the year.

Prior years

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

Deferred

Deferred tax is provided for by using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the date of unconsolidated statement of financial position. A deferred tax asset is recognized only to the extent that it is probable that the future taxable profit will be available and credits can be utilized. Deferred tax assets are reduced to the extent it is no longer probable that the related tax benefit will be realized.

Deferred tax on revaluation of investments, if any, is recognized as an adjustment to surplus / (deficit) arising on such revaluation.

5.17 Impairment of non–financial assets

The carrying amount of the Bank's assets are reviewed at the reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recognized as expense in the unconsolidated profit and loss account. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.18 Non–banking assets acquired in satisfaction of claims

Non–banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. Surplus arising on revaluation of such properties is credited to the 'surplus on revaluation of non-banking assets' account and any deficit arising on revaluation is taken to profit and loss account directly. Legal fees, transfer costs and direct costs of acquiring title to property are charged to profit and loss account and are not capitalized.

5.19 Other provisions

Provisions are recognized when there are present legal or constructive obligations as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amounts can be made. Provision for guarantee claims and other off balance sheet obligations is recognized when intimated and reasonable certainty exists to settle the obligation. Expected recoveries are recognized by debiting customer accounts. Charge to unconsolidated profit and loss account is stated net off expected recoveries.

5.20 Off–setting

Financial assets and financial liabilities are only set–off and the net amount is reported in the unconsolidated financial statements when there is a legally enforceable right to set–off the recognized amount and the Bank expects either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

5.21 Financial assets and liabilities

Financial assets and financial liabilities are recognized at the time when the Bank becomes a party to the contractual provision of the instrument. Financial assets are de–recognized when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of the asset. Financial liabilities are de–recognized when obligation specific in the contract is discharged, cancelled or expired. Any gain or loss on de–recognition of the financial asset and liability is recognized in the profit and loss account of the current period. The particular recognition and subsequent measurement methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

5.22 Derivative financial instruments

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

The fair values 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.

5.23 Appropriations subsequent to date of unconsolidated statement of financial position

Appropriations subsequent to year end are recognized during the year in which those appropriations are made.

5.24 Dividend distribution and appropriation

Dividends and appropriations (except for the appropriations required by law), made subsequent to the date of statement of financial position are considered as non–adjusting events and are recorded in the year in which these are approved / transfers are made.

5.25 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.

5.26 Segment reporting

A segment is a distinguishable component of the Bank that is engaged in providing products or services (business segment) or in providing product or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Bank's primary format of reporting is based on business segments.

5.27 Business segment

Branch banking

This segment consists of loans, deposits and other banking services including branchless banking services to small enterprises, medium enterprises, agriculture and individual customers.

Corporate banking

Corporate banking includes deposits, project financing, trade financing and working capital to corporate and commercial customers of the Bank. This segment is also involved in investment banking activities such as mergers and acquisitions, underwriting, privatization, securitization, IPO's related activities and secondary private placements.

Treasury

Treasury function is mainly engaged in money market activities, foreign exchange business and short term lending and borrowings from counterparties.

Consumer banking

Consumer banking segment provides both secured and unsecured loans to retail customers.

Islamic banking

This segment provides banking services to its customers in compliance with Shariah rules and directives, instructions and guidelines issued by SBP.

Foreign operations

Foreign operations consists of the banking activities performed through its Wholesale Bank Branch in the Kingdom of Bahrain.

Head office / others

This consists of banking operations not performed by any of above segments.

5.27.1 Geographical segments

The Bank operates in two geographic regions; Pakistan including its allied territories and the Middle East.

5.28 Acceptances

Acceptances comprise undertakings by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be simultaneously settled with the reimbursement from the customers. Acceptances are accounted for in unconsolidated statement of financial position both as assets and liabilities.

5.29 Contingent Liabilities

Contingent liabilities are not recognised in the statement of financial position as they are possible obligations where it has yet to be confirmed whether a liability, which will ultimately result in an outflow of economic resources to settle the obligation, will arise. In cases where the probability of an outflow of economic resources is considered remote, it is not disclosed as a contingent liability.

Rupees in '000	Note	2024	2023
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand:			
Local currency		35,295,829	27,760,784
Foreign currencies		3,718,788	4,318,238
		39,014,617	32,079,022
With the State Bank of Pakistan in:			
Local currency current accounts	6.1	72,316,040	104,626,342
Foreign currency current account	6.1	7,421,460	6,885,755
Foreign currency deposit account	6.2	13,685,296	12,873,026
		93,422,796	124,385,123
With National Bank of Pakistan in:			
Local currency current accounts		1,028,257	3,573,496
Prize Bonds		39,615	49,753
		133,505,285	160,087,394
Less: Credit loss allowance / provision held against cash and balances with treasury banks		–	–
Cash and balances with treasury banks – net of credit loss allowance / provision		133,505,285	160,087,394

6.1 These represent current accounts maintained with the SBP to comply with the statutory cash reserve requirements.

6.2 This represents special cash reserve maintained with the SBP.

Rupees in '000	Note	2024	2023
7 BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		112,378	2,802
Outside Pakistan			
In current accounts		1,908,941	1,557,101
In deposit accounts	7.1	8,756,105	12,229,132
		10,665,046	13,786,233
		10,777,424	13,789,035
Less: Credit loss allowance / provision held against balances with other banks	7.2	(1,390)	(4)
Balances with other banks – net of credit loss allowance / provision		10,776,034	13,789,031

7.1 These carry interest rates up to 3.50% (2023: up to 5.08%) per annum.

Rupees in '000	Note	2024	2023
7.2 Credit Loss Allowance – Stage 1			
Opening balance		4	2
Impact of adoption of IFRS–9		1,089	–
Balance as at January 1,		1,093	2
Charge for the year		297	2
Closing balance		1,390	4

8 LENDINGS TO FINANCIAL INSTITUTIONS

Rupees in '000	Note	2024	2023
Call / clean money lendings	8.1	1,500,000	–
Bai Muajjal receivable – with other financial institutions	8.2	3,068,218	–
Purchase under resale arrangement of equity securities		59,443	89,164
		4,627,661	89,164
Less: Credit loss allowance / provision held against lending to financial institutions	8.4	(60,042)	(89,164)
Lending to financial institutions – net of credit loss allowance / provision		4,567,619	–

8.1 Call / clean money lending carry markup rates at 13.90% to 22.90% (2023: Nil) per annum.

8.2 Bai Muajjal receivable with other financial institutions carry markup rates at 13.00% to 16.50% (2023: Nil) per annum.

Rupees in '000	2024	2023
8.3 Particulars of lending		
In local currency	4,627,661	89,164

8.4 Lending to FIs – Particulars of credit loss allowance / provision

		2024		2023	
Rupees in '000		Lending	Credit loss allowance held	Lending	Provision held
Domestic					
Performing	Stage 1	4,568,218	599	–	–
Non–performing	Stage 3	59,443	59,443	–	–
Loss		–	–	89,164	89,164
Total		4,627,661	60,042	89,164	89,164

	2024		
Rupees in '000	Stage 1	Stage 3	Total
Opening balance	–	89,164	89,164
New financial assets originated or purchased	599	–	599
Financial assets that have been derecognised	–	(29,721)	(29,721)
Closing balance	599	59,443	60,042

9 INVESTMENTS

Rupees in '000	2024 Cost / amortized cost	2024 Credit loss allowance	2024 Surplus / (deficit)	2024 Carrying value	2023 Cost / amortized cost	2023 Provision for diminution	2023 Surplus / (deficit)	2023 Carrying value
9.1 Investments by type								
– Debt instruments								
Classified / Measured at amortised cost / (2023: Held to maturity)								
Federal Government Securities	49,999,401	(189,788)	–	49,809,613	57,384,640	(585,642)	–	56,798,998
Non Government Debt Securities	110,000	(110,000)	–	–	110,000	(110,000)	–	–
	50,109,401	(299,788)	–	49,809,613	57,494,640	(695,642)	–	56,798,998
Classified / Measured at FVOCI / (2023: Available for sale)								
Federal Government Securities	1,422,059,838	(406,352)	6,686,981	1,428,340,467	1,117,640,852	(524,796)	(14,605,232)	1,102,510,824
Non Government Debt Securities	10,920,088	(380,124)	(26,243)	10,513,721	15,836,647	(1,355,068)	(32,425)	14,449,154
Units of open end mutual funds	–	–	–	–	1,874,328	(168,124)	254,392	1,960,596
Fully paid preference shares	–	–	–	–	27,314	(11,914)	12,750	28,150
	1,432,979,926	(786,476)	6,660,738	1,438,854,188	1,135,379,141	(2,059,902)	(14,370,515)	1,118,948,724
Classified / Measured at FVTPL / (2023: Held for trading)								
Federal Government Securities	3,668,096	–	–	3,668,096	–	–	–	–
Units of open end mutual funds	1,781,063	–	1,158,946	2,940,009	–	–	–	–
Non Government Debt Securities	4,603,807	–	(1,086,134)	3,517,673	–	–	–	–
	10,052,966	–	72,812	10,125,778	–	–	–	–
– Equity instruments								
Classified / Measured at FVTPL / (2023: Held for trading)								
Shares								
Listed Companies	447,406	–	18,400	465,806	534,439	–	18,393	552,832
Classified / Measured at FVOCI (Non-Reclassifiable) / (2023: Available for sale)								
Shares								
Listed companies	4,596,898	–	4,323,289	8,920,187	4,396,330	(591,463)	1,885,567	5,690,434
Preference shares	27,314	–	(3,825)	23,489	–	–	–	–
Unlisted companies	355,680	–	(5,680)	350,000	355,680	(5,680)	–	350,000
	4,979,892	–	4,313,784	9,293,676	4,752,010	(597,143)	1,885,567	6,040,434
– Subsidiaries								
Foundation Securities (Private) Limited	196,700	–	–	196,700	196,700	–	–	196,700
Askari Currency Exchange (Private) Limited	1,000,000	–	–	1,000,000	–	–	–	–
Total investments	1,499,766,291	(1,086,264)	11,065,734	1,509,745,761	1,198,356,930	(3,352,687)	(12,466,555)	1,182,537,688

Rupees in '000	2024 Cost / amortized cost	2024 Credit loss allowance	2024 Surplus / (deficit)	2024 Carrying value	2023 Cost / amortized cost	2023 Provision for diminution	2023 Surplus / (deficit)	2023 Carrying value
9.2 Investments by segments:								
Federal Government Securities								
Market Treasury Bills	33,171,528	–	922,351	34,093,879	48,409,706	–	83,982	48,493,688
Pakistan Investment Bonds	1,350,037,445	–	4,330,140	1,354,367,585	1,051,926,879	–	(12,440,727)	1,039,486,152
Ijarah Sukuks	79,008,343	–	1,089,419	80,097,762	49,885,746	–	(1,478,247)	48,407,499
Euro Bonds	9,841,923	(596,140)	345,071	9,590,854	21,058,165	(1,110,438)	(770,240)	19,177,487
Naya Pakistan Certificates	3,668,096	–	–	3,668,096	3,744,996	–	–	3,744,996
	1,475,727,335	(596,140)	6,686,981	1,481,818,176	1,175,025,492	(1,110,438)	(14,605,232)	1,159,309,822
Provincial government securities	–	–	–	–	–	–	–	–
Shares								
Listed companies	5,044,304	–	4,341,689	9,385,993	4,930,769	(591,463)	1,903,960	6,243,266
Unlisted companies	355,680	–	(5,680)	350,000	355,680	(5,680)	–	350,000
	5,399,984	–	4,336,009	9,735,993	5,286,449	(597,143)	1,903,960	6,593,266
Units of open end mutual funds	1,781,063	–	1,158,946	2,940,009	1,874,328	(168,124)	254,392	1,960,596
Fully paid preference shares	27,314	–	(3,825)	23,489	27,314	(11,914)	12,750	28,150
Non Government Debt Securities								
Listed	1,821,100	(206,453)	(41,793)	1,572,854	2,529,432	(204,429)	(30,665)	2,294,338
Unlisted	13,812,795	(283,671)	(1,070,584)	12,458,540	13,417,215	(1,260,639)	(1,760)	12,154,816
	15,633,895	(490,124)	(1,112,377)	14,031,394	15,946,647	(1,465,068)	(32,425)	14,449,154
Subsidiaries								
Foundation Securities (Private) Limited	196,700	–	–	196,700	196,700	–	–	196,700
Askari Currency Exchange (Private) Limited	1,000,000	–	–	1,000,000	–	–	–	–
Total investments	1,499,766,291	(1,086,264)	11,065,734	1,509,745,761	1,198,356,930	(3,352,687)	(12,466,555)	1,182,537,688

Rupees in '000	2024	2023
9.2.1 Investments given as collateral		
The market value of investments given as collateral is:		
Market Treasury Bills	2,353,915	13,586,080
Pakistan Investment Bonds	701,101,750	570,673,900
Shares	247,544	141,491
	703,703,209	584,401,471

9.3 Particulars of credit loss allowance

9.3.1 Investments – exposure

	2024			
Rupees in '000	Stage 1	Stage 2	Stage 3	Total
Opening balance	21,058,165	–	–	21,058,165
Impact of adoption of IFRS 9	2,817,500	–	1,382,568	4,200,068
Balance as of January 1, 2024	23,875,665	–	1,382,568	25,258,233
New investments	1,000,000	–	–	1,000,000
Investments derecognised or repaid	(12,615,235)	–	(900,378)	(13,515,613)
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
	(11,615,235)	–	(900,378)	(12,515,613)
Closing balance	12,260,430	–	482,190	12,742,620

9.3.2 Investments – Particulars of credit loss allowance

	2024				2023
Rupees in '000	Stage 1	Stage 3	Provision for diminution other than stage 1	Total	Provision for diminution
Opening balance	1,110,438	–	2,242,249	3,352,687	3,512,177
Impact of adoption of IFRS 9	26,215	1,382,568	(2,242,249)	(833,466)	–
Balance as of January 1, 2024	1,136,653	1,382,568	–	2,519,221	3,512,177
Exchange adjustments	(1,372)	–	–	(1,372)	274,611
Charge for the year	–	–	–	–	180,392
Reversal of ECL / provision for the year	(531,207)	(1,921)	–	(533,128)	(328,207)
Transfer of provision to revaluation deficit	–	(898,457)	–	(898,457)	–
Reversal on disposal	–	–	–	–	(286,286)
	(531,207)	(900,378)	–	(1,431,586)	(434,101)
Closing balance	604,074	482,190	–	1,086,264	3,352,687

9.3.3 Investments – Credit loss allowance

Rupees in '000	2024 Stage 1	Stage 2	Stage 3	Total
Opening balance	1,110,438	–	–	1,110,438
Impact of adoption of IFRS 9	26,215	–	1,382,568	1,408,783
Balance as of January 1, 2024	1,136,653	–	1,382,568	2,519,221
New investments	4,840	–	–	4,840
Investments derecognised or repaid	(536,047)	–	(1,921)	(537,968)
Transfer of expected credit loss to revaluation deficit	–	–	(898,457)	(898,457)
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
	(531,207)	–	(900,378)	(1,431,585)
Amounts written off / charged off	–	–	–	–
Changes in risk parameters (PDs/LGDs)	–	–	–	–
Exchange adjustment	(1,372)	–	–	(1,372)
Closing balance	604,074	–	482,190	1,086,264

9.3.4 Particulars of credit loss allowance against debt securities

Rupees in '000		2024 Outstanding amount	2024 Credit loss allowance held	2023 Outstanding amount	2023 Provision held
Domestic					
Performing	Stage 1	2,418,507	7,934	–	–
Non–Performing	Stage 3	482,190	482,190	–	–
Loss		–	–	1,547,568	1,465,068
		2,900,697	490,124	1,547,568	1,465,068
Overseas					
Performing	Stage 1	9,481,923	596,140	21,058,165	1,110,438

9.4 Investment in subsidiaries

Rupees in '000	Note	Country of incorporation	% Holding	Assets	Liabilities	Revenue	Profit	Total comprehensive income
		As at December 31, 2024				For the year ended December 31, 2024		
Foundation Securities (Private) Limited	9.4.1	Pakistan	51	4,202,065	3,143,058	587,590	242,572	246,664
Askari Currency Exchange (Private) Limited	9.4.2	Pakistan	100	1,154,057	134,082	712	20,687	20,687

Rupees in '000	Country of incorporation	% Holding	Assets	Liabilities	Revenue	Profit	Total comprehensive income
	As at December 31, 2023				For the year ended December 31, 2023		
Foundation Securities (Private) Limited	Pakistan	51	2,506,729	1,636,786	297,946	104,123	110,816

9.4.1 Foundation Securities (Private) Limited (the Company), was incorporated in Pakistan as a (Private) Limited Company on January 18, 2005, under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017) and its registered office is situated at Ground Floor, Bahria Complex II, M.T. Khan Road, Karachi – 74000. The Company is a Trading Right Entitlement Certificate (TREC) holder of the Pakistan Stock Exchange Limited (PSX) and a corporate member of Pakistan Mercantile Exchange Limited.The Company is principally engaged in the business of equity and commodities brokerage, equity research and corporate financial advisory services.

9.4.2 Askari Currency Exchange (Private) Limited (ACEL) was incorporated in Pakistan on April 19, 2024, under the Companies Act 2017 (XIX of 2017) as a private limited Company. The Company is principally engaged in currency exchange services. The registered address of ACEL is Ground Floor, Old Building, Marine Trade Centre, Kehkashan Block 9, Clifton, Karachi 75600.

9.5 Quality of securities

Details regarding quality of securities held under "Held to Collect and Sell" model

Rupees in '000	2024 Cost	2023 Cost
Domestic securities		
Federal Government Securities – Government guaranteed		
Market Treasury Bills	33,171,528	48,409,706
Pakistan Investment Bonds	1,302,839,115	1,005,884,216
Euro Bonds	7,040,852	9,716,188
Ijarah Sukuks	79,008,343	49,885,746
Naya Pakistan Certificates	–	3,744,996
	1,422,059,838	1,117,640,852
Shares		
Listed		
Commercial banks	1,009,192	982,822
Chemicals	513,054	403,696
Cement	701,824	631,322
Engineering	70,018	87,491
Oil and gas marketing companies	539,930	550,448
Oil and gas exploration	392,543	477,638
Power generation and distribution	632,516	649,903
Paper and board	96,764	69,750
Pharmaceuticals	178,158	153,089
Textile composite	232,777	138,482
Technology and communication	230,122	251,689
	4,596,898	4,396,330

	2024		2023	
Rupees in '000	Cost	Breakup value	Cost	Breakup value
Unlisted				
Pakistan Export Finance Guarantee Agency Limited	5,680	–	5,680	–
1Link (Private) Limited	50,000	1,414,650	50,000	893,500
Pakistan Mortgage Refinance Company Limited	300,000	906,196	300,000	723,052
	355,680	2,320,846	355,680	1,616,552

Breakup value has been calculated on the basis of latest available financial statements.

Rupees in '000	2024	2023
	Cost	
Fully Paid Preference Shares		
Listed		
Textile	25,100	25,100
Unlisted		
Financial institutions	2,214	2,214
	27,314	27,314
Non Government Debt Securities		
Listed		
AAA	–	750,000
AA+, AA, AA–	691,668	1,375,000
A+, A, A–	–	200,000
Unrated	204,432	204,432
	896,100	2,529,432
Unlisted		
AAA	8,233,729	10,140,129
AA+, AA, AA–	500,000	1,016,450
A+, A, A–	1,122,500	867,500
B+, B, B–	–	215,000
Unrated	167,759	1,068,136
	10,023,988	13,307,215

9.6 Particulars relating to securities classified Under "Held to Collect" model

Rupees in '000	2024	2023
	Cost	
Domestic securities		
Federal Government Securities – Government guaranteed		
Pakistan Investment Bonds	47,198,330	46,042,663
Government of Pakistan Euro Bonds	2,801,071	11,341,977
	49,999,401	57,384,640
Non Government Debt Securities		
Unlisted		
Unrated	110,000	110,000

9.6.1 Market value of held to collect securities other than classified investments is Rs. 47,100,000 thousand (December 31, 2023: Rs. 50,430,873 thousand).

10 ADVANCES

	Performing		Non performing		Total	
Rupees in '000	**2024**	2023	**2024**	2023	**2024**	2023
Loans, cash credits, running finances, etc. – Note 10.1	614,976,447	498,706,097	24,681,629	25,198,876	639,658,076	523,904,973
Islamic financing and related assets – note 3 of Annexure II	67,351,156	114,772,652	4,455,351	2,781,125	71,806,507	117,553,777
Bills discounted and purchased	16,316,956	18,765,713	5,291,668	1,083,586	21,608,624	19,849,299
Advances – gross	698,644,559	632,244,462	34,428,648	29,063,587	733,073,207	661,308,049
Credit loss allowance against advances / (provision against advances)						
– Stage 1	(1,140,828)	–	–	–	(1,140,828)	–
– Stage 2	(3,893,372)	–	–	–	(3,893,372)	–
– Stage 3	–	–	(32,280,864)	–	(32,280,864)	–
– General provision	–	(2,538,527)	–	–	–	(2,538,527)
– Specific provision	–	–	–	(25,636,695)	–	(25,636,695)
	(5,034,200)	(2,538,527)	(32,280,864)	(25,636,695)	(37,315,064)	(28,175,222)
Advances – net of credit loss allowance /provision	693,610,359	629,705,935	2,147,784	3,426,892	695,758,143	633,132,827

10.1 Includes net investment in finance lease as disclosed below:

	2024				2023			
Rupees in '000	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
Lease rentals receivable	2,766,961	3,084,001	–	5,850,962	2,553,026	2,938,946	–	5,491,972
Residual value	594,501	1,535,245	–	2,129,746	691,255	1,276,536	–	1,967,791
Minimum lease payments	3,361,462	4,619,246	–	7,980,708	3,244,281	4,215,482	–	7,459,763
Financial charges for future periods	(678,712)	(556,299)	–	(1,235,011)	(698,657)	(767,487)	–	(1,466,144)
Present value of minimum lease payments	2,682,750	4,062,947	–	6,745,697	2,545,624	3,447,995	–	5,993,619

Rupees in '000	**2024**	2023
10.2 Particulars of advances (Gross)		
In local currency	676,990,695	622,805,589
In foreign currencies	56,082,512	38,502,460
	733,073,207	661,308,049
10.2.1 Advances to Women, Women–owned and Managed Enterprises		
Women	2,173,311	2,101,692
Women Owned and Managed Enterprises	135,289,640	143,278,265
	137,462,951	145,379,957

10.2.2 Gross loans disbursed to women, women–owned and managed enterprises during the year is Rs. 268,521,350 thousand (2023: Rs. 186,110,921 thousand).

10.3 Particlurs of credit loss allowance

10.3.1 Advances – Exposure

		2024			
Rupees in '000	Note	Stage 1	Stage 2	Stage 3	Total
Opening balance		–	–	–	–
Impact of ECL recognised on adoption of IFRS 9		498,424,361	133,294,322	29,589,366	661,308,049
New advances		313,980,465	11,208,753	7,114	325,196,332
Advances derecognised or repaid		(203,171,945)	(39,314,503)	(3,161,411)	(245,647,859)
Transfer to stage 1		54,767,590	(54,767,590)	–	–
Transfer to stage 2		(18,331,898)	18,410,402	(78,504)	–
Transfer to stage 3		(519,804)	(7,923,287)	8,443,091	–
		146,724,408	(72,386,225)	5,210,290	79,548,473
Amounts written off / charged off	10.6	–	–	(371,008)	(371,008)
Fair value adjustments		(6,662,376)	(749,931)	–	(7,412,307)
Closing balance		638,486,393	60,158,166	34,428,648	733,073,207

10.3.2 Advances – Particulars of credit loss allowance

	2024						2023		
Rupees in '000	Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Total	Specific Provision	General Provision	Total
Opening balance	–	–	–	25,636,695	2,538,527	28,175,222	29,297,528	1,825,586	31,123,114
Impact of adoption of IFRS 9	3,533,735	6,801,929	27,783,828	(25,636,695)	(2,538,527)	9,944,270	–	–	–
Balance as at January 1,	3,533,735	6,801,929	27,783,828	–	–	38,119,492	29,297,528	1,825,586	31,123,114
Exchange adjustment	–	–	–	–	–			22,369	22,369
Charge for the year	2,168,486	7,121,410	7,338,185	–	–	16,628,080	2,657,741	1,204,787	3,862,528
Reversal under IFRS 9 related to WBB	–	(21,538)	–	–	–	(21,538)	–	(86,544)	(86,544)
Reversal for the year	(4,561,393)	(10,008,428)	(2,470,141)	–	–	(17,039,962)	(2,105,630)	(427,671)	(2,533,301)
	(2,392,907)	(2,908,557)	4,868,044	–	–	(433,420)	552,111	690,572	1,242,683
Amounts written-off	–	–	(371,008)	–	–	(371,008)	(2,505,910)	–	(2,505,910)
Amounts charged-off	–	–	–	–	–	–	(1,707,034)	–	(1,707,034)
Closing balance	1,140,828	3,893,372	32,280,864	–	–	37,315,064	25,636,695	2,538,527	28,175,222

10.3.3 Advances – Credit loss allowance

		2024			
Rupees in '000	Note	Stage 1	Stage 2	Stage 3	Total
Opening balance		–	–	–	–
Impact of ECL recognised on adoption of IFRS–9		3,533,735	6,801,929	27,783,828	38,119,492
New advances		2,105,443	6,904,728	336,939	9,347,110
Advances derecognised or repaid		(1,307,334)	(2,406,833)	(2,339,326)	(6,053,493)
Transfer to stage 1		63,043	(63,043)	–	–
Transfer to stage 2		(213,952)	216,681	(2,729)	–
Transfer to stage 3		(304,459)	(6,696,787)	7,001,246	–
		342,741	(2,045,254)	4,996,130	3,293,617
Changes in risk parameters		(2,735,648)	(863,303)	(128,086)	(3,727,037)
Amounts written off / charged Off	10.6	–	–	(371,008)	(371,008)
Closing balance		1,140,828	3,893,372	32,280,864	37,315,064

10.3.4 Advances – Credit loss allowance details

		2024			
Rupees in '000		Stage 1	Stage 2	Stage 3	Total
Internal / External rating / stage classification					
Outstanding gross exposure					
Performing	Stage 1	638,486,393	–	–	638,486,393
Under Performing	Stage 2	–	60,158,166	–	60,158,166
Non–performing	Stage 3				
Other Assets Especially Mentioned		–	–	141,213	141,213
Substandard		–	–	3,149,887	3,149,887
Doubtful		–	–	2,217,365	2,217,365
Loss		–	–	28,920,183	28,920,183
		–	–	34,428,648	34,428,648
Total		638,486,393	60,158,166	34,428,648	733,073,207
Corresponding ECL					
Stage 1 and stage 2		(1,140,828)	(3,893,372)	–	(5,034,200)
Stage 3		–	–	(32,280,864)	(32,280,864)
		637,345,565	56,264,794	2,147,784	695,758,143

10.4 Advances include Rs. 34,428,648 thousand (2023: Rs. 29,063,587 thousand) which have been placed under non–performing status as detailed below:

Rupees in '000	2024 Non-Performing Loans	2024 Credit loss allowance	2023 Non-Performing Loans	2023 Provision
Category of classification in stage 3				
Domestic				
Other Assets Especially Mentioned	141,213	85,324	133,619	1,423
Substandard	3,149,887	2,060,417	2,112,910	523,884
Doubtful	2,217,365	1,564,045	1,301,511	599,345
Loss	28,920,183	28,571,078	25,515,547	24,512,043
Total	34,428,648	32,280,864	29,063,587	25,636,695

10.5 Particulars of credit loss allowance / provision against advances

Rupees in '000	2024 Stage 1	2024 Stage 2	2024 Stage 3	2024 Total
In local currency	1,140,828	3,889,224	32,280,864	37,310,916
In foreign currencies	–	4,148	–	4,148
	1,140,828	3,893,372	32,280,864	37,315,064

Rupees in '000	2023 Specific	2023 General	2023 Consumer financing -general	2023 Total
In local currency	25,636,695	1,963,699	549,142	28,149,536
In foreign currencies	–	25,686	–	25,686
	25,636,695	1,989,385	549,142	28,175,222

Rupees in '000	Note	2024	2023
10.6 Particulars of write offs			
10.6.1 Against credit loss allowance / provision		371,008	2,505,910
10.6.2 Write offs of Rs. 500,000 and above			
– Domestic		40,448	2,505,910
Write offs of below Rs. 500,000	10.7	330,560	–
		371,008	2,505,910

10.6.3 Details of loans written 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 December 31, 2024 is given in Annexure – I.

10.7 Amounts charged off

This includes agriculture loans amounting to Rs. 77,186 thousand (2023: Rs. 93,707 thousand) charged off as per time based criteria prescribed by the State Bank of Pakistan in Annexure II of Regulation R–11 of Prudential Regulations for Agriculture Financing. Further, it also includes consumer loans amounting to Rs. 253,374 thousand (2023: Rs. 1,614,095) charged off as per the Bank's write off, restructuring / rescheduling and settlement policy approved by the Board of Directors.

Rupees in '000	Note	2024	2023
11 PROPERTY AND EQUIPMENT			
Capital work–in–progress	11.1	822,004	491,050
Property and equipment	11.2	20,974,053	18,207,022
		21,796,057	18,698,072

11.1 This represents civil works in progress.

11.2 Property and equipment

	2024									
Rupees in '000	Land – freehold	Land – leasehold	Buildings on freehold land	Buildings on leasehold land	Renovation of premises	Furniture, fixtures and office equipment	Machine and equipment	Computer equipment	Vehicles	Total
As at January 1, 2024										
Cost / Revalued Amount	7,118,892	6,119,500	1,230,272	984,192	2,966,308	2,161,853	4,621,878	3,489,915	235,107	28,927,917
Accumulated Depreciation	–	–	586,122	546,673	2,368,778	1,220,498	3,329,798	2,534,912	134,114	10,720,895
Net book value	7,118,892	6,119,500	644,150	437,519	597,530	941,355	1,292,080	955,003	100,993	18,207,022
Year ended December 31, 2024										
Opening net book value	7,118,892	6,119,500	644,150	437,519	597,530	941,355	1,292,080	955,003	100,993	18,207,022
Additions	–	–	–	–	775,242	541,601	1,508,534	1,114,316	58,770	3,998,463
Disposals	–	–	–	–	(1,491)	(8,802)	(3,501)	(63)	(4,805)	(18,662)
Depreciation charge	–	–	(31,480)	(21,382)	(270,898)	(207,885)	(415,833)	(421,067)	(36,856)	(1,405,401)
Other adjustments / transfers	–	–	–	–	–	–	–	192,631	–	192,631
Closing net book value	7,118,892	6,119,500	612,670	416,137	1,100,383	1,266,269	2,381,280	1,840,820	118,102	20,974,053
As at December 31, 2024										
Cost / Revalued Amount	7,118,892	6,119,500	1,230,272	984,192	3,715,875	2,547,018	5,641,757	4,584,428	264,408	32,206,342
Accumulated Depreciation	–	–	617,602	568,055	2,615,492	1,280,749	3,260,477	2,743,608	146,306	11,232,289
Net book value	7,118,892	6,119,500	612,670	416,137	1,100,383	1,266,269	2,381,280	1,840,820	118,102	20,974,053
Rate of depreciation (percentage)	–	–	5	5	20	10–20	10–20	20	20	

Rupees in '000	2023 Land – freehold	Land – leasehold	Buildings on freehold land	Buildings on leasehold land	Renovation of premises	Furniture, fixtures and office equipment	Machine and equipment	Computer equipment	Vehicles	Total
As at January 1, 2023										
Cost / Revalued Amount	7,118,892	6,119,500	1,230,272	984,192	2,889,766	1,941,069	4,125,601	3,487,167	183,138	28,079,597
Accumulated Depreciation	–	–	552,679	524,193	2,460,166	1,102,835	3,111,498	2,844,183	111,710	10,707,264
Net book value	7,118,892	6,119,500	677,593	459,999	429,600	838,234	1,014,103	642,984	71,428	17,372,333
Year ended December 31, 2023										
Opening net book value	7,118,892	6,119,500	677,593	459,999	429,600	838,234	1,014,103	642,984	71,428	17,372,333
Additions	–	–	–	–	366,661	283,164	571,851	513,062	62,706	1,797,444
Disposals	–	–	–	–	(2,522)	(2,009)	(4,885)	–	(3,909)	(13,325)
Depreciation charge	–	–	(33,443)	(22,480)	(192,648)	(178,124)	(293,054)	(241,528)	(29,232)	(990,509)
Other adjustments / transfers	–	–	–	–	(3,561)	90	4,065	40,485	–	41,079
Closing net book value	7,118,892	6,119,500	644,150	437,519	597,530	941,355	1,292,080	955,003	100,993	18,207,022
As at December 31, 2023										
Cost / Revalued Amount	7,118,892	6,119,500	1,230,272	984,192	2,966,308	2,161,853	4,621,878	3,489,915	235,107	28,927,917
Accumulated Depreciation	–	–	586,122	546,673	2,368,778	1,220,498	3,329,798	2,534,912	134,114	10,720,895
Net book value	7,118,892	6,119,500	644,150	437,519	597,530	941,355	1,292,080	955,003	100,993	18,207,022
Rate of depreciation (percentage)	–	–	5	5	20	10–20	10–20	20	20	

11.2.1 Cost of fully depreciated property and equipment still in use of the Bank

Rupees in '000	Land – freehold	Land – leasehold	Buildings on freehold land	Buildings on leasehold land	Renovation of premises	Furniture, fixtures and office equipment	Machine and equipment	Computer equipment	Vehicles	Total
2024	–	–	–	–	2,066,316	380,827	2,026,834	1,941,163	80,806	6,495,946
2023	–	–	–	–	1,886,712	390,421	2,308,009	1,934,154	67,919	6,587,215

11.3 Disposal of assets to related parties:

Particular of assets	Cost	Book Value	Sale Proceeds	Mode of Disposal	Particular of Purchaser
Vehicles	4,022	1,743	1,743	As per Bank's policy	Mr. Atif Riaz Bokhari – Ex – President
Furniture, fixtures and office equipment	280	250	250	–do–	Mr. Rana Fasih Ul Hassan – Ex – Key Management Person
	4,302	1,993	1,993		

11.4 Freehold and leasehold land were revalued by the valuers approved by the Pakistan Banks' Association on December 31, 2022. The valuation was carried out by M/s SMASCO on the basis of their professional assessment of the present market value. The total surplus against revaluation of freehold and leasehold land included in property and equipment as at December 31, 2024 amounts to Rs. 9,384,750 thousand (2023: Rs. 9,384,750 thousand).

Had the freehold and leasehold land included in property and equipment not been revalued, the total carrying amounts of revalued properties as at December 31, 2024 would have been Rs. 3,853,642 thousand (2023: Rs. 3,853,642 thousand).

Rupees in '000	Note	2024	2023
		Buildings	
12 RIGHT–OF–USE ASSETS			
Net carrying amount at January 1,		8,312,812	6,891,568
Additions during the year		6,226,708	3,227,516
Terminations / adjustments		(120,935)	(83,565)
Depreciation charge for the year		(2,257,101)	(1,722,707)
Net carrying amount at December 31,		12,161,484	8,312,812

Rupees in '000	Note	2024	2023
13 INTANGIBLE ASSETS			
Computer software	13.1	1,412,153	1,496,132
Capital work in progress		427,635	359,475
		1,839,788	1,855,607
13.1 Software			
As at January 1,			
Cost		3,295,407	2,748,506
Accumulated amortization		(1,799,275)	(1,617,691)
Net book value		1,496,132	1,130,815
Year ended December 31,			
Opening net book value		1,496,132	1,130,815
Additions			
– directly purchased		311,410	585,286
Amortization charge		(216,716)	(181,584)
Other adjustments / transfers		(178,673)	(38,385)
Closing net book value		1,412,153	1,496,132
As at December 31,			
Cost		3,428,144	3,295,407
Accumulated amortization and impairment		(2,015,991)	(1,799,275)
Net book value		1,412,153	1,496,132
Rate of amortization (percentage)		10	10
Useful life (in years)		10	10

13.1.1 Cost of fully amortized intangible assets still in use amounts to Rs. 1,234,865 thousand (2023: Rs. 1,195,727 thousand).

Rupees in '000	2024	2023
14 ASSETS HELD FOR SALE		
Fixed assets	1,750,000	1,750,000

14.1 The Bank has entered into a sale agreement to sell its land located at Haider Road, Rawalpindi. Accordingly the same has been classified to non–current asset held for sale. The carrying amount includes revaluation surplus of Rs. 980,987 thousand at which amount the asset was transferred from property and equipment.

15 DEFERRED TAX ASSETS / (LIABILITIES)

	2024				
Rupees in '000	At January 1, 2024	IFRS-9 Opening Adjustments	Recognized in P&L	Recognized in OCI & Equity	At December 31, 2024
Deductible Temporary Differences on					
– Accelerated tax depreciation	(205,456)	–	(418,949)	–	(624,405)
– Deficit / (surplus) on revaluation of investments	6,117,625	(1,682,907)	–	(10,141,470)	(5,706,752)
– ECL against advances	2,160,533	5,763,980	(2,327,706)	–	5,596,807
	8,072,702	4,081,073	(2,746,655)	(10,141,470)	(734,350)

	2023				
Rupees in '000	At January 1, 2023	IFRS-9 Opening Adjustments	Recognized in P&L	Recognized in OCI & Equity	At December 31, 2023
Deductible Temporary Differences on					
– Post retirement employee benefits	(65,004)	–	–	65,004	–
– Accelerated tax depreciation	36,767	–	(242,223)	–	(205,456)
– Deficit on revaluation of investments	5,694,978	–	–	422,647	6,117,625
– Provision against advances	1,878,936	–	281,597	–	2,160,533
	7,545,677	–	39,374	487,651	8,072,702

Rupees in '000	Note	2024	2023
16 OTHER ASSETS			
Income / mark–up accrued in local currency	16.1	65,672,589	73,588,636
Income / mark–up accrued in foreign currencies		1,100,279	2,134,035
Dividend receivable	16.2	2,788	4,453
Advances, deposits, advance rent and other prepayments	16.3	6,945,338	655,949
Advance taxation		7,998,597	3,897,561
Non-banking assets acquired in satisfaction of claims	16.4	388,891	406,862
Deferred cost on recognition of loan at fair value	16.5	4,931,905	–
Receivable from defined benefit plan		424,395	–
Receivable against trading of securities		5,161	46,245
Stationery and stamps in hand		162,096	285,087
Margin against stand by letter of credit (SBLC)		1,056,666	–
Acceptances		16,916,015	14,053,824
Others		709,831	422,330
		106,314,551	95,494,982
Less: Credit loss allowance / provision held against other assets	16.6	(442,747)	(185,104)
Other assets (Net of credit loss allowance / provision)		105,871,804	95,309,878
Surplus on revaluation of non–banking assets acquired in satisfaction of claims		602,230	459,948
Other assets – total		106,474,034	95,769,826

16.1 This balance is net of interest in suspense amounting to Rs. 14,842,570 thousand (2023: Rs. 12,675,023 thousand).

16.2 This balance is net of dividend in suspense amounting to Rs. 81,020 thousand (2023: Rs. 81,020 thousand).

16.3 This includes the prepaid employment benefit recognized in connection with concessional staff facilities provided to employees. These facilities have been recognized at fair value on the date of disbursement due to the adoption of IFRS 9 as applicable in Pakistan. The resultant benefit arising from these concessional facilities is subsequently accounted for under IAS 19 Employee Benefits. The prepaid employee benefit is amortized in a manner that reflects the concessional facilities' income recognition. The current year amortization of prepaid employee benefit amounts to Rs. 1,278,397 thousand.

Rupees in '000	2024	2023
16.4 Market value of Non–banking assets acquired in satisfaction of claims	991,121	866,810

The Bank's non–banking assets were revalued by the valuers approved by the Pakistan Banks' Association on December 31, 2024. The latest valuation was carried out by M/s Pakistan Inspection Company (Pvt) Ltd, Karachi and Empire Enterprises (Pvt) Ltd, Sargodha on the basis of their professional assessment of the present market value. The total surplus against revaluation of non–banking asset acquired in satisfaction of claims as at December 31, 2024 amounts to Rs. 602,230 thousand (2023 : Rs. 459,948 thousand).

Rupees in '000	2024	2023
16.4.1 Non–banking assets acquired in satisfaction of claims		
Opening balance	866,810	1,983,236
Revaluation	142,282	126,715
Disposals	–	(1,226,540)
Depreciation	(17,971)	(16,601)
Closing balance	991,121	866,810
16.4.2 Disposal of non–banking assets acquired in satisfaction of claims		
Disposal proceeds	–	1,226,540
Less		
– Carrying value	–	(1,226,540)
Gain / (loss)	–	–

16.5 This represents deferred portion of fair value loss arisen on initial recognition of loan to PIA Holding Company Limited (PIAHCL). SBP through its circular BPRD/BRD/PIAHCL/733688–2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 6 years at rates of 5%, 10%, 15%, 20%, 25%, and 25% from year 1 to year 6, accordingly, the Bank has amortized 5% in the current reporting period.

Rupees in '000	Note	2024	2023
16.6 Credit loss allowance / provision held against other assets			
Advances, deposits, advance rent and other prepayments		4,838	4,838
Acceptances		285,238	–
Others		152,671	180,266
		442,747	185,104
16.6.1 Movement in credit loss allowance / provision held against other assets			
Opening balance		185,104	182,608
Impact of ECL recognised on adoption of IFRS–9		431,571	–
		616,675	182,608
Charge for the year		–	2,756
Reversal for the year		(173,928)	(260)
Closing balance		442,747	185,104

17 BILLS PAYABLE

Rupees in '000	Note	2024	2023
In Pakistan		66,704,448	12,394,336

18 BORROWINGS

Rupees in '000	Note	2024	2023
Secured			
Borrowings from the State Bank of Pakistan under:			
– Export refinance scheme	18.1.1	15,106,530	19,840,120
– Long term financing facility	18.1.2	6,714,408	8,610,177
– Financing facility for storage of agricultural produce	18.1.3	72,000	14,770
– Renewable energy financing facility	18.1.4	3,663,688	3,905,513
– Refinance from SBP			
– Credit guarantee scheme for women entrepreneurs		44,384	12,700
– Temporary economic refinance facility	18.1.5	7,029,796	11,947,741
– Modernisation of SME		275,855	8,687
– Combating COVID–19	18.1.6	237,209	400,459
– Working Capital Financing	18.1.7	27,000	–
– Rupee based discounting of bills / receivable		3,689,838	3,707,901
		36,860,708	48,448,068
Repurchase agreement borrowings			
– State Bank of Pakistan	18.1.8	639,094,000	505,000,000
– Financial institutions	18.1.9	64,095,350	86,921,724
		703,189,350	591,921,724
Refinance from Pakistan Mortgage Refinance Company	18.1.10	4,252,855	2,992,873
Total secured		744,302,913	643,362,665
Unsecured			
Call borrowings		124,908,650	–
Overdrawn nostro accounts		847	–
Total unsecured		124,909,497	–
		869,212,410	643,362,665

18.1.1 Export refinance is secured against demand promissory note executed in favor of the SBP. The effective mark–up rate is 12% to 18% (2023: 12% to 18%) per annum payable on a quarterly basis.

18.1.2 This facility is secured against demand promissory note executed in favour of the SBP. The effective mark–up rate is 2% to 8.5% (2023: 0.7% to 12.5%) per annum payable on a quarterly basis and have maturities upto March 2034.

18.1.3 These are secured against demand promissory note and carry mark–up of up to 2% (2023: 2%) per annum and have maturities upto December 2029.

18.1.4 These are secured against demand promissory note and carry mark–up of 2% to 3% (2023: 2.5% to 5%) per annum and have maturities upto January 2036.

18.1.5 These are secured against demand promissory note and carry mark–up of 1% (2023: 2% to 5%) per annum payable on quarterly basis and have maturities upto August 2032.

18.1.6 These are secured against demand promissory note and carry mark–up of Nil and have maturities upto March 2026.

18.1.7 These are secured against demand promissory note and carry markup of upto 2% per annum and have maturities upto December 2025.

18.1.8 These are secured against collateral of Government Securities and carry markup of 13.08% (2023: 22.07% to 22.10%) per annum and have maturities upto 1 month (2023: 1 month). The market value of securities given as collateral is given in note 9.2.1.

18.1.9 These are secured against collateral of Government Securities and carry markup of 12.65% to 13.9% (2023: 22.00% to 22.95%) per annum and have maturities upto 1 month (2023: 1 month). The market value of securities given as collateral is given in note 9.2.1.

18.1.10 This is secured against mortgage finance portfolio of the Bank and carry markup of 6% to 16.94% (2023: 6.00% to 16.94%) per annum and has maturity upto 2031 (2023: upto 2031).

Rupees in '000	2024	2023
18.2 Particulars of borrowings with respect to currencies		
In local currency	869,212,410	643,362,665

19 DEPOSITS AND OTHER ACCOUNTS

Rupees in '000	2024 In local currency	2024 In foreign currencies	2024 Total	2023 In local currency	2023 In foreign currencies	2023 Total
Customers						
Current accounts	357,659,654	28,984,351	386,644,005	320,379,384	31,589,438	351,968,822
Savings deposits	753,078,502	72,565,181	825,643,683	667,960,330	61,519,218	729,479,548
Fixed deposits	101,964,430	29,497,256	131,461,686	160,821,348	30,642,438	191,463,786
	1,212,702,586	131,046,788	1,343,749,374	1,149,161,062	123,751,094	1,272,912,156
Financial institutions						
Current accounts	1,057,931	236,526	1,294,457	1,149,626	241,191	1,390,817
Savings deposits	10,272,784	–	10,272,784	2,144,906	–	2,144,906
Fixed deposits	8,418,500	–	8,418,500	16,697,696	–	16,697,696
	19,749,215	236,526	19,985,741	19,992,228	241,191	20,233,419
	1,232,451,801	131,283,314	1,363,735,115	1,169,153,290	123,992,285	1,293,145,575

Rupees in '000	2024	2023
19.1 Composition of deposits		
– Individuals	528,581,290	449,138,203
– Government (Federal and Provincial)	443,752,760	430,201,041
– Public Sector Entities	97,785,246	99,322,124
– Banking Companies	456	493
– Non–Banking Financial Institutions	19,985,286	20,283,045
– Private Sector	273,630,077	294,200,669
	1,363,735,115	1,293,145,575

19.2 Total deposits include eligible deposits of Rs. 616,201,532 thousand (2023: Rs. 536,003,024 thousand) as required by the Deposit Protection Corporation (a subsidiary of SBP) vide Circular No. 04 of 2018 dated June 22, 2018.

Rupees in '000	2024	2023
20 LEASE LIABILITIES		
Opening balance	9,699,474	8,084,073
Additions during the year	6,226,708	3,227,516
Lease payments including interest	(3,309,401)	(2,523,755)
Interest expense	1,544,722	1,061,886
Termination and other adjustments	(24,905)	(150,246)
Closing balance	14,136,598	9,699,474
20.1 Contractual maturity of lease liabilities		
Short–term lease liabilities – within one year	1,090,562	1,143,794
Long–term lease liabilities		
– 1 to 5 years	5,124,890	3,925,528
– More than 5 years	7,921,146	4,630,152
	13,046,036	8,555,680
	14,136,598	9,699,474

Rupees in '000	2024	2023
21 SUBORDINATED DEBTS		
Term Finance Certificates – VI (ADT–1)	6,000,000	6,000,000
Term Finance Certificates – VII	6,000,000	6,000,000
	12,000,000	12,000,000

21.1 The Bank has raised unsecured sub–ordinated loans through issuance of Term Finance Certificates to improve the Bank's capital adequacy. Liability to the TFC holders is subordinated to and rank inferior to all other indebtedness of the Bank including deposits and is not redeemable before maturity without prior approval of the SBP. The salient features of outstanding issues are as follows:

	Term Finance Certificates - VI (ADT-1)	Term Finance Certificates - VII
Outstanding amount Rupees in '000	6,000,000	6,000,000
Issue amount	Rupees 6,000 million	Rupees 6,000 million
Issue date	July 03, 2018	March 17, 2020
Maturity date	Perpetual	March 16, 2030
Rating	AA–	AA
Security	Unsecured	Unsecured
Listing	Listed	Listed
Profit payment frequency	Payable six monthly	Payable quarterly
Redemption	Perpetual	109–120th month: 100%
Mark-up	Base Rate plus 1.50%	Base Rate plus 1.20%
	Base Rate is the simple average of the ask rate of six month KIBOR prevailing on the base rate setting date.	Base Rate is the simple average of the ask rate of three month KIBOR prevailing on the base rate setting date.
Call option	Exercisable after 60 months from the date of issue subject to approval by the SBP.	Exercisable after 60th month from the date of issue subject to approval by the SBP.
Lock–in–clause	Payment of profit will be subject to the condition that such payment will not result in breach of the Bank's regulatory Minimum Capital Requirement or Capital Adequacy Ratio set by SBP from time to time. Any inability to exercise lock-in clause or the non-cumulative features will subject these TFCs to mandatory conversion into common shares / write off at the discretion of SBP.	As per the lock–in clause requirement for Tier II Issue, neither profit nor principal will be payable (even at maturity) in respect of the TFC, if such payment will result in a shortfall or increase in an existing shortfall in the Bank's Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio. That is, any payment (profit and/or principal) in respect of the TFC would be made, subject to the Bank being in compliance with the requirement of Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio.

Loss absorption clause	The Instrument will be subject to loss absorption and / or any other requirements of SBP upon the occurrence of a Point of Non–Viability event as per Section A–5–3 of Annexure 5 of the circular, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the issuer 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 Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger event as declared by SBP, subject to a specified cap.	As per Loss Absorbency Clause requirement for Tier II capital purpose, the instrument will be subject to loss absorbency and / or any other requirements under SBP's instructions on the subject. Upon the occurrence of a Point of Non–Viability event as defined under SBP BPRD Circular # 6 of 2013, 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 market value per share of the Bank's common share on the date of trigger of Point of Non–Viability (PONV) as declared by SBP subject to a cap of 245,042,630 shares.

Rupees in '000	Note	2024	2023
22 OTHER LIABILITIES			
Mark–up / return / interest payable in local currency		12,250,985	22,119,508
Mark–up / return / interest payable in foreign currencies		1,498,234	1,267,444
Unearned commission and income on bills discounted		1,586,242	2,003,160
Accrued expenses		3,727,781	2,593,641
Advance payments		364,016	314,319
Acceptances		16,916,015	14,053,824
Dividend payable		229,933	193,493
Advance against sale of properties		513,955	461,535
Mark to market loss on forward foreign exchange contracts		664,470	1,322,589
Branch adjustment account		647,590	525,732
Payable to defined benefit plan	39.4	–	67,468
Provision for employees' compensated absences	41.2	797,348	724,890
Security deposit against lease / Ijarah financing		3,625,392	3,485,208
Levies and taxes payable		1,913,344	2,087,179
Workers' Welfare Fund		1,841,596	1,301,596
Switch settlement accounts		1,168,145	1,375,528
Deferred grant on subsidised refinance loans		45,345	–
Credit loss allowance / provision against off–balance sheet obligations	22.1	755,760	160,558
Others		1,676,574	2,223,416
		50,222,725	56,281,088

Rupees in '000	2024	2023
22.1 Credit loss allowance / provision against off–balance sheet obligations		
Opening balance	160,558	134,767
Impact of ECL recognised on adoption of IFRS 9	1,112,808	–
	1,273,366	134,767
Exchange adjustment	–	133
Charge for the year	–	26,319
Reversal for the year	(517,606)	(661)
	(517,606)	25,658
Closing balance	755,760	160,558

23 SHARE CAPITAL

23.1 Authorized capital

2024 (Number of shares)	2023 (Number of shares)		2024 (Rupees in '000)	2023 (Rupees in '000)
2,000,000,000	2,000,000,000	Ordinary shares of Rs. 10 each	20,000,000	20,000,000

23.2 Issued, subscribed and paid up capital

2024 (Number of shares)	2023 (Number of shares)		2024 (Rupees in '000)	2023 (Rupees in '000)
		Ordinary shares of Rs. 10 each:		
514,689,096	514,689,096	Fully paid in cash	5,146,891	5,146,891
906,336,796	906,336,796	Issued as bonus shares	9,063,368	9,063,368
28,273,315	28,273,315	Issued on Askari Leasing Limited merger	282,733	282,733
1,449,299,207	1,449,299,207		14,492,992	14,492,992

(Number of shares)	2024	2023
23.3 Composition of shares held by the Fauji Consortium is as follows:		
Fauji Foundation	104,224,366	104,224,366
Fauji Fertilizer Company Limited	937,999,837	625,333,227
Fauji Fertilizer Bin Qasim Limited	–	312,666,610
	1,042,224,203	1,042,224,203

Rupees in '000	Note	2024	2023
24 SURPLUS ON REVALUATION OF ASSETS – NET OF TAX			
Surplus / (deficit) on revaluation of:			
– Securities measured at FVOCI – Debt		6,660,738	–
– Securities measured at FVOCI – Equity		4,313,784	–
– Available for sale securities – Debt		–	(14,624,907)
– Available for sale securities – Equity		–	2,139,959
– Property and equipment		10,365,737	10,365,737
– Non–banking assets acquired in satisfaction of claims	24.1	602,230	459,948
		21,942,489	(1,659,263)
Deferred tax on surplus / (deficit) on revaluation of:			
– Securities measured at FVOCI – Debt		(3,463,584)	–
– Securities measured at FVOCI – Equity		(2,243,168)	–
– Available for sale securities – Debt		–	7,166,205
– Available for sale securities – Equity		–	(1,048,580)
		(5,706,752)	6,117,625
		16,235,737	4,458,362
24.1 Surplus on revaluation of non–banking assets acquired in satisfaction of claims			
Surplus on revaluation as at January 1,		459,948	1,135,774
Recognised during the year		142,282	126,715
Realised on disposal during the year		–	(802,541)
		602,230	459,948
25 CONTINGENCIES AND COMMITMENTS			
– Guarantees	25.1	308,928,884	350,296,809
– Commitments	25.2	639,295,945	522,612,991
– Other contingent liabilities	25.3	1,530,994	1,429,701
		949,755,823	874,339,501
25.1 Guarantees			
Financial guarantees		12,443,697	7,400,327
Performance guarantees		169,536,398	188,322,832
Other guarantees		126,948,789	154,573,650
		308,928,884	350,296,809

Rupees in '000	Note	2024	2023
25.2 Commitments			
Documentary credits and short–term trade–related transactions			
– letters of credit		206,461,012	226,655,650
Commitments in respect of:			
– forward foreign exchange contracts	25.2.1	200,561,147	276,444,892
– forward government securities transactions	25.2.2	204,610,000	2,000,000
– forward non–government securities transactions	25.2.3	530,538	1,174,056
Commitments for acquisition of:			
– operating fixed assets		325,308	255,774
– intangible assets		229,312	239,594
– undrawn loan commitments	25.2.4	26,578,628	15,843,025
		639,295,945	522,612,991
25.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		118,183,587	153,115,769
Sale		82,377,560	123,329,123
		200,561,147	276,444,892

The above commitments have maturities falling within one year.

Rupees in '000	2024	2023
25.2.2 Commitments in respect of forward government securities transactions		
Sale	204,610,000	2,000,000
25.2.3 Commitments in respect of forward non-government securities transactions		
Purchase	36,455	1,168,290
Sale	494,083	5,766
	530,538	1,174,056

25.2.4 Undrawn loan commitments

The Bank makes commitments to extend credit in the normal course of business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn, other than commitments in respect of syndicated long term financing amounting to Rs 26,578,628 thousand (2023: Rs 15,843,025 thousand).

Rupees in '000	2024	2023
25.3 Other contingent liabilities		
These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. Based on legal advice and / or internal assessment, management is confident that the matters will be decided in Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these unconsolidated financial statements	474,328	596,911
This represents stand by letters of credit issued by a correspondent bank on behalf of the Bank	1,056,666	832,790
	1,530,994	1,429,701

25.4 Tax related contingencies are disclosed in note 35.2 to these unconsolidated financial statements.

26 DERIVATIVE INSTRUMENTS

The Bank at present does not offer derivative products such as Interest Rate Swaps, Cross Currency Swaps, Forward Rate Agreements or Foreign Exchange Options. The Bank's Treasury and Investment Banking Groups buy and sell derivative instruments such as Forward Exchange Contracts (FECs) and Equity Futures (EFs).

26.1 Forward exchange contracts (FECs)

FECs is a product offered to clients to hedge FX risk. The traders use this product to hedge themselves from unfavourable movements in a foreign currency, however, by agreeing to fix the exchange rate, they do not benefit from favourable movements in that currency.

FECs is a contract between the obligor and the Bank in which both agree to exchange an amount of one currency for another currency at an agreed forward exchange rate for settlement over more than two business days after the FECs is entered into (the day on which settlement occurs is called the value date). FECs is entered with those obligors whose credit worthiness has already been assessed, and they have underlined trade transactions.

If the relevant exchange rate moves unfavourably, the Bank will lose money, and obligor will benefit from that movement because the Bank must exchange currencies at the FEC rate. In order to mitigate this risk of adverse exchange rate movement, the Bank manages its exposure by hedging forward position in inter–bank foreign exchange.

26.2 Equity futures

An equity futures contract is a standardized contract, traded on a futures counter of the stock exchange, to buy or sell a certain underlying scrip at a certain date in the future, at a specified price.

The Bank uses equity futures as a hedging instrument to hedge its equity portfolio against equity price risk. Only selected shares are allowed to be traded on futures exchange as determined by the Exchange.

Equity futures give flexibility to the Bank either to take delivery on the future settlement date or to settle it by adjusting the notional value of the contract based on the current market rates.

Maximum exposure limit to the equity futures is 10% of Tier I Capital of the Bank, based on prevailing SBP Regulations.

The Risk Management Group monitors the Bank's exposure in equity futures and forward exchange contracts. Positions in equity futures and forward exchange contracts are marked–to–market. Forward contracts are included in measures of portfolio volatility including Value at Risk (VaR). Forward exchange contracts and equity futures are also included in capital charge and Risk Weighted Asset calculation in accordance with SBP Regulations.

The accounting policies used to recognize and disclose derivatives are given in note 5.22.

Rupees in '000	Note	2024	2023
27 MARK–UP / RETURN / INTEREST EARNED			
Loans and advances	27.1	118,518,543	108,555,922
Investments		274,610,005	193,155,418
Lendings to financial institutions		1,834,258	609,615
Balances with banks		1,013,003	721,040
Securities purchased under resale agreements (reverse repo)		3,774,241	2,594,461
Amortization under IFRS–9		1,278,397	–
		401,028,447	305,636,456

27.1 This includes Rs. 772,706 thousand related to unwinding of Temporary Economic Refinance Facility.

Rupees in '000	Note	2024	2023
28 MARK–UP / RETURN / INTEREST EXPENSED			
Deposits		173,440,528	157,807,179
Borrowings	28.1	155,520,859	81,183,492
Subordinated debts		2,597,765	2,617,101
Cost of foreign currency swaps against foreign currency deposits / borrowings		4,385,268	3,543,842
Interest expense on lease liability against ROU assets	20	1,544,722	1,061,886
Fair value loss upon initial recognition under IFRS–9		259,574	–
		337,748,716	246,213,500

28.1 This includes Rs. 840,087 thousand related to unwinding of Temporary Economic Refinance Facility.

Rupees in '000	Note	2024	2023
29 FEE AND COMMISSION INCOME			
Branch banking customer fees		951,755	817,818
Consumer finance related fees		89,019	95,373
Card related fees (debit and credit cards)		2,219,942	1,645,863
Credit related fees		430,973	727,735
Investment banking fees		356,973	282,514
Commission on trade		1,262,285	1,853,854
Commission on guarantees		1,299,035	1,346,464
Commission on cash management		84,817	53,548
Commission on remittances including home remittances		192,145	150,298
Commission on bancassurance		29,721	31,228
Others		48,991	79,908
		6,965,656	7,084,603
30 GAIN ON SECURITIES			
Realised	30.1	1,799,976	758,649
Unrealised		1,051,535	18,393
		2,851,511	777,042
30.1 Realised gain / (loss) on:			
Measured at FVTPL / HFT			
Shares		330,759	186,709
Measured at FVOCI / AFS			
Federal Government securities		1,440,131	156,384
Shares		–	412,280
Mutual Funds		29,086	–
Non-Government debt securities		–	3,276
		1,799,976	758,649

Rupees in '000	Note	2024	2023
31 OTHER INCOME			
Gain on sale of property and equipment		43,029	25,960
Rent of lockers		53,768	50,272
Recovery of expenses from customers		495,247	378,628
Gain on termination of lease contracts under IFRS–16, Leases		31,978	13,731
Amortization of deferred liability under IFRS 9		67,381	–
		691,403	468,591
32 OPERATING EXPENSES			
Total compensation expenses	32.1	17,090,815	14,417,616
Property expense			
Rent and taxes		355,255	187,061
Insurance		115,743	95,179
Utilities cost		1,957,871	1,520,269
Security (including guards)		1,010,020	792,101
Repair & maintenance (including janitorial charges)		566,989	502,090
Depreciation on ROU assets	12	2,257,101	1,722,707
Depreciation		323,678	250,716
		6,586,657	5,070,123
Information technology expense			
Software maintenance		1,158,151	738,187
Hardware maintenance		192,638	169,335
Depreciation		409,324	239,454
Amortisation		216,716	181,584
Network charges		319,435	281,118
		2,296,264	1,609,678
Other operating expenses			
Directors' fees, allowances		52,800	43,760
Fees and allowances to Shariah Board		10,756	9,547
Rates, taxes, insurance etc.		154,841	175,227
Legal and professional charges		205,009	107,734
Brokerage and commission		298,784	230,467
NIFT clearing charges		134,251	89,635
Repair and maintenance		970,385	750,639
Communication		2,300,928	1,528,972
Stationery and printing		826,517	654,765
Marketing, advertisement and publicity		313,793	308,764
Donations		–	524,398
Auditors' remuneration	32.2	56,458	45,778
Travelling, conveyance and entertainment		548,113	439,204
Depreciation		672,399	500,339
Security service charges		733,725	670,421
Training and development		56,396	49,256
Deposit premium expense		857,605	702,320
Outsourced service cost (in Pakistan)		725,376	345,348
Other expenditure		516,621	295,439
		9,434,757	7,472,013
		35,408,493	28,569,430

Rupees in '000	Note	2024	2023
32.1 Total compensation expenses			
Managerial remuneration			
i) Fixed		5,405,511	4,807,897
ii) Variable		–	–
– Cash bonus / awards etc.		2,192,584	1,796,941
		7,598,095	6,604,838
Charge for defined benefit plans	32.1.1	572,653	496,574
Contribution to defined contribution plan	40	390,445	340,111
Rent and house maintenance		2,441,142	2,147,183
Utilities		532,076	470,613
Medical		807,950	694,533
Conveyance		2,300,497	2,019,364
Amortization under IFRS 9	16.3	1,278,397	–
Other staff cost	32.1.2	1,169,560	1,644,400
Total		17,090,815	14,417,616

32.1.1 This includes charge for defined benefit plan and compensated absences.

32.1.2 This includes staff incentives, other allowances and health coverage etc.

Rupees in '000	2024	2023
32.2 Auditors' remuneration		
Statutory auditors of the Bank		
Audit fee	7,800	6,609
Special certifications, half year review and audit of consolidated financial statements	22,239	16,550
Tax services	17,120	15,000
Out of pocket expenses	2,780	951
	49,939	39,110
Auditors of Wholesale Bank Branch, Bahrain		
Audit fee	6,519	6,668
	56,458	45,778

33 This represents penalties imposed by the State Bank of Pakistan.

Rupees in '000	Note	2024	2023
34 CREDIT LOSS ALLOWANCE & WRITE OFFS – NET			
Credit loss allowance / (reversal) of provision against lending to financial institutions		(29,121)	(29,722)
Credit loss allowance / (reversal) of provision against diminution in value of investments	9.3.2	(533,128)	(147,815)
Credit loss allowance / provision charge against loans and advances	10.3.2	(433,420)	1,242,683
Credit loss allowance / provision charge against other assets	16.6.1	(173,928)	2,496
Credit loss allowance / provision against off–balance sheet obligations	22.1	(517,606)	25,658
Credit loss allowance / provision charge against balances with other banks		297	2
Recovery of written off / charged off bad debts		(120,479)	(126,941)
		(1,807,385)	966,361
35 TAXATION			
Current		20,738,053	20,649,178
Deferred		2,746,655	(39,374)
		23,484,708	20,609,804
35.1 Relationship between tax expense and accounting profit			
Profit before taxation		44,507,379	42,044,463
Tax at applicable tax rate of 44 percent (2023: 39 percent)		19,583,247	16,397,341
Effect of:			
– Super tax – current year		4,450,738	4,214,118
– Permanent difference		142,026	–
– Change in tax rate		(567,824)	–
– Others		(123,479)	(1,655)
		23,484,708	20,609,804

35.2 Tax status and contingencies

i) During the year ended December 31 2023, the Federal Government issued S.R.O 1588 (I)/2023 on 21 November 2023 under section 99D of the Income Tax Ordinance 2001, whereby the banking sector was specified the sector for the payment of additional tax on windfall income. Through said S.R.O, the Federal Government also specified the method to determine windfall income, tax rate to be applied on such windfall income and tax years under scope. The Bank has challenged the S.R.O through petition before the Honorable Islamabad High Court with regards to retrospective application of Section 99D of the Income Tax Ordinance, 2001 for tax years 2022 and 2023. The Honorable Islamabad High Court through its order dated 30 November 2023 has suspended the operation of S.R.O.1588 (I)/2023 and the said injunctive order continues to operate till date of next hearing for which no date has been fixed yet. Management based on the legal advisor opinion believes that the bank has reasonably good chance to succeed in this case and therefore has not recognized any provision in the financial statements. Additional tax on windfall income for tax years 2022 and 2023 is estimated to be Rs. 2,189 million.

ii) The Bank has filed tax returns for and up to tax year 2024. The assessments for and up to tax year 2023 were amended by the tax authorities creating accumulated additional tax demand, mainly in the matters of admissibility of recoveries against doubtful debts for Rs 1,119 million, provision for diminution in the value of investments for Rs 3,144.44 million, bad debts written off for Rs 242.892 million, provision for substandard advances for Rs 74.95 million, Provision against other assets/fixed assets for Rs 145.81 million, disallowance of employee benefit expenses Rs 228.680 million, disallowance of depreciation on lease assets Rs 773.88 and other disallowances of expenses/credits for Rs 551.78 million. Bank's appeals against these orders are currently pending before Commissioner Appeals, Appellate Tribunal and Islamabad High Court. The management and tax advisor of the Bank are confident that these matters will be decided in favor of the Bank and consequently no provision has been made thereon. Tax payments by the Bank against certain matters are being carried forward as receivable, as management and tax advisor of the Bank are confident of their realization.

iii) Consequent upon the amalgamation with and into the Bank, the outstanding tax issues relating to Askari Leasing Limited (ALL) are as follows:

Tax returns of ALL have been filed for and up to tax year 2010. The returns for the tax years 2003 to 2010 were amended by the tax authorities mainly in the matter of admissibility of initial allowance claimed on leased vehicles. On appeals filed by ALL, partial relief was provided by the CIR(A) by allowing initial allowance on commercial vehicles. Re–assessment has not yet been carried out by the tax department. A tax demand is however not likely to arise after re–assessment.

For and up to the assessment years 2002–2003, reference applications filed by the tax authorities in the matter of computation of lease income are pending decisions by the High Court. However, the likelihood of an adverse decision is considered low due to a favorable decision of the High Court in a parallel case.

Rupees in '000	2024	2023
36 BASIC AND DILUTED EARNINGS PER SHARE		
Profit for the year – Rupees in '000	21,022,671	21,434,659
Weighted average number of Ordinary Shares – numbers	1,449,299,207	1,449,299,207
Basic and diluted earnings per share – Rupees	14.51	14.79

There is no dilutive effect on the basic earnings per share of the Bank, therefore diluted earnings per share have not been presented separately.

Rupees in '000	2024	2023
37 CASH AND CASH EQUIVALENTS		
Cash and balances with treasury banks	133,505,285	160,087,394
Balances with other banks	10,776,034	13,789,031
Overdrawn nostro balance	(847)	–
	144,280,472	173,876,425

	2024	2023
	Number of employees	
38 STAFF STRENGTH		
Permanent	7,933	7,475
On Bank's contract	336	406
Bank's own staff strength at the end of the year	8,269	7,881

Out of total employees, 6 (2023: 6) employees are working abroad.

In addition to the above, 1,174 (2023: 848) domestic employees of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than guarding and janitorial services.

39 DEFINED BENEFIT PLAN

39.1 General description

The Bank operates an approved funded gratuity scheme for all its regular employees. Contributions are made in accordance with the actuarial recommendation.

The benefits under the gratuity scheme are payable on retirement at the age of 60 years or earlier cessation of service in lump sum. The benefit is equal to one month's last drawn basic salary for each year of eligible service or part thereof.

39.2 The number of employees covered under the defined benefit scheme are 7,950 employees (2023: 7,469 employees).

39.3 Principal actuarial assumptions

The actuarial valuation was carried out for the year ended December 31, 2024 using "Projected Unit Credit Method". The main assumptions used for actuarial valuation are as follows:

	2024	2023
Discount rate – per annum	12.00%	16.00%
Expected rate of increase in salaries – per annum	11.50%	15.50%
Expected rate of return on plan assets – per annum	16.00%	14.25%
Duration	8 years	8 years
Mortality rate	SLIC 2001 – 2005 mortality table	SLIC 2001 – 2005 mortality table

Rupees in '000	2024	2023
39.4 Reconciliation of (receivable) / payable to defined benefit plan		
Present value of defined benefit obligation	3,974,213	3,671,301
Fair value of plan assets	(4,398,608)	(3,603,833)
Net (asset) / liability	(424,395)	67,468

Rupees in '000	Note	2024	2023
39.5 Movement in defined benefit obligations			
Obligation at beginning of the year		3,671,301	3,285,070
Current service cost		376,544	326,669
Interest cost		547,946	448,069
Re–measurement gain		(118,724)	(84,538)
Benefits paid by the Bank		(493,281)	(281,452)
Benefits due but not paid		(9,573)	(22,517)
Obligation at end of the year		3,974,213	3,671,301
39.6 Movement in fair value of plan assets			
Fair value at beginning of the year		3,603,833	3,090,356
Interest income on plan assets		542,548	434,196
Net return on plan assets	39.8.2	687,613	188,536
Contributions by the Bank – net		67,468	194,714
Benefits paid		(493,281)	(281,452)
Benefits due but not paid		(9,573)	(22,517)
Fair value at end of the year		4,398,608	3,603,833
39.7 Movement in payable under defined benefit schemes			
Opening balance		67,468	194,714
Charge for the year		381,941	340,542
Contribution by the Bank – net		(67,468)	(194,714)
Re–measurement gain recognised in OCI during the year	39.8.2	(806,337)	(273,074)
Closing balance		(424,396)	67,468
39.8 Charge for defined benefit plan			
39.8.1 Cost recognised in profit and loss			
Current service cost		376,544	326,669
Net interest on defined benefit liability		5,397	13,873
		381,941	340,542
39.8.2 Re–measurements recognised in OCI during the year			
Gain on obligation			
– Experience adjustment		(93,731)	(94,555)
– Financial assumptions		(24,993)	10,017
		(118,724)	(84,538)
Return on plan assets over interest income		(687,613)	(188,536)
Total re–measurements recognised in OCI		(806,337)	(273,074)

Rupees in '000	2024	2023
39.9 Components of plan assets		
Cash and cash equivalents – net	122,669	215,948
Government securities	3,273,057	2,678,284
Term Finance Certificates	160,599	182,392
Shares	245,403	81,386
Mutual funds	641,727	468,741
Payables	(44,846)	(22,918)
	4,398,609	3,603,833

The fund primarily invests in Government securities which do not carry any credit risk. These are subject to interest rate risk based on market movements. Equity securities are subject to price risk whereas non–Government debt securities are subject to both credit risk and interest rate risk. These risks are regularly monitored by the Trustees of the employee funds.

39.10 Sensitivity analysis

Sensitivity analysis is performed by changing only one assumption at a time while keeping the other assumptions constant. Sensitivity analysis of key assumptions is given below:

Assumptions	Change in assumption	Impact on Defined Benefit Obligations	
		Increase in assumption	Decrease in assumption
		Rupees in '000	
Discount rate	1.00%	3,665,047	4,325,016
Salary increase	1.00%	4,328,477	3,656,487

39.11 Expected contributions to be paid to the funds in the next financial year is 181,798 thousand.

39.12 Expected charge for the next financial year is Rs. 365,266 thousand.

39.13 Maturity profile

The average duration of defined benefit obligation is 8 years (2023: 8 years).

39.14 Funding Policy

The Bank carries out the actuarial valuation of its defined benefit plan on periodic basis using "Projected Unit Credit Method". Contributions are made annually in accordance with the actuarial recommendation.

39.15 Significant risk associated with the staff retirement benefit scheme:

Longevity Risks	The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.
Salary Increase Risk	The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.
Withdrawal Risk	The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

40 DEFINED CONTRIBUTION PLAN

The Bank operates a recognized provident fund scheme for all its regular employees for which equal monthly contributions are made both by the Bank and by the employees to the fund at the rate of 8.33% of basic salary of the employee. Payments are made to the employees as specified in the rules of the fund. Contribution to the fund made by the Bank and the employees during the year amounts to Rs. 786,431 thousand (2023: Rs. 686,158 thousand) each. The fund covers 6,825 employees (2023: 6,550 employees).

41 COMPENSATED ABSENCES

41.1 General description

The Bank grants compensated absences to all its regular employees as per effective Service Rules. Provisions are recorded in accordance with the actuarial recommendation.

Under this unfunded scheme, all employees of Askari Bank Limited are entitled to take 24 days of earned leaves every year which can be accumulated up to a maximum of 45 days. Leave encashment is made on the basis of gross salaries and paid to members on separation from service.

41.2 Principal actuarial assumptions

The actuarial valuation was carried out for the year ended December 31, 2024 using "Projected Unit Credit Method". Present value of obligation as at December 31, 2024 was Rs. 797,348 thousand (2023: Rs. 724,890 thousand). Expense for the year of Rs. 188,600 thousand (2023: Rs 154,504 thousand) has been included in operating expenses. The main assumptions used for actuarial valuation are as follows:

Rupees in '000	2024	2023
Discount rate - per annum	12.00%	16.00%
Expected rate of increase in salaries - per annum	11.50%	15.50%
Leave accumulation factor - days	11	11

42 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

42.1 Total Compensation Expense

	For the year ended December 31, 2024							
		Directors						
Items	Chairman	Executives (other than CEO)	Non-executives	Members Shariah Board	President & CEO	Key Management Personnel	Other Material Risk Takers / Controllers	Total
	Rupees in '000							
Fees and Allowances etc.								
Managerial Remuneration								
i) Fixed	2,400	–	50,400	9,640	64,991	160,785	251,882	540,098
ii) Total Variable of which								
a) Cash Bonus / Awards	–	–	–	–	61,746	82,466	104,123	248,335
b) Bonus & Awards in Shares	–	–	–	–	–	–	–	–
Charge for defined benefit plan	–	–	–	–	12,036	13,491	21,439	46,966
Contribution to defined contribution plan	–	–	–	–	3,488	11,030	18,574	33,092
Rent & house maintenance	–	–	–	–	11,101	66,942	101,536	179,579
Utilities	–	–	–	–	5,918	15,984	24,751	46,653
Medical	–	–	–	–	938	14,695	22,563	38,196
Conveyance	–	–	–	1,116	6,879	76,104	146,707	230,806
Others	–	–	–	–	1,975	44,741	46,609	93,325
Total	2,400	–	50,400	10,756	169,072	486,238	738,184	1,457,050
Number of Persons	2	–	9	4	1	18	77	111

Items	For the year ended December 31, 2023							
	Chairman	Directors: Executives (other than CEO)	Directors: Non-executives	Members Shariah Board	President & CEO	Key Management Personnel	Other Material Risk Takers / Controllers	Total
	Rupees in '000							
Fees and Allowances etc.								
Managerial Remuneration								
i) Fixed	2,620	–	41,140	8,400	65,401	171,768	232,508	521,837
ii) Total Variable of which								
a) Cash Bonus / Awards	–	–	–	–	41,000	96,183	85,615	222,798
b) Bonus & Awards in Shares	–	–	–	–	–	–	–	–
Charge for defined benefit plan	–	–	–	–	5,031	17,179	16,907	39,117
Contribution to defined contribution plan	–	–	–	–	5,029	11,323	16,668	33,020
Rent & house maintenance	–	–	–	–	12,845	70,119	93,904	176,868
Utilities	–	–	–	–	9,150	15,204	23,672	48,026
Medical	–	–	–	–	–	16,431	20,867	37,298
Conveyance	–	–	–	1,147	5,796	82,550	137,890	227,383
Others	–	–	–	–	302	98,289	24,891	123,482
Total	2,620	–	41,140	9,547	144,554	579,046	652,922	1,429,829
Number of Persons	1	–	9	4	1	19	67	101

Total amount of deferred bonus outstanding as at December 31, 2024 for the President & CEO, Key Management Personnel and other Material Risk Takers / Material Risk Controllers is Rs. 95,531 thousand (2023: Rs. 60,620 thousand).

The President & CEO and certain executives are provided with the Bank's maintained cars in accordance with their respective entitlements.

Others mainly include cost of living allowance (COLA) given to certain executives.

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

S.No.	Name of Director	2024 – Meeting fees and allowances paid					
		Board meetings	For Board Committees: Human resource and remuneration committee	Risk management committee	Audit committee	Information technology committee	Total amount paid
		Rupees in '000					
1	Lt Gen Anwar Ali Hyder (Retd)	1,920	–	–	–	–	1,920
2	Mr. Jahangir Piracha	2,000	1,200	–	400	–	3,600
3	Mr. Arif Ur Rehman	2,000	–	–	–	–	2,000
4	Syed Bakhtiar Kazmi	2,000	400	1,600	800	1,200	6,000
5	Mr. Manzoor Ahmed	2,400	2,880	2,400	1,600	–	9,280
6	Raja Muhammad Abbas	2,000	–	–	1,600	1,200	4,800
7	Mrs. Zoya Mohsin Nathani	2,400	2,400	2,880	–	–	7,680
8	Mr. Kamran Yousuf Mirza	2,400	2,400	–	1,920	–	6,720
9	Ms. Samina Rizwan	2,400	2,400	–	–	1,920	6,720
10	Lt Gen Ghayur Mahmood Awan (Retd)	1,200	–	–	800	400	2,400
11	Mr. Waqar Ahmed Malik	480	–	–	–	–	480
12	Dr. Nadeem Inayat	400	400	400	–	–	1,200
	Total amount paid	21,600	12,080	7,280	7,120	4,720	52,800

S.No.	Name of Director	2023 Meeting fees and allowances paid: Board meetings	For Board Committees: Human resource and remuneration committee	Risk management committee	Audit committee	Information technology committee	Total amount paid
		Rupees in '000					
1	Mr. Waqar Ahmed Malik	2,620	–	–	–	–	2,620
2	Mr. Sarfaraz Ahmed Rehman	1,400	300	–	–	–	1,700
3	Mr. Arif Ur Rehman	1,800	–	–	–	–	1,800
4	Dr. Nadeem Inayat	1,800	1,100	1,400	700	1,100	6,100
5	Syed Bakhtiar Kazmi	2,200	–	600	1,400	1,100	5,300
6	Mr. Manzoor Ahmed	2,200	1,260	1,800	1,400	–	6,660
7	Mr. Kamran Yousuf Mirza	1,600	800	–	960	–	3,360
8	Mrs. Zoya Mohsin Nathani	2,200	1,150	1,910	–	–	5,260
9	Ms. Samina Rizwan	1,600	830	–	–	1,280	3,710
10	Raja Muhammad Abbas	2,200	–	–	1,450	1,400	5,050
11	Mr. Muhammad Aftab Manzoor	300	–	–	350	350	1,000
12	Mr. Mushtaq Malik	300	–	600	–	300	1,200
	Total amount paid	20,220	5,440	6,310	6,260	5,530	43,760

42.3 Remuneration paid to Shariah Board Members

Items	For the year ended December 31, 2024: Chairman	2024: Resident member	2024: Non–resident member	2023: Chairman	2023: Resident member	2023: Non–resident member
	Rupees in '000					
Managerial Remuneration Fixed	2,710	2,710	4,220	2,400	2,400	3,600
Fuel	–	1,116	–	–	1,147	–
Total Amount	2,710	3,826	4,220	2,400	3,547	3,600
Total Number of Persons	1	1	2	1	1	2

43 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as Amortised Cost, is based on quoted market price. Quoted securities classified under held to collect are carried at amortised cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break–up value of these investments as per their latest available audited financial statements.

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

43.1 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) available at Mutual Fund Association of Pakistan (MUFAP) and Reuters page.

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

Valuation techniques used in determination of fair values within level 2 and level 3

Federal Government Securities	The fair values of Federal Government Securities are determined on the basis of rates / prices sourced from Reuters.
Non Government Debt Securities	Non Government Debt Securities are valued on the basis of rates announced by MUFAP.
Foreign Government Debt Securities	Foreign Government Debt Securities are valued on the basis of rates taken from custodian of the securities which are usually drawn from Bloomberg.
Unit of Mutual Funds	Fair values of mutual funds are determined based on their net asset values as published at the close of reporting period.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed Assets and Non Banking Assets Acquired in Satisfaction of Claims	Land and Non Banking assets acquired in satisfaction of claims are valued on a periodic basis using professional valuers. The valuation is based on their assessments of the market value of the assets.

The table below analyses the financial assets carried at fair values, by valuation methods. Valuation of investments is carried out as per guidelines specified by the SBP.

	2024				
Rupees in '000	Carrying / Notional Value	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments					
Financial assets – measured at fair value					
Investments					
Federal Government Securities	1,432,008,563	6,979,571	1,425,028,992	–	1,432,008,563
Shares	9,385,993	9,385,993	–	–	9,385,993
Units of open end mutual funds	2,940,009	1,590,038	1,349,971	–	2,940,009
Fully paid preference shares	23,489	23,489	–	–	23,489
Non-Government Debt Securities	14,031,394	–	14,031,394	–	14,031,394
	1,458,389,448	17,979,091	1,440,410,357	–	1,458,389,448
Financial assets – disclosed but not measured at fair value					
Investments					
Federal Government Securities	49,809,613	2,611,283	47,198,330	–	49,809,613
Unlisted shares	350,000	–	–	–	–
Cash and balances with treasury banks	133,505,285	–	–	–	–
Balances with other banks	10,776,034	–	–	–	–
Lendings to financial institutions	4,567,619	–	–	–	–
Advances	695,758,143	–	–	–	–
Other assets	85,102,624	–	–	–	–
	979,869,318	2,611,283	47,198,330	–	49,809,613
	2,438,258,766	20,590,374	1,487,608,687	–	1,508,199,061
Off–balance sheet financial instruments – measured at fair value					
Forward purchase of foreign exchange	118,183,587	–	(1,602,237)	–	(1,602,237)
Forward sale of foreign exchange	82,377,560	–	937,767	–	937,767

	2023				
Rupees in '000	Carrying / Notional Value	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments					
Financial assets – measured at fair value					
Investments					
Federal Government Securities	1,102,510,824	8,421,152	1,094,089,672	–	1,102,510,824
Shares	6,243,266	6,243,266	–	–	6,243,266
Units of open end mutual funds	960,596	–	960,596	–	960,596
Fully paid preference shares	28,150	28,150	–	–	28,150
Non-Government Debt Securities	14,449,154	–	14,449,154	–	14,449,154
	1,124,191,990	14,692,568	1,109,499,422	–	1,124,191,990
Financial assets – disclosed but not measured at fair value					
Investments					
Federal Government Securities	56,798,998	10,756,335	46,042,663	–	56,798,998
Unlisted shares	350,000	–	–	–	–
Units of open end mutual funds	1,000,000	–	–	–	–
Cash and balances with treasury banks	160,087,394	–	–	–	–
Balances with other banks	13,789,031	–	–	–	–
Advances	633,132,827	–	–	–	–
Other assets	89,909,874	–	–	–	–
	955,068,124	10,756,335	46,042,663	–	56,798,998
	2,079,260,114	25,448,903	1,155,542,085	–	1,180,990,988
Off-balance sheet financial instruments – measured at fair value					
Forward purchase of foreign exchange	153,115,769	–	(2,798,564)	–	(2,798,564)
Forward sale of foreign exchange	123,329,123	–	1,475,975	–	1,475,975

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 such transfer to take place. There were no transfers between levels 1 and 2 during the year.

	2024	2023
Rupees in '000	Level 2	Level 2
43.2 Fair value of non–financial assets		
Fixed assets		
Property and equipment (freehold and leasehold land)	13,238,392	13,238,392
Assets held for sale	1,750,000	1,750,000
Other assets		
Non–banking assets acquired in satisfaction of claims	991,121	866,810

44 SEGMENT INFORMATION

44.1 Segment details with respect to Business Activities

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

	2024							
Rupees in '000	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head office / others	Total
Profit and loss								
Net mark-up / return / profit	(114,340,397)	44,334,275	112,547,702	5,065,085	16,627,674	1,293,265	(2,247,873)	63,279,731
Inter segment revenue - net	142,112,955	(38,739,641)	(107,732,473)	(3,670,508)	(5,583,147)	(520,046)	14,132,860	–
Non mark-up / return / interest income	2,843,478	3,968,422	6,854,930	628,182	977,142	2,460	166,183	15,440,797
Total income	30,616,036	9,563,056	11,670,159	2,022,759	12,021,669	775,679	12,051,170	78,720,528
Segment direct expenses	18,280,323	1,249,632	474,890	1,786,585	4,274,399	239,451	9,715,254	36,020,534
Inter segment expense allocation	384,911	1,429,037	3,677	28,423	–	–	(1,846,048)	–
Total expenses	18,665,234	2,678,669	478,567	1,815,008	4,274,399	239,451	7,869,206	36,020,534
Credit loss allowance	(218,036)	(692,844)	(533,128)	(250,808)	759,813	(522,239)	(350,143)	(1,807,385)
Profit before tax	12,168,838	7,577,231	11,724,720	458,559	6,987,457	1,058,467	4,532,107	44,507,379
Statement of financial position								
Cash and bank balances	36,921,143	–	95,246,945	–	12,029,791	83,440	–	144,281,319
Investments	–	8,134,146	1,408,084,327	–	82,416,700	9,590,854	1,519,734	1,509,745,761
Lendings to financial institutions	–	–	–	–	4,567,619	–	–	4,567,619
Advances - performing (net of ECL)	17,604,851	580,061,857	–	23,598,799	67,142,842	552,952	4,649,058	693,610,359
Advances - non - performing (net of ECL)	333,254	1,393,713	–	32,399	388,418	–	–	2,147,784
Others	1,464,361	38,653,942	46,866,118	1,764,432	10,232,932	216,903	44,822,675	144,021,363
Total assets	56,323,609	628,243,658	1,550,197,390	25,395,630	176,778,302	10,444,149	50,991,467	2,498,374,205
Borrowings	1,518,088	31,799,065	826,098,845	4,252,855	5,543,557	–	–	869,212,410
Subordinated debts	–	–	–	–	–	–	12,000,000	12,000,000
Deposits and other accounts	988,117,223	239,485,532	–	3,200	135,125,206	1,003,954	–	1,363,735,115
Net inter segment balances - net	(980,501,293)	328,179,440	708,893,021	20,469,236	(5,153,532)	9,347,574	(81,234,446)	–
Others	47,189,591	28,779,621	15,205,524	670,339	16,292,345	92,621	23,568,080	131,798,121
Total liabilities	56,323,609	628,243,658	1,550,197,390	25,395,630	151,807,576	10,444,149	(45,666,366)	2,376,745,646
Equity	–	–	–	–	24,970,726	–	96,657,833	121,628,559
Total equity and liabilities	56,323,609	628,243,658	1,550,197,390	25,395,630	176,778,302	10,444,149	50,991,467	2,498,374,205
Contingencies and commitments	6,946,750	508,539,842	405,171,147	1,056,666	27,012,469	–	1,028,949	949,755,823

	2023							
Rupees in '000	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head office / others	Total
Profit and loss								
Net mark–up / return / profit	(92,875,094)	29,317,122	106,068,776	4,479,764	13,440,875	2,159,966	(3,168,453)	59,422,956
Inter segment revenue – net	127,496,474	(23,606,351)	(107,933,374)	(3,468,895)	(3,454,540)	(1,485,911)	12,452,597	–
Non mark–up / return / interest income	2,074,719	4,695,721	4,211,306	624,337	751,360	31,788	546,720	12,935,951
Total income	36,696,099	10,406,492	2,346,708	1,635,206	10,737,695	705,843	9,830,864	72,358,907
Segment direct expenses	15,747,650	1,028,769	487,985	1,661,652	3,368,335	216,745	6,836,947	29,348,083
Inter segment expense allocation	1,273,695	1,021,616	21,969	47,131	–	–	(2,364,411)	–
Total expenses	17,021,345	2,050,385	509,954	1,708,783	3,368,335	216,745	4,472,536	29,348,083
(Reversal of provisions) / provisions	77,318	1,363,318	68,172	(232,768)	13,830	(368,242)	44,733	966,361
Profit before tax	19,597,436	6,992,789	1,768,582	159,191	7,355,530	857,340	5,313,595	42,044,463
Statement of financial position								
Cash and bank balances	33,208,938	–	129,715,500	832,790	10,058,919	60,278	–	173,876,425
Investments	–	9,252,065	1,102,004,077	–	51,493,187	19,177,486	610,873	1,182,537,688
Lendings to financial institutions	–	–	–	–	–	–	–	–
Advances – performing – net of provision	13,991,028	469,123,014	–	20,306,104	114,745,256	2,876,637	8,663,896	629,705,935
Advances – non–performing – net of provision	259,102	2,237,228	–	74,662	855,900	–	–	3,426,892
Others	1,084,252	30,473,445	48,204,707	915,181	10,533,982	405,421	42,842,031	134,459,019
Total assets	48,543,320	511,085,752	1,279,924,284	22,128,737	187,687,244	22,519,822	52,116,800	2,124,005,959
Borrowings	1,574,075	41,338,149	591,921,725	2,992,873	5,535,843	–	–	643,362,665
Subordinated debts	–	–	–	–	–	–	12,000,000	12,000,000
Deposits and other accounts	879,682,209	293,376,734	–	250	118,670,004	1,416,378	–	1,293,145,575
Net inter segment balances – net	(852,178,144)	149,992,534	677,830,555	18,475,360	38,253,559	16,939,831	(49,313,695)	–
Others	19,465,180	26,378,335	10,172,004	660,254	8,249,821	4,163,613	9,285,691	78,374,898
Total liabilities	48,543,320	511,085,752	1,279,924,284	22,128,737	170,709,227	22,519,822	(28,028,004)	2,026,883,138
Equity	–	–	–	–	16,978,017	–	80,144,804	97,122,821
Total equity and liabilities	48,543,320	511,085,752	1,279,924,284	22,128,737	187,687,244	22,519,822	52,116,800	2,124,005,959
Contingencies and commitments	6,016,566	563,921,448	276,081,620	832,790	26,459,326	–	1,027,751	874,339,501

44.2 Segment details with respect to geographical locations

Geographical segment analysis

	2024		
Rupees in '000	Pakistan	Middle East	Total
Profit and loss			
Net mark-up / return / profit	61,986,466	1,293,265	63,279,731
Inter segment revenue - net	520,046	(520,046)	–
Non mark-up / return / interest income	15,438,337	2,460	15,440,797
Total income	77,944,849	775,679	78,720,528
Segment direct expenses	35,781,083	239,451	36,020,534
Total expenses	35,781,083	239,451	36,020,534
Credit loss allowance	(1,285,146)	(522,239)	(1,807,385)
Profit before tax	43,448,912	1,058,467	44,507,379
Statement of financial position			
Cash and bank balances	144,197,879	83,440	144,281,319
Investments	1,500,154,907	9,590,854	1,509,745,761
Lendings to financial institutions	4,567,619	–	4,567,619
Advances - performing	693,057,407	552,952	693,610,359
Advances - non-performing	2,147,784	–	2,147,784
Others	143,804,460	216,903	144,021,363
Total Assets	2,487,930,056	10,444,149	2,498,374,205
Borrowings	869,212,410	–	869,212,410
Subordinated debts	12,000,000	–	12,000,000
Deposits and other accounts	1,362,731,161	1,003,954	1,363,735,115
Net inter segment borrowing	(9,347,574)	9,347,574	–
Others	131,705,500	92,621	131,798,121
Total liabilities	2,366,301,497	10,444,149	2,376,745,646
Equity	121,628,559	–	121,628,559
Total equity and liabilities	2,487,930,056	10,444,149	2,498,374,205
Contingencies and commitments	949,755,823	–	949,755,823

	2023		
Rupees in '000	Pakistan	Middle East	Total
Profit and loss			
Net mark–up / return / profit	57,262,990	2,159,966	59,422,956
Inter segment revenue – net	1,485,911	(1,485,911)	–
Non mark–up / return / interest income	12,904,163	31,788	12,935,951
Total income	71,653,064	705,843	72,358,907
Segment direct expenses	29,131,338	216,745	29,348,083
Inter segment expense allocation	–	–	–
Total expenses	29,131,338	216,745	29,348,083
Provisions / (reversals)	1,334,603	(368,242)	966,361
Profit before tax	41,187,123	857,340	42,044,463
Statement of financial position			
Cash and bank balances	173,816,147	60,278	173,876,425
Investments	1,163,360,202	19,177,486	1,182,537,688
Net inter segment lending	–	–	–
Lendings to financial institutions	–	–	–
Advances – performing – net of provision	626,829,298	2,876,637	629,705,935
Advances – non–performing – net of provision	3,426,892	–	3,426,892
Others	134,053,598	405,421	134,459,019
Total assets	2,101,486,137	22,519,822	2,124,005,959
Borrowings	643,362,665	–	643,362,665
Subordinated debts	12,000,000	–	12,000,000
Deposits and other accounts	1,291,729,197	1,416,378	1,293,145,575
Net inter segment balances – net	(16,939,831)	16,939,831	–
Others	74,211,285	4,163,613	78,374,898
Total liabilities	2,004,363,316	22,519,822	2,026,883,138
Equity	97,122,821	–	97,122,821
Total equity and liabilities	2,101,486,137	22,519,822	2,124,005,959
Contingencies and commitments	874,339,501	–	874,339,501

45 TRUST ACTIVITIES

The Bank acts as custodian and holds the securities on behalf of individuals, trusts, retirement benefit plans and other institutions. These are not assets of the Bank and, therefore, are not included in the unconsolidated statement of financial position.

46 RELATED PARTY TRANSACTIONS

Fauji Consortium comprising of Fauji Foundation and Fauji Fertilizer Company Limited (the Parent) holds 71.91% of the Bank's share capital at the year end. Accordingly all the subsidiaries and associates of Fauji consortium are the related parties of the Bank. The Bank also has related party relationships with its directors, key management personnel and employees' funds.

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 valuation / terms of the contribution plan. Remuneration to the executives/ officers is determined in accordance with the terms of their appointment.

Details of transactions and balances with related parties are as follows:

	2024					2023				
Rupees in '000	Parent	Directors	Key management personnel & their relatives	Subsidiaries	Other related parties	Parent	Directors	Key management personnel & their relatives	Subsidiaries	Other related parties
Investments										
Opening balance	–	–	–	196,700	1,420,050	–	–	–	165,619	1,159,768
Investment made during the year	–	–	–	1,000,000	–	–	–	–	31,081	–
Revaluation adjustment	–	–	–	–	1,346,252	–	–	–	–	262,947
Investment redeemed / disposed off during the year	–	–	–	–	(500,000)	–	–	–	–	(2,664)
Transfer in / (out) – net	–	–	–	–	2,016,985	–	–	–	–	–
Closing balance	–	–	–	1,196,700	4,283,287	–	–	–	196,700	1,420,050
ECL / provision for diminution in value of investments	–	–	–	–	898,458	–	–	–	–	82,113
Advances										
Opening balance	8,108,881	–	496,686	86,678	25,003,594	29,986,315	60	507,549	200,000	16,783,652
Addition during the year	1,196,156,040	25,076	169,998	837,248	258,248,620	1,377,976,167	15,000	533,437	1,469,178	209,693,144
Repaid during the year	(1,186,294,641)	(23,784)	(112,135)	(852,000)	(257,568,925)	(1,399,853,601)	(15,060)	(544,300)	(1,582,500)	(213,910,777)
Transfer in / (out) – net	–	–	(287,715)	–	(12,045,234)	–	–	–	–	12,437,575
Closing balance	17,970,281	1,292	266,834	71,926	13,638,055	8,108,881	–	496,686	86,678	25,003,594
ECL held against advances	2,191	–	1,452	141	3,150,241	–	–	–	–	–
Other Assets										
Interest / mark-up receivable	66,417	–	49,135	–	151,802	171,099	–	68,627	–	886,474
Advance rent	999	–	–	–	–	1,380	–	–	–	–
Receivable from staff retirement fund	–	–	–	–	424,395	–	–	–	–	–
Acceptances	3,837	–	–	–	424,116	–	–	–	–	–
Others	–	–	–	92,412	–	106	–	–	–	–
Borrowings										
Opening balance	–	–	–	–	2,992,873	–	–	–	–	3,366,079
Borrowings during the year	–	–	–	–	2,000,000	–	–	–	–	1,000,000
Settled during the year	–	–	–	–	(740,018)	–	–	–	–	(1,373,206)
Closing balance	–	–	–	–	4,252,855	–	–	–	–	2,992,873
Deposits and other accounts										
Opening balance	39,101,224	63,502	299,420	350,869	49,059,956	38,816,364	34,614	193,107	612,265	38,455,796
Received during the year	1,251,319,810	545,392	1,008,533	23,085,691	1,375,477,575	1,786,530,029	556,261	1,843,093	4,596,769	988,872,329
Withdrawn during the year	(1,271,722,333)	(523,615)	(973,309)	(22,551,949)	(1,404,518,301)	(1,786,245,169)	(521,157)	(1,707,626)	(4,858,165)	(978,274,385)
Transfer in / (out) – net	–	(42,028)	(100,246)	–	5,149,701	–	(6,216)	(29,154)	–	6,216
Closing balance	18,698,701	43,251	234,398	884,611	25,168,932	39,101,224	63,502	299,420	350,869	49,059,956
Other Liabilities										
Interest / mark-up payable	821,174	–	4	–	802,755	2,574,737	7	2,964	–	715,559
Payable to staff retirement fund	–	–	–	–	–	–	–	–	–	67,468
Security deposits payable	–	–	–	–	597,202	–	–	–	–	462,570
Others	–	–	57,965	1,740	12,035	25	1,667	58,608	–	71,818
Contingencies and Commitments	3,983,736	–	–	–	6,182,135	225,219	–	–	–	4,476,687
Others										
Dividend paid	2,605,561	–	–	–	–	–	–	–	–	–
Commitment in respect of Government securities transactions	17,560,000	–	–	–	6,500,000	–	–	–	–	–
Securities held as custodian	27,810,000	–	9,600	500,000	17,905,460	13,699,456	–	48,821	–	10,493,034

	2024					2023				
Rupees in '000	Parent	Directors	Key management personnel & their relatives	Subsidiaries	Other related parties	Parent	Directors	Key management personnel & their relatives	Subsidiaries	Other related parties
Income										
Mark–up / return / interest earned	236,118	13	11,589	2,436	1,604,400	658,163	–	19,551	2,304	4,677,348
Fee and commission income	12,454	–	–	–	92,784	1,332	–	–	–	57,228
Dividend income	–	–	–	29,376	313,747	–	–	–	–	178,346
Gain on sale of fixed assets	–	–	–	–	–	–	–	3,929	–	–
Others	1,645	–	–	–	14,170	486	–	–	–	105,799
Expense	–									
Mark–up / return / interest expensed	8,394,578	5,229	36,383	145,501	8,548,433	10,540,080	3,231	41,107	29,274	6,810,283
Charge to defined benefit plan	–	–	–	–	572,653	–	–	–	–	342,070
Contribution to defined contribution plan	–	–	–	–	390,445	–	–	–	–	340,111
Remuneration and allowances	–	–	655,310	–	10,756	–	–	723,600	–	9,547
Rent & taxes	3,021	–	–	–	–	2,847	–	–	–	–
Communications	–	–	–	–	200,526	–	–	–	–	139,094
Brokerage and commission	–	–	–	–	100,407	–	–	–	–	92,518
Directors' fee and allowances	–	52,800	–	–	–	–	43,760	–	–	–
Marketing, advertisement and publicity	100	–	–	–	–	–	–	–	–	–
Donations	–	–	–	–	–	524,398	–	–	–	–
Training and development	1,075	–	–	–	–	–	–	–	–	–

In addition to above, rent free sub–branches are operating at FFC Sona Tower, FFBL Tower and Foundation University (along with booth and ATM).

The term 'key management personnel' has the same meaning as defined in IAS 24 – Related party disclosures.

During the year ended December 31, 2024, certain movable assets were settled against the final settlement of related parties as disclosed in note 11.3.

47 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

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

Under the current scenario, the banks are under pressure to extend further credit to its borrowers, while overall deteriorating credit risk and increased NPL may also put additional pressures on the Bank from Capital Adequacy Ratio perspective. The SBP has relaxed the Capital Conversion Buffer (CCB) requirements for the banks to 1.5%, resulting in an overall CAR requirement of 11.5%. In addition to the measures by SBP, the Bank is continuously monitoring the impacts of various decisions of its CAR and taking further lending decisions based on the overall impacts on RWA. The Bank also believes that it has sufficient buffer in its CAR requirement to meet any adverse movements in credit, market or operational risks.

Rupees in '000	2024	2023
Minimum Capital Requirement (MCR):		
Paid–up capital (net of losses)	14,492,992	14,492,992
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	105,772,562	88,193,637
Eligible Additional Tier 1 (ADT 1) Capital	6,000,000	5,649,000
Total Eligible Tier 1 Capital	111,772,562	93,842,637
Eligible Tier 2 Capital	21,952,000	13,220,036
Total Eligible Capital (Tier 1 + Tier 2)	133,724,562	107,062,673
Risk Weighted Assets (RWAs):		
Credit Risk	419,874,894	451,392,577
Market Risk	79,618,578	29,300,677
Operational Risk	125,480,495	102,809,844
Total	624,973,967	583,503,098
Common Equity Tier 1 Capital Adequacy ratio	16.92%	15.11%
Tier 1 Capital Adequacy Ratio	17.88%	16.08%
Total Capital Adequacy Ratio	21.40%	18.35%

As of December 2024, the Bank must meet a Tier 1 to RWA ratio and CAR, including CCB, of 9% and 11.50% respectively.

Standardized Approach is used for calculating the Capital Adequacy for Market and Credit Risk while Basic Indicator Approach (BIA) is used for Operational Risk.

Rupees in '000	2024	2023
Leverage Ratio (LR):		
Eligible Tier–1 Capital	111,772,562	93,842,637
Total Exposures	3,118,234,947	2,611,849,837
Leverage Ratio	3.58%	3.59%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	758,341,064	649,069,790
Total Net Cash Outflow	348,499,703	322,740,993
Liquidity Coverage Ratio	217.60%	201.11%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,412,569,464	1,314,070,873
Total Required Stable Funding	665,336,800	610,829,100
Net Stable Funding Ratio	212.31%	215.13%

47.1 The full disclosure on the Capital Adequacy, Leverage Ratio & Liquidity Requirements as per SBP instructions issued from time to time have been placed on the website. The link to the full disclosure can be accessed through the Bank's website at http://akbl.com.pk

48 RISK MANAGEMENT

The Bank believes that effective risk management is key to achieving desired level of return while maintaining acceptable level of risk exposure. Robust risk management processes and framework are in place to achieve the Bank's overall objectives through a well thought out strategy, which enables the Bank to effectively manage Credit, Market, Operational and Liquidity risk in a proactive manner.

The Bank's approach is to ensure that risk management is deeply and firmly embedded in the culture of the Bank. All employees are therefore considered responsible for identification, measurement, monitoring and controlling risks within the scope of their assigned responsibilities. As a result of changing risk environment, the Bank continuously monitors and conducts holistic assessment of complex transactions on an integrated basis.

The Bank has a Board Risk Management Committee (BRMC) in place and is updated regularly by the Bank's Risk Management Group. BRMC is responsible for reviewing the extent of design and adequacy of the risk management framework. BRMC oversight ensures that risks are managed within the level of tolerance and risk appetite of the Bank.

48.1 Credit Risk:

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability is impaired resulting in economic loss to the Bank. The Bank takes necessary measures to control such risk by establishing minimum standards and rules for booking credit exposures and subsequently, by monitoring these exposures – limiting transactions with specific counter parties with increased likelihood of default and continually assessing creditworthiness of it obligors.

The Bank has built and maintains a sound loan portfolio in line with a well defined Credit Policy approved by the Board of Directors. Its credit evaluation system comprises well-designed credit appraisal, sanctioning and review procedures for the purpose of emphasizing prudence in its lending activities and ensuring quality of asset portfolio. Advances portfolio constitutes around 28% of the total asset base and is also the largest source of credit risk for the Bank. The Bank's advances portfolio is well diversified across various business segments and industries. The Bank employs a robust Credit Risk Rating model that systematically assigns ratings to obligors based on assessment of their quantitative and qualitative factors.

Risk mitigants have been put in place at all stages of credit risk cycle i.e. identification, measurement, monitoring, controlling and reporting for effective credit risk management. Accordingly, portfolio monitoring function is in place with dedicated resources to ensure that the risk is effectively monitored and reported.

Credit Risk Review is conducted at obligor as well as at portfolio level to ensure adherence to regulatory requirement as well as internal policies and procedures. The review process ensures that a sound and proactive risk management culture is maintained across the Bank. Credit is approved under the 4 eye principal with equal ownership from both Business functions and Risk Management Group (RMG). Audit (Risk Assets Review) division reviews the advances portfolio on a post approval basis.

The Bank has undertaken a number of initiatives to strengthen its credit risk management framework including in–house development of internal risk rating models (obligor and facility) for the portfolio for respective segments, and transition and migration matrices to study the realized default rates and performance of the risk rating models over the years.

Keeping in view the deteriorating economic situation, Rapid Portfolio Reviews are performed to identify vulnerable accounts and decide account specific strategies with respect to exposure and to estimate possible additional provisioning. Results of the Rapid Portfolio Reviews are shared with senior management and Board Risk Management Committee (BRMC).

Provision for expected credit losses is determined in accordance with the SBP's requirements and IFRS 9.

Provision for credit portfolio is determined in accordance with the SBP's relevant Prudential Regulations. The Bank also maintains additional provision on subjective classification basis in line with its prudent approach.

Stress testing for credit risk is carried out regularly to estimate the impact of increase in non – performing loans and to ensure that CAR is maintained at sufficient level to meet regulatory requirement and business needs.

The Bank has implemented an Enterprise Risk Management solution and Loan Origination System. These systems not only enhance operational efficiency in the risk management processes, but also promote integrated risk assessment.

Risk Asset Review (RAR) performs an independent review of the credit portfolio. It provides an independent assessment of portfolio quality, efficacy of processes for acquisition of risk assets, regulatory/policy compliance and appropriateness of classification and risk rating.

A centralized Credit Administration Division (CAD) under Operations Group is working to ensure that terms and conditions of approval of credit sanctions are complied, all documentation is complete and fully enforceable, all disbursements of approved facilities are made only after necessary authorization by CAD and collateral is monitored on regular basis. Cash, deposits under lien, Government securities and eligible guarantees etc. are considered as eligible collateral.

To handle the specific needs of managing classified accounts, the Bank has a separate Special Asset Management Division (SAMD) to negotiate settlement of the non–performing exposure, including pursuing litigation, if required, to protect the interests of the depositors and shareholders.

48.1.1 Credit risk – General disclosures

The Bank follows the Standardized Approach for its credit risk exposures, which sets out fixed risk weights corresponding to external credit ratings or type of exposure, whichever is applicable.

Under the Standardized Approach, the capital requirement is based on the credit rating assigned to counterparties by External Credit Assessment Institutions (ECAIs) duly recognized by the SBP. The Bank selects particular ECAIs for each type of exposure. The Bank utilizes the credit ratings assigned by Pakistan Credit Rating Agency (PACRA), Japan Credit Rating Company Limited – Vital Information Systems (JCR–VIS), Fitch, Moody's and Standard & Poors (S&P).

Types of exposure and ECAIs used

	FITCH	Moody's	S & P	PACRA	JCR–VIS	ECA Scores
Corporates	√	√	√	√	√	√
Banks	√	√	√	√	√	√
Public sector enterprises	–	–	–	√	√	√

* FITCH, Moody's and S&P ratings (as applicable) are used where sovereign exposures are denominated in USD.

Mapping to SBP Rating Grades

For all exposures, the selected ratings are translated to the standard rating grades given by the SBP. The mapping tables used for converting ECAI ratings to the SBP rating grades are given below:

Long Term Rating Grades mapping

SBP Rating grade	FITCH	Moody's	S & P	PACRA	JCR–VIS	ECA scores
1	AAA AA+ AA AA–	Aaa Aa1 Aa2 Aa3	AAA AA+ AA AA–	AAA AA+ AA AA–	AAA AA+ AA AA–	0, 1
2	A+ A A–	A1 A2 A3	A+ A A–	A+ A A–	A+ A A–	2
3	BBB+ BBB BBB–	Baa1 Baa2 Baa3	BBB+ BBB BBB–	BBB+ BBB BBB–	BBB+ BBB BBB–	3
4	BB+ BB BB–	Ba1 Ba2 Ba3	BB+ BB BB–	BB+ BB BB–	BB+ BB BB–	4
5	B+ B B–	B1 B2 B3	B+ B B–	B+ B B–	B+ B B–	5, 6
6	CCC+ and below	Caa1 and below	CCC+ and below	CCC+ and below	CCC+ and below	7

	2024	2023	2024	2023	2024			2023
	Gross lendings		Non-performing lendings		Credit loss allowance / Provision held			
Rupees in '000					Stage 1	Stage 2	Stage 3	Provision
48.1.2 Lendings to financial institutions								
Credit risk by public / private sector								
Private	4,627,661	89,164	59,443	89,164	599	–	59,443	89,164

Rupees in '000	Gross investments 2024	Gross investments 2023	Non-performing investments 2024	Non-performing investments 2023	Credit loss allowance / Provision held 2024 Stage 1	Credit loss allowance / Provision held 2024 Stage 2	Credit loss allowance / Provision held 2024 Stage 3	Credit loss allowance / Provision held 2023 Provision
48.1.3 Investment in debt securities								
Credit risk by industry sector								
Textile	1,277,758	279,681	282,598	279,678	4,840	-	277,758	279,678
Chemical and Pharmaceuticals	122,500	1,090,958	506	898,458	506	-	-	898,458
Power and energy	8,508,732	8,416,126	709	-	709	-	-	-
Telecommunication	204,432	204,432	204,432	204,432	-	-	204,432	204,432
Metal and allied	500,000	500,000	568	-	568	-	-	-
Financial	1,472,475,905	1,180,480,942	597,451	165,000	597,451	-	-	82,500
	1,483,089,327	1,190,972,139	1,086,264	1,547,568	604,074	-	482,190	1,465,068
Credit risk by public / private sector								
Public / Government	1,479,426,722	1,175,025,492	596,140	204,432	596,140	-	-	204,432
Private	3,662,605	15,946,647	490,124	1,343,136	7,934	-	482,190	1,260,636
	1,483,089,327	1,190,972,139	1,086,264	1,547,568	604,074	-	482,190	1,465,068

Rupees in '000	Gross advances 2024	Gross advances 2023	Non-performing advances 2024	Non-performing advances 2023	Credit loss allowance / Provision held 2024 Stage 1	Credit loss allowance / Provision held 2024 Stage 2	Credit loss allowance / Provision held 2024 Stage 3	Credit loss allowance / Provision held 2023 Provision
48.1.4 Advances								
Credit risk by industry sector								
Agriculture, Forestry, Hunting and Fishing	8,250,916	8,110,464	1,934,693	322,237	173,089	39,313	1,740,710	135,249
Mining and Quarrying	10,697,011	11,107,074	–	–	4,392	–	–	–
Textile	71,721,567	72,951,683	8,911,224	8,654,320	125,599	143,049	8,743,691	8,165,544
Chemical and Pharmaceuticals	33,526,664	46,493,823	403,167	727,772	20,819	49,273	400,313	706,933
Cement	10,220,393	15,236,900	25,458	395	31,066	22,273	25,379	395
Sugar	20,135,002	35,656,630	1,053	6,453	60,557	42,604	1,053	6,453
Footwear and Leather garments	1,465,774	1,413,043	231,911	168,582	1,727	20	231,911	168,582
Automobile and transportation equipment	2,500,146	2,701,484	727,441	814,919	968	7,130	619,475	814,919
Electronics and electrical appliances	5,430,095	5,101,528	1,008,332	1,021,105	5,594	498	1,033,900	902,937
Food and allied	18,612,355	75,000,000	1,314,459	1,334,570	26,056	23,203	1,305,213	613,445
Construction	23,530,560	15,409,186	370,339	1,793,076	69,704	111,309	303,725	761,092
Power and energy	41,715,749	58,594,300	1,750,631	393,206	169,573	68,939	1,502,816	348,967
Oil and gas	45,876,637	66,211,253	92,106	–	55,587	2,945,614	61,411	–
Wholesale and Retail Trade	16,950,991	17,792,073	3,949,604	338,679	6,977	41,614	3,770,457	338,679
Transport, Storage and Communication	71,951,933	39,604,834	944,898	–	169,919	161,992	867,899	–
Financial	214,428,188	26,395,992	–	–	22,582	2,065	–	–
Insurance	220,514	121,025	–	413,531	263	–	–	413,531
Services	20,717,709	44,742,814	734,320	663,141	52,690	32,999	610,278	563,801
Individuals	34,310,438	34,857,892	513,215	1,623,098	66,770	14,942	384,152	1,623,098
Edible oil and ghee	5,991,678	6,037,236	2,095,995	2,527,867	2,768	28	2,021,795	2,527,867
Rice Processing (husking, semi - wholly milled etc.)	15,661,066	14,872,454	2,456,301	3,147,841	9,407	10,174	2,455,781	3,117,557
Metal and allied	20,096,133	21,362,992	5,076,410	734,170	26,850	39,255	4,491,243	734,170
Others	39,061,688	41,533,369	1,887,091	4,378,625	37,871	137,078	1,709,662	3,693,476
	733,073,207	661,308,049	34,428,648	29,063,587	1,140,828	3,893,372	32,280,864	25,636,695

Rupees in '000	Gross advances 2024	Gross advances 2023	Non-performing advances 2024	Non-performing advances 2023	Credit loss allowance / Provision held 2024 Stage 1	Credit loss allowance / Provision held 2024 Stage 2	Credit loss allowance / Provision held 2024 Stage 3	2023 Provision
Credit risk by public / private sector								
Public/ Government	128,518,384	247,411,197	–	–	166,300	108,029	–	–
Private	604,554,823	413,896,852	34,428,648	29,063,587	974,528	3,785,343	32,280,864	25,636,695
	733,073,207	661,308,049	34,428,648	29,063,587	1,140,828	3,893,372	32,280,864	25,636,695

Rupees in '000	2024	2023
48.1.5 Contingencies and Commitments		
Credit risk by industry sector		
Agriculture, Forestry, Hunting and Fishing	735,367	1,801,299
Mining and Quarrying	5,129,672	6,023,341
Textile	16,977,566	14,785,574
Chemical and Pharmaceuticals	14,707,235	13,497,070
Cement	3,172,146	2,189,928
Sugar	3,624,801	2,949,530
Footwear and Leather garments	598,238	1,272,469
Automobile and transportation equipment	819,714	646,516
Electronics and electrical appliances	2,937,525	4,928,772
Real Estate & Construction	41,065,201	39,005,445
Research and development	–	3,018,764
Power and energy	17,132,869	25,772,808
Wholesale and Retail Trade	10,998,327	13,137,036
Oil and gas	18,690,799	9,324,183
Transport, Storage and Communication	19,509,896	29,753,113
Financial	555,154,330	505,173,111
Insurance	353,603	356,172
Food and allied	10,160,964	13,159,536
Services	32,305,406	12,077,385
Individuals	308,632	302,569
Engineering	–	98,451,727
Telecommunication	3,133,588	4,801,495
Metal and allied	23,313,566	9,789,188
Others	168,926,378	62,122,470
	949,755,823	874,339,501
Credit risk by public / private sector		
Public / Government	185,019,104	253,430,885
Private	764,736,719	620,908,616
	949,755,823	874,339,501

48.1.6 Concentration of Advances

The Bank's top 10 exposures on the basis of total (funded and non-funded) exposures aggregated to Rs. 504,003,209 thousand (2023: Rs. 446,883,893 thousand) are as following:

Rupees in '000	2024	2023
Funded	274,742,792	173,321,907
Non Funded	229,260,417	273,561,986
Total Exposure	504,003,209	446,883,893

The sanctioned limits against these top 10 exposures aggregated to Rs. 652,224,299 thousand (2023: Rs. 570,620,020 thousand).

The above does not include any classified exposure.

48.1.7 Advances – Province / Region–wise disbursement and utilization

	2024						
	Disbursements	Utilization					
Rupees in '000		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit Baltistan
Province / Region							
Punjab	1,641,024,443	1,621,840,398	4,499,425	530,517	37,851	14,099,472	16,780
Sindh	1,297,609,796	1,869,085	1,294,566,599	27,896	12,886	1,132,580	750
KPK including FATA	17,653,615	397,905	95,100	16,059,031	12,800	1,045,241	43,538
Balochistan	493,117	3,451	900	–	487,616	–	1,150
Islamabad	170,527,637	11,187,523	4,343,007	3,586,747	68,753	151,280,762	60,845
AJK including Gilgit Baltistan	490,293	99,511	67,740	500	–	44,258	278,284
Total	3,127,798,901	1,635,397,873	1,303,572,771	20,204,691	619,906	167,602,313	401,347

	2023						
	Disbursements	Utilization					
Rupees in '000		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit Baltistan
Province / Region							
Punjab	1,333,843,562	1,317,615,884	4,330,448	146,893	6,730	11,735,324	8,283
Sindh	1,165,558,110	3,449,372	1,161,709,366	37,575	230,264	127,634	3,900
KPK including FATA	5,187,340	168,355	16,464	4,391,963	2,250	587,013	21,296
Balochistan	680,059	2,982	5,010	700	665,891	5,276	200
Islamabad	125,780,328	13,858,353	8,270,344	13,188,547	41,206	90,383,886	37,992
AJK including Gilgit Baltistan	825,077	76,966	200	3,225	–	7,945	736,741
Total	2,631,874,476	1,335,171,912	1,174,331,832	17,768,903	946,341	102,847,078	808,412

48.1.8 Forward–looking information contained in ECL

The Bank's Expected Credit Loss (ECL) calculation incorporates forward–looking information by integrating macroeconomic variables to enhance the accuracy and reliability of credit risk estimates. The use of forward–looking data helps in better predicting potential credit losses under different economic conditions.

To estimate Probability of Default (PD) and Loss Given Default (LGD), the Bank utilizes historical and forecasted macroeconomic data. For ECL calculations, the Bank considers Gross Domestic Product (GDP), Consumer Price Index (CPI), Unemployment, Exports and Imports as the primary macroeconomic variables, with forecasted data sourced from the International Monetary Fund (IMF). The selection of these variables is based on their relevance and sensitivity to specific portfolios.

The Bank has developed three macroeconomic scenarios—Base, Best, and Worst—to reflect potential economic conditions. These scenarios have been assigned probability weightings of 68% for the Base scenario, 16% for the Best scenario, and 16% for the Worst scenario to ensure a comprehensive assessment of credit risk exposure.

As part of its forward–looking assessment, the Bank conducted a sensitivity analysis on macroeconomic indicators used in Expected Credit Loss (ECL) calculations. As of December 31, 2024, the Bank developed three scenarios—Base, Best, and Worst—based on a five–year forecast. A 10% change in macroeconomic variables mentioned above in the weighted average scenario was applied to assess the upside and downside impact on ECL. The resulting variations are as follows:

Rupees in '000	Upwards	Downwards
Expected credit loss allowance	3.71%	(1.18%)

Sensitivity of ECL to Future Economic Conditions

The ECL are sensitive to judgements and assumption made regarding formulation of forward–looking scenarios and how much such scenarios are incorporated into calculations. The Bank performs sensitivity analysis on the ECL.

The table below shows the loss allowance assuming each forward–looking scenario (e.g. Base, Best and Worst) were weighted 100% instead of applying scenario probability across the three scenarios.

		Base		Best		Worst	
Rupees in '000	Total ECL as per FS	Total ECL after sensitivity analysis	Increase / decrease in %	Total ECL after sensitivity analysis	Increase / decrease in %	Total ECL after sensitivity analysis	Increase / decrease in %
Province / Region							
Expected credit loss allowance	39,661,264	39,526,591	(0.34%)	37,465,987	(5.54%)	44,782,919	12.91%

48.2 Market Risk:

Market risk is the risk that the value of on and off–balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices and credit spreads, resulting in a loss to earnings and capital.

The Bank is exposed to market risk from both its banking and trading books. Trading book for the Bank includes all Fair Value through Profit and Loss (FVTPL) securities along with Fair Value through Other Comprehensive Income (FVTOCI) securities. All assets not included in trading book are included in the Banking book.

The Bank's Risk Management Process seeks to identify, measure, monitor, and control market risks in order to shield against adverse movements in market factors and to attain an efficient risk / return profile of its open positions. Risk Management Group has developed and implemented market risk policy and risk measurement / monitoring methodology for review and reporting of market risk.

The Bank makes use of the globally established Value–at–Risk (VaR) methodology to measure traded market risk. Additionally, sensitivity analysis is carried out to gauge the impact of extreme market movements on traded exposures, such as fixed income securities and equity capital market instruments.

Further, stress testing is used to analyze the impact of abnormal market movements across different portfolios to assess non–traded market risk, in particular interest rate risk in the banking book. The performance of the Bank's traded portfolios is evaluated through the use of risk / return analysis. Risk is assessed through the revaluation of all traded market risk exposed positions on a daily basis, and monitored by ensuring that these positions do not breach any regulatory limits as well as any internally established risk tolerance limits.

Basel III Standardized Approach is used for calculating the Capital Adequacy for Market Risk.

Total capital charge for market risk is Rs. 79,618,578 thousand (2023: Rs. 29,300,677 thousand).

48.2.1 Balance sheet split by trading and banking books

	2024			2023		
Rupees in '000	Banking book	Trading book	Total	Banking book	Trading book	Total
Cash and balances with treasury banks	133,505,285	–	133,505,285	160,087,394	–	160,087,394
Balances with other banks	10,776,034	–	10,776,034	13,789,031	–	13,789,031
Lendings to financial institutions	4,567,619	–	4,567,619	–	–	–
Investments	157,349,250	1,352,396,511	1,509,745,761	453,843,322	728,694,366	1,182,537,688
Advances	695,758,143	–	695,758,143	633,132,827	–	633,132,827
Property and equipment	21,796,057	–	21,796,057	18,698,072	–	18,698,072
Right–of–use assets	12,161,484	–	12,161,484	8,312,812	–	8,312,812
Intangible assets	1,839,788	–	1,839,788	1,855,607	–	1,855,607
Assets held for sale	1,750,000	–	1,750,000	1,750,000	–	1,750,000
Deferred tax assets	–	–	–	8,072,702	–	8,072,702
Other assets	106,474,034	–	106,474,034	95,769,826	–	95,769,826
	1,145,977,694	1,352,396,511	2,498,374,205	1,395,311,593	728,694,366	2,124,005,959

48.2.2 Foreign Exchange Risk

Foreign exchange risk, or the risk that the Bank's earnings and / or capital can fluctuate due to changes in foreign exchange rates, arises out of the Bank's foreign exchange exposure which consists of foreign currency cash in hand, nostro / vostro accounts, forward contracts, forward bookings with exporters, foreign bills purchased, foreign currency placements with SBP and the Bank's Wholesale Bank Branch, foreign currency lendings / deposits and capital investments in offshore operations.

The Bank's treasury manages consolidated foreign exchange exposure by matching foreign currency assets and liabilities in spot and forward. The foreign exchange exposure and nostro balances are maintained within regulatory limits and VaR is calculated for consolidated foreign exchange exposure on a daily basis. The impact of a change in USD / PKR parity on the net open position is also determined through daily sensitivity analysis.

	2024			
Rupees in '000	Foreign currency assets	Foreign currency liabilities	Off–balance sheet items	Net foreign currency exposure
United States Dollar	104,112,879	124,672,071	27,232,949	6,673,757
Pound Sterling	1,225,697	9,186,082	7,570,955	(389,430)
Euro	3,134,552	4,293,508	1,051,714	(107,242)
Other European currencies	11,632	–	–	11,632
Other currencies	6,496,660	6,246,239	(15,432)	234,989
	114,981,420	144,397,900	35,840,186	6,423,706

	2023			
Rupees in '000	Foreign currency assets	Foreign currency liabilities	Off–balance sheet items	Net foreign currency exposure
United States Dollar	100,057,331	133,407,202	(21,110,855)	(54,460,726)
Pound Sterling	1,159,587	8,594,795	(7,412,731)	(14,847,939)
Euro	1,851,281	4,001,522	(1,565,484)	(3,715,725)
Other European currencies	2,481	–	–	2,481
Other currencies	1,603,397	906,278	302,424	999,543
	104,674,077	146,909,797	(29,786,646)	(72,022,366)

	2024		2023	
Rupees in '000	Banking book	Trading book	Banking book	Trading book
Impact of 1% change in foreign exchange rates on				
– Profit and loss account	294,165	358,402	422,357	297,866

48.2.3 Equity position risk

Equity position risk is the risk that the value of equity positions inside the trading book and banking book will change as a result of general and specific equity market movements. Equity positions are monitored on daily basis through management action triggers.

The Bank classifies its direct equity investments into Fair Value Through Profit and Loss (FVTPL), Fair Value Through Other Comprehensive Income (FVOCI), and Amortized Cost (AC). FVTPL exposures are of a short term nature and are undertaken to earn profit by exploiting market conditions and short term price fluctuations. Equities held in the FVOCI portfolio are kept with the intent of earning profit due to underlying fundamental strength of each security. Strategic investments are undertaken in line with the long–term strategy of the Bank, i.e. to build strategic interest in other concerns. The Bank may also carry indirect equity exposure through financing against shares and reverse repos against shares.

At the end of FY 2024 Bank's investment in mutual funds and equity investment portfolio was classified as FVTPL and FVOCI. Pretax impact of 5% decrease in the prices are provided below;

	2024		2023	
Rupees in '000	Banking book	Trading book	Banking book	Trading book
Impact of 5% change in equity prices on				
– Profit and loss account	–	(23,290)	–	(27,644)
– Other comprehensive income	(59,662)	(387,411)	(35,149)	(249,372)

48.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB)–Basel III Specific

The Bank's interest rate exposure arises out of its investment, lending and borrowing activities. Interest Rate Risk in the Banking Book (IRRBB) in its various forms is the risk of adverse changes in earnings and/or capital due to (i) timing differences or mismatches in the maturity/repricing period of financial assets and liabilities (repricing risk), (ii) differences in the basis used for calculating interest rates received and paid (basis risk), (iii) and options implicit or explicit in the Bank's financial assets and liabilities (options risk). The Asset and Liability Management Committee of the Bank monitors and controls mismatch of interest rate sensitive assets and liabilities on an ongoing basis through its regular meetings. The Market Risk Management Department monitors interest rate in the banking book from an earnings and economic value perspective.

Key IRRBB measures include:

1. Interest Earnings at Risk (IAR): the rolling 12–month impact of a parallel shift in interest rates on Net Interest Margin.

2. Change in Economic Value of Equity (EVE): the impact of a parallel shift in interest rates on the present value of the Bank's cash flows.

3. Repricing Gaps: mismatch between the Bank's assets and liabilities in terms of repricing time bands based on residual maturity for repricing or actual maturity which ever is earlier. Repricing assumptions for non–contractual assets and liabilities have been set based on a behavioral study.

	2024		2023	
Rupees in '000	Banking book	Trading book	Banking book	Trading book
Impact of 1% change in interest rates on				
– Profit and loss account	(759,782)	(4,761,335)	(180,183)	(1,387,869)
– Other comprehensive income	2,814,052	–	129,062	–

48.2.5 Mismatch of interest rate sensitive assets and liabilities

Yield / interest rate sensitivity position for on–balance sheet instruments is based on the earlier of contractual re–pricing or maturity date and for off–balance sheet instruments is based on settlement date.

	2024											
			Exposed to yield / interest risk									
Rupees in '000	Effective Yield / Interest rate	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	Non-interest bearing financial instruments
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		133,505,285	13,685,296	-	-	-	-	-	-	-	-	119,819,989
Balances with other banks	9.08%	10,776,034	8,756,105	-	-	-	-	-	-	-	-	2,019,929
Lendings to financial institutions	18.95%	4,567,619	3,499,901	1,067,718	-	-	-	-	-	-	-	-
Investments	19.31%	1,509,745,761	17,614	186,388	132,440,174	106,629,790	201,345,810	45,660,944	737,753,054	263,693,711	8,122,084	13,896,192
Advances	18.32%	695,758,143	293,635,338	193,590,158	100,318,461	19,704,296	25,232,871	10,896,074	10,148,031	40,721,111	1,511,801	-
Other assets		84,310,752	-	-	-	-	-	-	-	-	-	84,310,752
		2,438,663,593	319,594,254	194,844,264	232,758,635	126,334,086	226,578,681	56,557,018	747,901,085	304,414,822	9,633,885	220,046,861
Liabilities												
Bills payable		66,704,448	-	-	-	-	-	-	-	-	-	66,704,448
Borrowings	19.26%	869,212,410	786,491,060	43,582,081	18,230,233	745,647	5,742,238	4,810,342	4,429,744	4,558,769	621,451	847
Deposits and other accounts	12.85%	1,363,735,115	82,260,809	38,394,033	16,748,923	59,537,685	195,142,993	194,776,184	194,533,883	166,637,775	27,764,368	387,938,462
Sub-ordinated loans	21.65%	12,000,000	-	6,000,000	6,000,000	-	-	-	-	-	-	-
Other liabilities		39,416,484	-	-	-	-	-	-	-	-	-	39,416,484
		2,351,068,458	868,751,869	87,976,114	40,979,156	60,283,332	200,885,231	199,586,526	198,963,627	171,196,544	28,385,819	494,060,241
On-balance sheet gap		87,595,136	(549,157,615)	106,868,151	191,779,480	66,050,754	25,693,450	(143,029,507)	548,937,458	133,218,279	(18,751,934)	(274,013,380)
Off-balance sheet financial instruments												
Commitments in respect of:												
Forward foreign exchange contracts purchase		118,183,587	-	-	-	-	-	-	-	-	-	118,183,587
Forward foreign exchange contracts sale		82,377,560	-	-	-	-	-	-	-	-	-	82,377,560
Off-balance sheet gap		35,806,027	-	-	-	-	-	-	-	-	-	35,806,027
Total yield / interest risk sensitivity gap			(549,157,615)	106,868,151	191,779,480	66,050,754	25,693,450	(143,029,507)	548,937,458	133,218,279	(18,751,934)	(232,146,711)
Cumulative yield / interest risk sensitivity gap			(549,157,615)	(442,289,464)	(250,509,985)	(184,459,231)	(158,765,780)	(301,795,288)	247,142,171	380,360,450	361,608,515	129,461,804

	2023											
			Exposed to yield / interest risk									
Rupees in '000	Effective Yield / Interest rate	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	Non-interest bearing financial instruments
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		160,087,394	12,873,026	-	-	-	-	-	-	-	-	147,214,368
Balances with other banks	5.24%	13,789,031	12,229,132	-	-	-	-	-	-	-	-	1,559,899
Lendings to financial institutions	21.16%	-	-	-	-	-	-	-	-	-	-	-
Investments	18.73%	1,182,537,688	304,993,035	335,255,801	285,016,573	90,799,857	40,914,741	47,961,711	39,491,310	21,043,410	8,282,544	8,778,706
Advances	18.61%	633,132,827	255,323,490	179,012,129	96,782,356	26,081,357	24,756,765	14,365,184	19,459,226	12,047,379	3,330,161	1,974,780
Other assets		89,909,874	-	-	-	-	-	-	-	-	-	89,909,874
		2,079,456,814	585,418,683	514,267,930	381,798,929	116,881,214	65,671,506	62,326,895	58,950,536	33,090,789	11,612,705	249,437,627
Liabilities												
Bills payable		12,394,336	-	-	-	-	-	-	-	-	-	12,394,336
Borrowings	19.97%	643,362,665	606,543,301	8,543,464	1,530,759	161,802	6,823,565	6,724,701	6,194,752	5,983,279	857,042	-
Deposits and other accounts	12.80%	1,293,145,575	59,636,449	32,190,546	46,584,030	77,250,104	170,961,784	170,547,972	212,512,364	145,802,302	24,300,384	353,359,640
Sub-ordinated loans	21.81%	12,000,000	-	6,000,000	6,000,000	-	-	-	-	-	-	-
Other liabilities		56,110,709	-	-	-	-	-	-	-	-	-	56,110,709
		2,017,013,284	666,179,749	46,734,009	54,114,790	77,411,906	177,785,349	177,272,673	218,707,116	151,785,581	25,157,426	421,864,685
On-balance sheet gap		62,443,530	(80,761,066)	467,533,921	327,684,139	39,469,308	(112,113,843)	(114,945,777)	(159,756,581)	(118,694,792)	(13,544,721)	(172,427,058)
Off-balance sheet financial instruments												
Commitments in respect of:												
Forward foreign exchange contracts purchase		153,115,769	-	-	-	-	-	-	-	-	-	153,115,769
Forward foreign exchange contracts sale		123,329,123	-	-	-	-	-	-	-	-	-	123,329,123
Off-balance sheet gap		29,786,646	-	-	-	-	-	-	-	-	-	29,786,646
Total yield / interest risk sensitivity gap			(80,761,066)	467,533,921	327,684,139	39,469,308	(112,113,843)	(114,945,777)	(159,756,581)	(118,694,792)	(13,544,721)	(142,640,412)
Cumulative yield / interest risk sensitivity gap			(80,761,066)	386,772,855	714,456,994	753,926,302	641,812,459	526,866,682	367,110,101	248,415,309	234,870,588	

48.2.5.1 Yield risk is the risk of decline in earnings due to adverse movement of the yield curve.

48.2.5.2 Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates.

48.2.5.3 Assets do not include fixed assets including right of use asset of Rs. 33,957,541 thousand (2023: Rs. 27,010,885 thousand), Intangible assets of Rs. 1,839,788 thousand (2023: Rs. 1,855,607 thousand), deferred tax asset of Rs. nil (2023: Rs. 8,072,702 thousand), assets held for sale of Rs. 1,750,000 thousand (2023: 1,750,000 thousand) and other assets consisting of advances, deposits, advance rent and other prepayments, advance taxation, non-banking assets acquired in satisfaction of claims, deferred cost on recognition of loan at fair value, receivable from defined benefit plan, stationary & stamps in hand and Others of Rs. 22,163,282 thousand (2023: Rs. 5,859,952 thousand).

48.2.5.4 Liabilities do not include deferred tax liabilities of Rs. 734,350 (2023: nil) lease liabilities of Rs. 14,136,598, and other liabilities consisting of unearned commission and income on bills discounted, advance payments, advance against sale of properties, mark to market loss on forward foreign exchange contracts, branch adjustment account, payable to defined benefit plan, provision for employees compensated absences, levies and taxes payable, workers welfare fund, deferred grant on subsidized refinance loans, credit loss allowance/ provision against off-balance sheet obligations and others of Rs. Rs. 10,806,241 thousand (2023: Rs. 9,869,853 thousand).

48.3 OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and external events. The Bank strives to manage operational risk within acceptable levels through sound operational risk management practices.

Board Risk Management Committee defines the operational risk appetite and tolerance limits. Operational risk governance structure adopted by the Bank is embedded with three lines of defense: Strategic, Macro and Micro.

Bank already has in place an Operational Risk Management framework which is aligned with global best market practices. The Bank has dedicated functions to manage Operational Risk, Business Continuity Risk and Information Security Risk governed through comprehensive frameworks in line with international best practices.

48.3.1 Operational Risk–Disclosures Basel II specific

Basel II Basic Indicator Approach is used for calculating the Capital Adequacy for Operational Risk.

48.4 Liquidity Risk

Liquidity risk reflects an enterprises inability in raising funds to meet commitments. The Bank's liquidity position is managed by the Asset and Liability Management Committee (ALCO). ALCO monitors the maintenance of financial position, liquidity ratios, depositors concentration both in terms of the overall funding mix and to avoid undue reliance on large individual deposits. Moreover, core retail deposits (current accounts and saving accounts) form a considerable part of the Bank's overall funding and significant importance is attached to the stability and growth of these deposits.

The Bank is confident that the liquidity buffer currently maintained is sufficient to cater to any adverse movement in the cash flow maturity profile.

48.4.1 Assets and liabilities – based on contractual maturity

Rupees in '000	2024													
	Total	Upto 1 day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
Assets														
Cash and balances with treasury banks	133,505,285	40,051,585	1,335,053	-	-	-	-	-	-	-	23,029,662	23,029,662	23,029,662	23,029,662
Balances with other banks	10,776,034	1,939,686	983,852	7,543	702,597	353,453	3,620,748	1,810,374	905,187	452,593	-	-	-	-
Lendings to financial institutions	4,567,619	-	3,499,901	-	-	1,067,718	-	-	-	-	-	-	-	-
Investments	1,509,745,761	380,495	1,336,644	958,562	564,569	684,226	278,425	132,792,975	78,038,241	28,767,949	203,301,153	47,616,286	740,533,298	274,492,938
Advances	695,758,143	11,024,367	13,361,776	4,001,199	220,071,293	89,456,951	50,516,100	79,564,459	16,687,942	35,499,735	20,849,935	14,845,267	36,956,363	102,922,757
Property and equipment	21,796,057	-	-	173,972	173,972	151,849	151,849	446,023	434,368	434,368	1,496,847	1,103,234	1,208,813	16,020,764
Right-of-use assets	12,161,484	-	-	97,070	97,070	84,727	84,727	248,866	242,363	242,363	835,191	615,568	674,478	8,939,060
Intangible assets	1,839,788	-	-	14,685	14,685	12,808	12,818	37,649	36,665	36,665	126,348	93,124	102,036	1,352,307
Assets held for sale	1,750,000	-	-	-	-	-	-	-	1,750,000	-	-	-	-	-
Other assets	106,474,034	14,439,478	2,817,306	2,922,386	1,289,021	1,781,812	896,000	5,094,059	2,050,131	1,069,725	17,687,709	21,050,989	17,687,709	17,687,709
	2,498,374,205	67,835,612	23,334,532	8,175,417	222,913,208	93,593,543	55,560,666	219,994,404	100,144,897	66,503,398	267,326,845	108,354,129	820,192,358	444,445,197
Liabilities														
Bills payable	66,704,448	21,345,423	6,090,116	-	5,062,868	17,654,731	8,827,365	4,413,683	2,206,841	1,103,421	-	-	-	-
Borrowings	869,212,410	1,719,523	82,926,518	16,092,759	685,752,768	27,156,552	16,425,819	18,230,281	125,000	620,647	5,742,238	4,810,342	4,429,744	5,180,220
Deposits and other accounts	1,363,735,115	71,966,341	130,917,812	5,451,344	14,359,034	47,501,855	5,633,839	16,748,923	40,139,521	19,398,164	253,333,762	252,966,954	252,724,653	252,592,913
Lease liabilities	14,136,598	3,271,209	3,938,456	565,464	-	-	-	-	-	-	1,590,367	1,590,367	1,590,367	1,590,367
Sub-ordinated loans	12,000,000	-	-	-	-	-	-	-	-	-	-	-	4,500,000	7,500,000
Deferred tax liabilities	734,350	14,932	89,591	119,454	223,977	-	-	-	14,638	14,638	29,344	83,991	143,785	-
Other liabilities	50,222,725	7,754,680	10,135,238	1,800,765	1,289,021	1,781,801	896,000	5,094,059	2,050,131	1,069,725	3,747,006	7,110,286	3,747,006	3,747,006
	2,376,745,646	106,072,108	234,097,731	24,029,786	706,687,668	94,094,938	31,783,024	44,486,946	44,536,131	22,206,595	264,442,717	266,561,940	267,135,555	270,610,506
Net assets	121,628,559	(38,236,496)	(210,763,199)	(15,854,369)	(483,774,460)	(501,395)	23,777,642	175,507,458	55,608,765	44,296,803	2,884,128	(158,207,811)	553,056,803	173,834,691
Share Capital	14,492,992													
Reserves	74,574,030													
Unappropriated profit	16,235,737													
Surplus on revaluation of assets	16,325,800													
	121,628,559													

							2023							
Rupees in '000	Total	Upto 1 day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
Assets														
Cash and balances with treasury banks	160,087,394	48,026,218	1,600,874	-	-	-	-	-	-	-	27,615,075	27,615,075	27,615,075	27,615,075
Balances with other banks	13,789,031	2,482,026	1,258,939	9,652	899,045	452,280	4,633,116	2,316,558	1,158,274	579,140	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	1,182,537,688	253,601	223,196,210	627,144	83,064,197	139,236,395	196,536,828	285,251,845	42,562,888	48,354,601	42,218,132	49,265,102	41,086,274	30,884,471
Advances	633,132,827	1,362,182	18,419,478	23,897,691	201,414,895	62,284,013	32,356,652	74,845,825	16,541,338	5,516,759	28,615,270	28,125,923	44,232,277	95,520,525
Property and equipment	18,698,072	-	-	149,244	149,244	130,266	130,266	382,627	372,629	372,629	1,284,092	946,425	1,036,998	13,743,651
Right-of-use assets	8,312,812	-	-	66,351	66,351	57,914	57,914	170,109	165,664	165,664	570,883	420,763	461,030	6,110,169
Intangible assets	1,855,607	-	-	14,811	14,811	12,928	12,928	37,972	36,980	36,980	127,434	93,924	102,912	1,363,927
Assets held for sale	1,750,000	-	-	-	-	-	-	1,750,000	-	-	-	-	-	-
Deferred tax assets	8,072,702	164,145	984,870	1,313,160	2,462,174	-	-	-	160,920	160,921	322,576	923,320	1,580,618	-
Other assets	95,769,826	13,200,162	1,847,709	2,466,685	10,962,899	1,904,819	222,529	421,295	-	-	16,326,997	16,138,910	16,138,910	16,138,910
	2,124,005,959	65,488,334	247,308,080	28,544,738	299,033,616	204,078,615	233,950,231	365,176,231	60,998,693	55,186,693	117,080,459	123,529,443	132,254,095	191,376,730
Liabilities														
Bills payable	12,394,336	3,966,188	1,131,603	-	940,730	3,280,421	1,640,210	820,105	410,053	205,026	-	-	-	-
Borrowings	643,362,665	2,156,506	163,556,035	420,399,459	20,431,301	5,805,043	2,738,421	1,530,759	-	161,802	6,823,565	6,724,701	6,194,752	6,840,320
Deposits and other accounts	1,293,145,575	64,651,017	115,105,020	4,962,441	2,834,160	42,048,040	3,570,172	46,584,030	53,650,958	23,599,146	223,965,730	223,551,918	265,516,310	223,106,631
Lease liabilities	9,699,474	2,244,458	2,702,273	387,979	-	-	-	-	-	-	1,091,191	1,091,191	1,091,191	1,091,191
Sub-ordinated loans	12,000,000	-	-	-	-	-	-	-	-	-	-	-	-	12,000,000
Other liabilities	56,281,088	9,839,789	11,822,645	1,916,757	10,962,899	1,904,819	222,523	421,295	-	-	4,938,660	4,750,567	4,750,567	4,750,567
	2,026,883,138	82,857,958	294,317,576	427,666,636	35,169,090	53,038,324	8,171,326	49,356,190	54,061,010	23,965,974	236,819,146	236,118,376	277,552,820	247,788,709
Net assets	97,122,821	(17,369,624)	(47,009,496)	(399,121,898)	263,864,526	151,040,292	225,778,906	315,820,041	6,937,682	31,220,719	(119,738,687)	(112,588,934)	(145,298,725)	(56,411,979)
Share Capital	14,492,992													
Reserves	57,739,655													
Unappropriated profit	20,431,812													
Surplus on revaluation of assets	4,458,362													
	97,122,821													

48.4.2 Assets and Liabilities – based on expected maturities

Rupees in '000	2024 Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
Assets										
Cash and balances with treasury banks	133,505,285	41,386,638	–	–	–	23,029,662	23,029,662	23,029,662	23,029,662	–
Balances with other banks	10,776,034	3,633,679	3,974,201	1,810,374	1,357,780	–	–	–	–	–
Lendings to financial institutions	4,567,619	3,499,901	1,067,718	–	–	–	–	–	–	–
Investments	1,509,745,761	3,240,270	962,651	132,792,975	106,806,190	203,301,153	47,616,286	740,533,298	274,492,938	–
Advances	695,758,143	248,458,635	139,973,051	79,564,459	52,187,676	20,849,935	14,845,267	36,956,363	94,370,267	8,552,490
Property and equipment	21,796,057	347,943	303,698	446,023	868,736	1,496,847	1,103,234	1,208,813	16,020,764	–
Right-of-use assets	12,161,484	194,141	169,453	248,866	484,726	835,191	615,568	674,478	8,939,060	–
Intangible assets	1,839,788	29,370	25,625	37,649	73,330	126,348	93,124	102,036	1,352,307	–
Assets held for sale	1,750,000	–	–	–	1,750,000	–	–	–	–	–
Other assets	106,474,034	21,468,191	2,677,812	5,094,059	3,119,856	17,687,709	21,050,989	17,687,709	17,687,709	–
	2,498,374,205	322,258,768	149,154,209	219,994,404	166,648,294	267,326,845	108,354,129	820,192,358	435,892,706	8,552,490
Liabilities										
Bills payable	66,704,448	32,498,407	26,482,096	4,413,683	3,310,262	–	–	–	–	–
Borrowings	869,212,410	786,491,568	43,582,371	18,230,281	745,647	5,742,238	4,810,342	4,429,744	4,558,769	621,451
Deposits and other accounts	1,363,735,115	222,694,531	53,135,694	16,748,923	59,537,685	253,333,762	252,966,954	252,724,653	216,515,578	36,077,335
Lease liabilities	14,136,598	7,775,129	–	–	–	1,590,367	1,590,367	1,590,367	1,363,172	227,195
Sub-ordinated loans	12,000,000	–	–	–	–	–	–	4,500,000	1,500,000	6,000,000
Deferred tax liabilities	734,350	447,954	–	–	29,276	29,344	83,991	143,785	–	–
Other liabilities	50,222,725	20,979,704	2,677,801	5,094,059	3,119,856	3,747,006	7,110,286	3,747,006	3,211,720	535,287
	2,376,745,646	1,070,887,293	125,877,962	44,486,946	66,742,726	264,442,717	266,561,940	267,135,555	227,149,238	43,461,268
Net assets	121,628,559	(748,628,525)	23,276,247	175,507,458	99,905,568	2,884,128	(158,207,811)	553,056,803	208,743,468	(34,908,778)
Share Capital	14,492,992									
Reserves	74,574,030									
Surplus on revaluation of assets	16,235,737									
Unappropriated profit	16,325,800									
	121,628,559									

Rupees in '000	2023 Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
Assets										
Cash and balances with treasury banks	160,087,394	49,627,092	–	–	–	27,615,075	27,615,075	27,615,075	23,670,064	3,945,012
Balances with other banks	13,789,031	4,649,663	5,085,396	2,316,558	1,737,414	–	–	–	–	–
Lendings to financial institutions	–	–	–	–	–	–	–	–	–	–
Investments	1,182,537,688	307,141,152	335,773,223	285,251,845	90,917,488	42,218,132	49,265,102	41,086,274	22,379,282	8,505,189
Advances	633,132,827	245,094,245	94,640,665	74,845,825	22,058,097	28,615,270	28,125,923	44,232,277	80,034,403	15,486,122
Property and equipment	18,698,072	298,488	260,532	382,627	745,258	1,284,092	946,425	1,036,998	1,001,079	12,742,572
Right-of-use assets	8,312,812	132,702	115,827	170,109	331,328	570,883	420,763	461,030	445,061	5,665,108
Intangible assets	1,855,607	29,622	25,855	37,972	73,960	127,434	93,924	102,912	99,348	1,264,580
Assets held for sale	1,750,000	–	–	1,750,000	–	–	–	–	–	–
Deferred tax assets	8,072,702	4,924,348	–	–	321,841	322,576	923,320	1,580,618	–	–
Other assets	95,769,826	28,477,455	2,127,348	421,295	–	16,326,997	16,138,910	16,138,910	13,834,520	2,304,390
	2,124,005,959	640,374,768	438,028,847	365,176,231	116,185,386	117,080,459	123,529,443	132,254,095	141,463,756	49,912,974
Liabilities										
Bills payable	12,394,336	6,038,520	4,920,631	820,105	615,079	–	–	–	–	–
Borrowings	643,362,665	606,543,301	8,543,464	1,530,759	161,802	6,823,565	6,724,701	6,194,752	5,983,279	857,042
Deposits and other accounts	1,293,145,575	187,552,638	45,618,212	46,584,030	77,250,104	223,965,730	223,551,918	265,516,310	190,611,913	32,494,719
Lease liabilities	9,699,474	5,334,711	–	–	–	1,091,191	1,091,191	1,091,191	1,091,191	–
Sub-ordinated loans	12,000,000	–	–	–	–	–	–	–	6,000,000	6,000,000
Other liabilities	56,281,088	34,542,090	2,127,342	421,295	–	4,938,660	4,750,567	4,750,567	4,750,566	–
	2,026,883,138	840,011,260	61,209,649	49,356,190	78,026,985	236,819,146	236,118,376	277,552,820	208,436,949	39,351,761
Net assets	97,122,821	(199,636,491)	376,819,198	315,820,041	38,158,401	(119,738,687)	(112,588,934)	(145,298,725)	(66,973,193)	10,561,213
Share Capital	14,492,992									
Reserves	57,739,655									
Surplus on revaluation of assets	4,458,362									
Unappropriated profit	20,431,812									
	97,122,821									

48.5 Derivative Risk

The Bank at present does not offer structured derivative products such as interest rate swaps, forward rate swap, forward rate agreements or foreign exchange options nor does it deal in market making and foreign exchange hedging.

The Bank's derivative exposure is limited to hedging transactions undertaken by Treasury in instruments such as forward exchange contracts.

The Risk Management Group monitors the Bank's overall derivative exposure in forward exchange contracts, which are marked to market and are included in the Bank's overall portfolio measures of volatility including value at risk (VaR). Further, value at risk (VaR) is separately monitored for forward exchange contracts. Derivative exposures are also included in the Bank's capital charge and risk weighted asset calculation in accordance with SBP regulations.

49. GENERAL

49.1 Non–adjusting events after the balance sheet date

The Board of Directors in its meeting held on February 24, 2025 has proposed the following appropriations, which will be approved in the forthcoming Annual General Meeting. The unconsolidated financial statements for the year ended December 31, 2024 do not include the effect of the appropriations which will be accounted for in the unconsolidated financial statements for the year ending December 31, 2025.

Rupees in '000	2024	2023
Proposed final cash dividend - Rs. 3 per share (2023: Rs. 2.5 per share)	4,347,898	3,623,248
Transfer to General Reserve	11,977,902	16,808,564

50 DATE OF AUTHORIZATION

These unconsolidated financial statements were authorized for issue on February 24, 2025 by the Board of Directors of the Bank.

Chief Financial Officer	President & CEO	Director	Director	Chairman

ANNEXURE–1

Statement Showing Written–off Loans or any other Financial Reliefs of Five Hundred Thousand Rupees or Above Provided During the Year Ended December 31, 2024

Statement in terms of sub-section (3) of section 33-A of Banking Companies Ordinance, 1962 in respect of written off loans or any other financial reliefs of Rs. 500,000 or above allowed to a person(s) during the year ended December 31, 2024 as referred to in note 10.6 to these financial statements

Rupees in '000

S. No.	Name & address of the borrower	Name of individuals / partners / directors (with NIC / CNIC No.)	Father's / husband name	Outstanding liabilities at beginning of the year: Principal	Interest / mark-up	Other than interest / mark-up	Total	Principal written-off	Interest / mark – up waived-off /written off	Other financial relief provided	Total
1	Angora Textile Mills Limited 15-KM, Lahore Multan Road, Shahpur, Khanpur, Lahore.	Awais Mazhar Hussain 35202-3003329-7 Shahryar Hussain 35202-3003331-7 Fadiah Ali 35202-2798131-2	Muhammad Mazhar Hussain Awais Mazhar Hussain Ali Zulnoorain	187,113	18,595	144,357	350,065	40,448	18,595	157,680	216,723
2	Super Tech Oil & Feed (Pvt) Ltd 103-A Gulgasht Colony, Multan."	Muhammad Qamar Munir 42301-5390644-3 Muhammad Azhar 36302-2192415-3	M Munir Ahmad	-	10,476	24,147	34,623	-	10,476	24,147	34,623
3	Ikhlaq Jewellers St.3-4 Main Bazar #2, Razaabad Faisalabad.	Asad Murtaza 33100-4388494-5 Tanveer Raza 33100-6941090-1	Nazir Ahmad Bashir Ahmad	8,499	5,898	16,575	30,972	-	2,396	16,575	18,971
4	Eastern Trading Company Office No.4020, 4th Fllor, Madina City Mall, Abdullah Haroon Road, Saddar, Karachi.	Syed Mohabbat Ali 42201-3487477-5	Syed Haji Niaz Ali	-	2,477	276	2,753	-	2,477	-	2,477
5	Malik Food Grain Dealer Basti Makin, Thoya Fazil, Kachi Paind Khan, D I Khan.	Sona Khan 12101-3788045-7	Qadir Khan	-	1,573	-	1,573	-	1,573	-	1,573
6	Hayat Karim Industries. 06 KM, Multan Road, Burewala.	Muhammad Waseem 36601-3682960-1	Muhammad Ilyas	21,994	1,941	7,919	31,854	-	935	6,795	7,730
7	Gillan Construction Co. (Pvt) Ltd. 21-B, Officers Colony, Ghazi Road, Lahore.	Ghazala Raees 35200-1505444-2	Malik Raees Ahmad	6,060	1,525	7,581	15,166	-	1,525	7,581	9,106
8	Warraich Commission Shop. Ghalla Mandi Jalalpur Bhattian, Hafizabad.	Muhammad Sohaib 34301-3009978-9	Muhammad Shoaib(Late)	5,480	1,643	5,677	12,800	-	-	3,413	3,413
9	Master Allah Bux. Ghalla Mandi Gujranwala.	Amjad Javed 34101-3854255-1	Allah Bux	6,000	464	3,100	9,564	-	464	3,424	3,888
10	MCR (Pvt) Ltd. 1. 7th Floor, Shahnaz Arcade, Shaheed-e-Millat Road, Karachi. 2. Office No.735-C, Mezannine Floor, Central Commercial Area, P.E.C.H.S., Block-2, Tariq Road, Karachi.	Aqeel Hassan 42301-8722089-3 Moidul Hassan 42101-4051389-5 Hasibul Hassan 42101-6761021-1	Manzoor Ul Hassan	40,943	8,674	-	49,617	-	8,674	-	8,674
11	Soneri Traders. Office :- Suit No 217, 2nd Floor, Clifton Center, Near Schon Circle, Mottas Super Market, Block-5, Clifton, Karachi. Factory: - Plot No. B-90 S.I.T.E Area Nooriabad District Jamshoro.	Ashok Kumar 41207-2654051-7 Tara Chand 42301-6826017-3	"Tikam Das Jasoo Mal "	59,952	52,252	-	112,204	-	52,252	7,574	59,826

ANNEXURE–1

Statement Showing Written–off Loans or any other Financial Reliefs of Five Hundred Thousand Rupees or Above Provided During the Year Ended December 31, 2024

Rupees in '000

				Outstanding liabilities at beginning of the year							
S. No.	Name & address of the borrower	Name of individuals / partners / directors (with NIC / CNIC No.)	Father's / husband name	Principal	Interest / mark–up	Other than interest / mark–up	Total	Principal written–off	Interest / mark – up waived–off /written off	Other financial relief provided	Total
12	Pioneer Pharmaceuticals Pakistan 5-E, PIA Society Near WAPDA Town Lahore	Tanveer Afzal 35202-7920838-7	Ch. Muhammad Yousaf	2,000	926	458	3,384	-	-	926	926
13	Tariq Mahmood & Co. (Mustafa Oil) Mustafa Oil Mill, Chichawatni Road, Burewala.	Tariq Mahmood 36601-9694731-9 Shahbaz Mahmood 36601-5895761-7	Muhammad Bakhtiyar	41,650	10,253	10,348	62,251	-	6,903	10,348	17,251
14	Muhammad Nawaz Mitha Zari Farm, Qari Wala Jaghir Tehsil, Depalpur, District Okara.	Muhammad Nawaz 35301-2460048-3	Shahdat Ali	1,949	1,635	-	3,584	-	818	-	818
15	Syed Muhammad Shabbar Raza Opposite Tasveer Mahal Cinema H # 8 Mohallah Kapaiana Wala, Tehsil & District Jhang.	Syed Muhammad Shabbar Raza 33202-6774640-9	Syed Naseem Asghar	1,992	1,328	-	3,320	-	795	-	795
16	Mir Wali Muhammad Talpur Deh Khardo Taluka Tando Bago District Badin.	Mir Wali Muhammad Talpur 41104-1498979-9	Mir Shahid Ahmed Talpur	1,136	1,790	-	2,926	-	1,253	-	1,253
17	Pervaiz Iqbal Nama Jin Dayka, P.O Havel Tehsil Depalpur, District Okara.	Pervaiz Iqbal 35301-7705040-5	Nazir Ahmed	659	969	-	1,628	-	581	-	581
18	Saqib Hussnain Naimat Ali P.O Saifun Mailsi District Vehari.	Saqib Hussnain 36602-2670001-3	Muhammad Ajmal	1,400	1,200	-	2,600	-	720	-	720
19	Humaira Wasim 72-Sargodha Road, Muslim Town-01 Faisalabad.	Humaira Wasim 33100-0752430-4	Ch Wasim Aziz	2,000	952	1,951	4,903	-	-	1,103	1,103
20	Amir Hussain Moza Amil Moti, Tehsil Depalpur District Okara.	Amir Hussain 35301-9416398-7	Faqeer Hussain	894	910	-	1,804	-	589	-	589
21	Akhtar Hussain Burj Chatha, P.O Khas Bhaga ehsil Wazirabad District Gujranwala.	Akhtar Hussain 34104-2334538-9	Sana Ullah	489	1,097	-	1,586	-	658	-	658
22	Rana Muhammad Akhtar Hussain 4/A LDA Colony Samanabad Lahore.	Rana Muhammad Akhtar Hussain 35202-4597198-5	Muhammad Rafique	-	682	-	682	-	509	-	509
23	Mukhtar Hussain Thatha Gujjar PO Rasoolpur Tarar, Pindi Bhattian.	Mukhtar Hussain 34302-1235630-3	Sher Muhammad	1,525	3,418	-	4,943	-	1,982	-	1,982

Rupees in '000

S. No.	Name & address of the borrower	Name of individuals / partners / directors (with NIC / CNIC No.)	Father's / husband name	Outstanding liabilities at beginning of the year: Principal	Interest / mark–up	Other than interest / mark–up	Total	Principal written–off	Interest / mark – up waived–off /written off	Other financial relief provided	Total
24	Maratab Ali Shah Chak # 434 G.B Tehsil Jaranwala, District Faisalabad.	Maratab Ali Shah 33104-2149554-1	Muhammad Nawaz Shah	2,720	4,502	-	7,222	-	3,152	-	3,152
25	Mian Riaz Hussain Qureshi. Karam Dad Qureshi, P.O Khas, Tehsil & District Muzaffargarh.	Mian Riaz Hussain Qureshi 32304-9230583-9	Mian Ashq Hussain Qureshi	2,000	1,331	-	3,331	-	931	-	931
26	Liaqat Ali. Sarhdanay Sukho Thesil Gujar Khan District Rawalpindi.	Liaqat Ali 37401-9493598-7	Sodghar Khan	389	965	-	1,354	-	656	-	656
27	Liaqat Ali. Du Muhammad Thaheem Pano Aqil District Sukkur.	Liaqat Ali. 45501-1887258-3	Wazeer Hussain	500	1,183	-	1,683	-	580	-	580
28	Moula Bux Lund House # S-7, 3rd North Street, DHA Phase-1, Near National Medical Centre, Karachi.	Moula Bux Lund 41201-5710884-5	Mola Bux	1,492	3,406	-	4,898	-	2,555	-	2,555
29	Ghulam Abbas Nadeem Khreeperr Hatharr, P.O Bazedpur, Diistrict Kasur.	Ghulam Abbas Nadeem 35102-5897282-1	Muhammad Ali Ch.	398	1,037	-	1,435	-	715	-	715
30	Pir Wajid Ali Noohpoto Village Dargah Nooh Hotyani Taluka & District Matiari.	Pir Wajid Ali Noohpoto 41303-7622141-3	Faqir Wali Muhammad Nohpoto	1,000	1,441	-	2,441	-	1,080	-	1,080
31	Muhammad Ali Lal Building, House 172/73 Gharibabad, Nawabshah.	Muhammad Ali 45402-6299026-1	Muhammad Ibrahim	1,991	2,909	-	4,900	-	2,181	-	2,181
32	Gulzarar Butt / Abdul Rahman P O Jatlan, Tehsil & District Mirpur.	Gulzarar Butt 81302-1272761-3 Abdul Rahman 81302-6917086-1	Abdur Rahman Wazir	675	1,814	-	2,489	-	1,360	-	1,360
33	Muhammad Raza Ali Khan Tangu P.O Mud Rajbana Tehsil Shorkot District Jhang.	Muhammad Raza Ali Khan 33203-8587622-1	Mumtaz Ali Khan	2,999	2,543	-	5,542	-	1,895	-	1,895
34	Shamim Akhtar Jarh, Moza Langar Sarai District Muzaffar Garh.	Shamim Akhtar 32304-1565013-4	Haji Khair Muhammad	2,300	1,764	-	4,064	-	1,323	-	1,323
35	Maqsood Ahmad Village Pairo Chak, Tehsil Daska, District Sialkot.	Maqsood Ahmad 34601-0836980-1	Umar Din	240	771	-	1,011	-	578	-	578
36	Zahid Munir H.NO 830, ST NO. 27, Jasmine Blk, Bahria Town, Lahore.	Zahid Munir 35202-0282795-7	Muhammad Munir-Ud-Din Qureshi	1,998	2,006	174	4,178	-	2,006	152	2,158
37	Shahnaz Zafar H # 216-B, Firdusi Road, Rawalpindi.	Shahnaz Zafar 37405-8463159-7	Sultan Mahmood Khan	4,446	10,573	201	15,221	-	5,128	93	5,221

ANNEXURE–1

Statement Showing Written–off Loans or any other Financial Reliefs of Five Hundred Thousand Rupees or Above Provided During the Year Ended December 31, 2024

Rupees in '000

				Outstanding liabilities at beginning of the year							
S. No.	Name & address of the borrower	Name of individuals / partners / directors (with NIC / CNIC No.)	Father's / husband name	Principal	Interest / mark–up	Other than interest / mark–up	Total	Principal written–off	Interest / mark – up waived–off /written off	Other financial relief provided	Total
38	Ali Khan H A.Y.2, Gulistan-e-Sajjad, Hyderabad.	Ali Khan 42501-1591544-5	Gohram Khan	1,602	923	234	2,759	-	865	132	997
39	Khalid Mahmood Margallah Greens, Shah Allah Ditta, House No 3, Street No 1, Islamabad.	Khalid Mahmood 37405-1102474-1	M. Sarwar Abbasi	2,375	2,249	152	4,776	-	646	30	676
40	Muhammad Shareef H.# 46, Street # 01, Sector G-15/1, Islamabad.	Muhammad Shareef 17301-2509479-3	Habib Jan	-	-	1,299	1,299	-	-	1,223	1,223
41	Abdul Jabbar Committee Road Mohallah Tohidian Market Miani, Tehsil Bhera District Sargodha.	Abdul Jabbar 38401-6336838-9	Ghulam Muhammad	654	-	926	1,580	-	-	926	926
42	Dr. Faiz Rasul / Mrs. Farhat Kousar 83-Shadman-II, Lahore.	Dr. Faiz Rasul 31301-3141281-3 Mrs. Farhat Kousar 31301-0681964-0	Abdul Khaliq Faiz Rasul	-	18,291	-	18,291	-	18,291	-	18,291
43	Hassan Wahab Fazal Abad, Saleem Khan Dak Khana Qazi Abad Tehsil & District Swabi.	Hassan Wahab 16202-0993289-1	Fazle Hadi	2,495	1,163	962	4,619	-	-	801	801
	TOTAL			422,009	189,548	226,338	837,896	40,448	158,117	242,923	441,488

PROFILE OF SHARIAH BOARD MEMBERS

Mufti Muhammad Zahid *(Chairman)*	**Dr. Muhammad Tahir Mansoori** *(Resident Member)*	**Mufti Zakir Hassan Naumani** *(Member)*	**Mufti Dr. Lutfullah Saqib** *(Member)*
Mufti Muhammad Zahid is a notable figure in the field of Shariah and has been teaching Quran, Hadith, Fiqh and Arabic language for over 30 years, besides being the Vice President of Jamia Imdadia, Faisalabad and a member of its Dar-ul-Ifta since 1989. Mufti Muhammad Zahid has also authored various publications. He holds Shahadh Al-Alamiyyah from Wifaq-ul-Madaris, Al-Arabiyyah Pakistan and Master's Degree in Arabic from International Islamic University, Islamabad. **Term of Office** Joined the Shariah Board on June 1, 2015 **Other Membership (s)** • Chairperson-Shariah Supervisory Committee, Bank of Khyber • Chairperson-Shariah Board, Bank of Punjab	Dr. Muhammad Tahir Mansoori is an eminent scholar and recipient of the President of Pakistan's Medal for Pride of Performance. Dr. Mansoori holds Moulvi Alim and Moulvi Fazil degrees from 'Dar ul uloom' Mansoorah, LLM Shariah from International Islamic University, Islamabad and PhD in Islamic Studies from Punjab University, Lahore. Dr. Mansoori has taught and written on Fiqh and Usool-e-Fiqh matters for over three decades. He is the author of numerous publications including, Al-Madkhal-Al-Masrafi (Introduction to Islamic Banking) in Arabic, Islamic Law of Contracts and Business Transactions, and Shariah Maxims on Financial Matters. **Term of Office** Joined the Shariah Board on June 1, 2015	Mufti Zakir Hassan Naumani holds Master Degrees in Islamiyat and Arabic from University of Peshawar and Shahadh Al-Alamiyyah from Wifaqul Madaris Al-Arabiyyah, Multan. Mufti Zakir possesses over 35 years of research experience and has authored 24 books in the field of Islamic economics, Tafseer, Fiqhi Masayel, Travelogue etc. Mufti Zakir is currently serving as Sheikh-ul-Hadith, Jamia Usmania, Peshawar. He has been teaching Quran, Hadith and Fiqh for over 30 years and has issued over 3,000 fatawa for various issues pertaining to the field of Islamic Jurisprudence, Islamic economics, Islamic law of contract, Social issues, Muslim Family law Islamic Finance and Islamic business & trade. **Term of Office** Joined the Shariah Board on June 25, 2021	Mufti Dr. Lutfullah Saqib is an expert in the domain of "Islamic Law and Jurisprudence". He holds Takhasus fil Fiqh wal Ifta from Wifaqul Madaris Al-Arabiyyah, Mardan. He has also done his LLB (Hons), LLM (Islamic commercial law), PhD (Shariah) and post doctorate in Islamic law from International Islamic University, Islamabad. Mufti Dr. Lutfullah Saqib has authored several books and research articles in the areas of Islamic commercial law/ Islamic law. As an academician and trainer, he has delivered numerous lectures, talks and training in Pakistan and abroad. Mufti Dr. Lutfullah is also serving as Chairman of Department of Law and Shariah, University of Swat. **Term of Office** Joined the Shariah Board on June 25, 2021

Shariah Board (SB) - Brief Terms of Reference and Attendance

The SB is empowered to consider, decide and supervise all Shariah related matters of Askari Ikhlas Islamic banking and advises and assists the Board of Directors in introducing and implementing an effective Shariah compliance framework. All SB's decisions / rulings / fatawa are binding on the Ikhlas Islamic banking business of the Bank, whereas, the Shariah Board is responsible and accountable for all its Shariah decisions. The Resident Shariah Board Member (RSBM) oversees the procedures to be adopted for implementation of the resolutions, pronouncements and fatawa of the SB and provide guidance thereon. The SB ensures that all the procedure manuals, product programs / structures, process flows, related agreements, marketing advertisements, sales illustrations and brochures are in conformity with the rules and Principles of Shariah.

	Date of Meeting				
Shariah Board Members	Attendance / Total Meetings	February 21, 2024	June 14, 2024	September 27, 2024	December 27, 2024
Name of Members and their attendance in each meeting					
Mufti Muhammad Zahid (Chairperson)	4/4	1	1	1	1
Dr. Muhammad Tahir Mansoori (RSBM)	4/4	1	1	1	1
Mufti Zakir Hassan Naumani (Member)	4/4	1	1	1	1
Mufti Dr. Lutfullah (Member)	4/4	1	1	1	1

REPORT OF SHARIAH BOARD
FOR THE YEAR ENDED DECEMBER 31, 2024

In the name of Allah, the Beneficent, the Merciful

SBP's Shariah Governance Framework requires the BoD to meet with Shariah Board {SB) at least on a half yearly basis to; {a) have a detailed briefing on the Shariah compliance environment, the issues/weaknesses {if any), and recommendations to improve Shariah compliance environment, and {b) ensure timely and effective enforcement of the SB's decisions, fatawa, observations and recommendations.

While the Board of Directors and Executive Management are solely responsible to ensure that the operations of Askari Ikhlas Islamic Banking are conducted in a manner that comply with Shariah Principles at all times, we are required by the SBP's Shariah Governance Framework to submit a report on the overall Shariah compliance environment of Askari Ikhlas Islamic Banking.

During the year 2024, four mandatory meetings of Shariah Board were held to review various Shariah matters, which predominantly included new products, existing product modifications, re-alignment of manuals & policies, Shariah reports etc. Apart from the mandatory quarterly meetings, the Shariah Board also continually remained involved for all Shariah matters of the Bank, by way of circulation.

To form our opinion as expressed in this report, the Shariah Compliance Department of the Bank carried out reviews, on test check basis, of each class of transactions, the relevant documentation and process flows. Further, we have also reviewed the Shariah audit reports.

Based on above, we are of the view that Askari Ikhlas Islamic Banking:

i. has complied with the Shariah rules and principles in the light of fatawa, rulings and guidelines issued by its Shariah Board.

ii. has complied with directives, regulations, instructions and guidelines related to Shariah compliance issued by SBP in accordance with the rulings of SBP's Shariah Board.

iii. has a comprehensive mechanism in place to ensure Shariah compliance in its overall operations.

iv. has a well-defined system in place, which is sound enough to ensure that any earnings realized from sources or by means prohibited by Shariah have been credited to charity account and are being properly utilized.

v. has complied with the SBP instructions on profit and loss distribution and pool management.

vi. level of awareness, capacity and sensitization of the staff, management and the BOD in appreciating the importance of Shariah compliance in the products and processes of the Bank is adequate and shall be further strengthened through the on-going orientation sessions / trainings.

vii. has provided adequate resources to Shariah Board, enabling it to discharge its duties, effectively. However, in view of Bank's Islamic conversion, Shariah audit and Shariah compliance functions need further strengthening for the due discharge of their responsibilities.

We appreciate management's efforts for undertaking various capacity building initiatives for upskilling Islamic banking knowledge & expertise of Bank's staff. Keeping in view the Islamic conversion of the Bank, we recommend to strengthen the training department through dedicated staff for imparting Islamic banking trainings.

Dr. Muhammad Tahir Mansoori
Resident Shariah Board Member

Mufti Dr. Lutfullah Saqib
Member Shariah Board

Mufti Zakir Hassan Naumani
Member Shariah Board

Mufti Muhammad Zahid
Chairman Shariah Board

Date: February 12, 2025

شریعہ بورڈ کی رپورٹ

برائے سال 2024ء

بسم اللہ الرحمٰن الرحیم!

اسٹیٹ بینک آف پاکستان کی جاری کردہ ہدایات کی روشنی میں یہ ضروری ہے کہ بورڈ آف ڈائریکٹرز، شریعہ بورڈ کے ساتھ سال میں دو دفعہ اجلاس منعقد کرے۔ ان اجلاسوں میں شریعہ بورڈ، بورڈ آف ڈائریکٹرز کو بینک کی مجموعی شریعہ کمپلائنس کی صورت حال کے متعلق آگاہی فراہم کرتا ہے اور اسے مزید بہتر بنانے کے لیے اپنی سفارشات پیش کرتا ہے۔

اسٹیٹ بینک آف پاکستان کی جاری کردہ ہدایات کی رو سے یہ بورڈ آف ڈائریکٹرز اور انتظامیہ کی ذمہ داری ہے کہ وہ اس بات کو یقینی بنائے کہ عسکری بینک لمیٹڈ اسلامی بینکاری سروسز کی تمام سرگرمیاں شریعت کے اصولوں کے مطابق ہیں۔ اسی طرح شریعہ بورڈ کی ذمہ داری ہے کہ وہ بورڈ آف ڈائریکٹرز کو اسلامی بینکاری سروسز کی شرعی اصولوں کی مطابقت کے حوالے سے آگاہی فراہم کرے۔

سال 2024 کے دوران شریعہ بورڈ کے چار اجلاس منعقد ہوئے جن میں شریعہ سے متعلق مختلف اہم امور زیر بحث آئے۔ ان امور میں نئی پراڈکٹس کا اجرا، موجودہ پراڈکٹس میں تبدیلیاں، مینول، پالیسیوں کو دوبارہ مرتب کرنا اور رپورٹس وغیرہ شامل ہیں۔ سہ ماہی میٹنگ کے علاوہ شریعہ بورڈ اس عرصہ میں اسلامی بینکاری کے معاملات کی نگرانی کے عمل میں بھی مسلسل شامل رہا ہے۔

شریعہ بورڈ نے اپنی رپورٹ مرتب کرنے کے لیے شریعہ ڈیپارٹمنٹ اور آڈٹ ڈیپارٹمنٹ کی رپورٹس کا بغور جائزہ لیا ہے۔ ان حقائق و معلومات سے ہم نے درج ذیل نتائج اخذ کیے ہیں۔

۱۔ اسلامی بینکاری کی خدمات فراہم کرتے ہوئے عسکری بینک لمیٹڈ شریعہ بورڈ کے فتاویٰ اور ہدایات کو ملحوظ رکھا ہے۔

۲۔ اسلامی بینکاری کی خدمات فراہم کرتے ہوئے عسکری بینک لمیٹڈ نے اسٹیٹ بینک آف پاکستان اور اس کے شریعہ بورڈ کی جاری کردہ ہدایات اور احکامات کی پاسداری کی ہے۔

۳۔ شرعی اصولوں کی پاسداری کے حوالے سے عسکری بینک لمیٹڈ میں اسلامی بینکاری سروسز کا ایک جامع اور مربوط نظام رائج ہے۔

۴۔ عسکری بینک لمیٹڈ اسلامی بینکاری سروسز کے پاس ایک ایسا واضح اور جامع نظام موجود ہے جس کے تحت غیر شرعی ذرائع سے حاصل شدہ آمدن صرف خیراتی مقاصد میں استعمال ہوتی ہے اور وہ بینک کی آمدن کا حصہ نہیں بنتی۔

۵۔ اس سارے عرصے میں رب المال (کھاتہ داران) کو نفع کی تقسیم اسٹیٹ بینک آف پاکستان کی جاری کردہ ہدایات اور احکامات کے مطابق ہوئی۔

۶۔ اسٹاف ممبران، انتظامیہ اور بورڈ آف ڈائریکٹرز اسلامی بینکاری کے متعلق مناسب اور معقول آگاہی رکھتے ہیں۔ ہمیں یقین ہے کہ تربیتی پروگرامز کے ذریعے اسے مزید تقویت دی جائے گی۔

۷۔ بینک انتظامیہ نے شریعہ بورڈ کو اسکے فرائض کی انجام دہی کے لیے مطلوبہ وسائل مہیا کر رکھے ہیں۔ تاہم، بینک کے معاملات کو مکمل اسلامی بینکاری کی طرف منتقل کرنے کیلئے شریعہ آڈٹ اور شریعہ کمپلائنس کے شعبہ جات میں مزید پیشہ ورانہ صلاحیت کے حامل افراد کی ضرورت ہے۔

بینک انتظامیہ، اسٹاف ممبران کی اسلامی بینکاری کی استعداد اور صلاحیت کو بڑھانے کے لئے جو اقدامات کر رہی ہے شریعہ بورڈ ان کو سراہتا ہے۔ اس ضمن میں شریعہ بورڈ سفارش کرتا ہے کہ ان کاوشوں کو مزید موثر بنانے کے لئے بینک کے ٹریننگ ڈیپارٹمنٹ میں مستقل اور مخصوص عملے کا اضافہ کیا جائے۔

مفتی ڈاکٹر لطف اللہ ثاقب
ممبر شریعہ بورڈ

ڈاکٹر محمد طاہر منصوری
ریزیڈنٹ شریعہ بورڈ ممبر

مفتی محمد زاہد
چیئرمین شریعہ بورڈ

مفتی ذاکر حسن نعمانی
ممبر شریعہ بورڈ

مورخہ: 12 فروری 2025

ANNEXURE–2
AS AT DECEMBER 31, 2024

The Bank is operating 198 Islamic banking branches (including 4 sub-branches) as at December 31, 2024 as compared to 140 Islamic banking branches (including 3 sub-branches) at year ended December 31, 2023.

Rupees in '000	Note	2024	2023
Assets			
Cash and balances with treasury banks		11,820,698	9,944,209
Balances with other banks		209,093	114,710
Due from financial Institutions	1	4,567,619	–
Investments	2	82,416,700	51,493,187
Islamic financing and related assets – net	3	67,531,260	115,601,156
Property and equipment		1,217,567	2,074,852
Right–of–use assets		2,894,186	–
Other assets		11,271,226	11,787,572
Total assets		181,928,349	191,015,686
Liabilities			
Bills payable		8,005,916	1,206,806
Due to financial institutions	4	5,543,557	5,535,843
Deposits and other accounts	5	135,125,206	118,670,004
Due to head office		–	41,500,000
Other liabilities		8,282,944	7,125,016
		156,957,623	174,037,669
Net Assets		24,970,726	16,978,017
Represented By			
Islamic Banking Fund		4,600,000	4,600,000
Surplus / (deficit) on revaluation of assets		1,100,268	(1,500,789)
Unappropriated profit	6	19,270,458	13,878,806
		24,970,726	16,978,017
Contingencies and Commitments	7	27,012,469	26,459,326

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

Rupees in '000	Note	2024	2023
Profit / return earned	8	30,903,448	25,921,748
Profit / return expensed	9	19,858,921	15,935,413
Net Profit / return		11,044,527	9,986,335
Other income			
Fee and Commission Income		433,036	354,543
Dividend Income		9,559	19,017
Foreign Exchange Income		317,674	263,320
Gain on securities		6,598	7,449
Other Income		210,275	107,031
Total other income		977,142	751,360
Total Income		12,021,669	10,737,695
Other expenses			
Operating expenses		4,273,137	3,364,115
Other charges		1,262	4,220
Total other expenses		4,274,399	3,368,335
Profit before credit loss allowance / provision		7,747,270	7,369,360
Credit loss allowance / provision and write offs - net		759,813	13,830
Profit before taxation		6,987,457	7,355,530

Rupees in '000	2024 In local currency	2024 In foreign currencies	2024 Total	2023 In local currency	2023 In foreign currencies	2023 Total
1 DUE FROM FINANCIAL INSTITUTIONS						
Unsecured	1,500,000	–	1,500,000	–	–	–
Bai Muajjal Receivable from other Financial Institutions	3,068,218	–	3,068,218	–	–	–
	4,568,218	–	4,568,218	–	–	–
Less: Credit Loss Allowance						
Stage 1	599	–	599	–	–	–
Due from financial institutions – net of credit loss allowance	4,567,619	–	4,567,619	–	–	–

Rupees in '000	2024 Cost / amortized cost	2024 Credit loss allowance	2024 Surplus / (deficit)	2024 Carrying value	2023 Cost / amortized cost	2023 Provision for diminution	2023 Surplus / (deficit)	2023 Carrying value
2 INVESTMENTS BY SEGMENTS:								
Debt Instruments								
Classified / Measured at amortised cost / Held to maturity								
Non Government Debt Securities	110,000	(110,000)	–	–	110,000	(110,000)	–	–
Classified / Measured at Fair value through other comprehensive income / Available for sale								
Federal Government Securities:								
– Ijarah Sukuks	71,548,522	–	1,100,268	72,648,790	43,883,854	–	(1,483,551)	42,400,303
Non-Government Debt Securities	4,105,826	(155,408)	–	3,950,418	3,618,805	(419,679)	–	3,199,126
	75,654,348	(155,408)	1,100,268	76,599,208	47,502,659	(419,679)	(1,483,551)	45,599,429
Classified / Measured at Fair Value through profit and loss / Held for trading								
Non-Government Debt Securities	2,066,000	–	(25,815)	2,040,185	2,066,000	–	(18,040)	2,047,960
Islamic Naya Pakistan Certificates	3,668,096	–	–	3,668,096	3,744,996	–	–	3,744,996
Units of Open end Mutual Fund	100,000	–	9,211	109,211	100,000	–	802	100,802
Total investments	81,598,444	(265,408)	1,083,664	82,416,700	53,523,655	(529,679)	(1,500,789)	51,493,187

Rupees in '000	2024 Stage 1	2024 Stage 2	2024 Stage 3	2024 Total	2023 Stage 1	2023 Stage 2	2023 Stage 3	2023 Total
2.1 Particulars of credit loss allowance / provision								
Non Government Debt Securities	5,408	–	260,000	265,408	–	–	529,679	529,679
	5,408	–	260,000	265,408	–	–	529,679	529,679

ANNEXURE–2
AS AT DECEMBER 31, 2024

Rupees in '000	2024	2023
3. ISLAMIC FINANCING AND RELATED ASSETS		
Ijarah – note 3.1	4,086,226	4,681,429
Murabaha – note 3.2	6,412,849	6,138,282
Musharaka	11,380,383	55,026,157
Diminishing Musharaka	22,577,271	22,818,065
Salam	7,746,593	10,275,161
Istisna	5,985,000	9,883,300
Receivable against Sale of Istisna/Salam Inventory	1,802,497	809,800
Service Ijarah	2,076,088	2,364,132
Wakalah	1,427,744	780,967
Other Islamic Modes (Qard)	1,497,385	1,927,577
Advances against Islamic assets – note 3.3	4,107,973	1,509,338
Inventory related to Islamic financing – note 3.4	2,706,498	1,339,568
Gross Islamic financing and related assets	71,806,507	117,553,776
Less: Credit loss allowance / provision against Islamic financing		
– Stage 1	152,428	–
– Stage 2	79,586	–
– Stage 3	4,043,233	–
– Specific provision	–	1,925,225
– General provision	–	27,395
	4,275,247	1,952,620
Islamic financing and related assets – net of Credit loss allowance / provision	67,531,260	115,601,156

3.1 Ijarah

Rupees in '000	2024 Cost: As at January 1, 2024	Additions	(Deletions)	As at December 31, 2024	Depreciation: As at January 1, 2024	Charge for the year	Adjustments / (deletions)	As at December 31, 2024	Book value: As at December 31, 2024
Plant and machinery	1,692,726	300,000	–	1,992,726	293,691	285,347	–	579,038	1,413,688
Vehicles	5,240,633	947,355	(1,763,766)	4,424,222	2,040,658	589,186	(799,977)	1,829,867	2,594,355
Equipment	33,885	–	(33,885)	–	29,649	847	(30,496)	–	–
Total	6,967,244	1,247,355	(1,797,651)	6,416,948	2,363,998	875,380	(830,473)	2,408,905	4,008,043

Rupees in '000	2023 Cost: As at January 1, 2023	Additions	(Deletions)	As at December 31, 2023	Depreciation: As at January 1, 2023	Charge for the year	Adjustments / (deletions)	As at December 31, 2023	Book value: As at December 31, 2023
Plant and machinery	725,956	1,635,396	(668,626)	1,692,726	213,005	223,308	(142,622)	293,691	1,399,035
Vehicles	6,475,112	638,324	(1,872,803)	5,240,633	2,146,357	811,327	(917,026)	2,040,658	3,199,975
Equipment	33,885	–		33,885	19,484	10,165	–	29,649	4,236
Total	7,234,953	2,273,720	(2,541,429)	6,967,244	2,378,846	1,044,800	(1,059,648)	2,363,998	4,603,246

Net Investment Under Ijarah

Rupees in '000	2024 Not later than 1 year	Later than 1 year and less than 5 years	Over 5 years	Total	2023 Not later than 1 year	Later than 1 year and less than 5 years	Over 5 years	Total
Minimum Ijarah payments	81,824	–	–	81,824	81,824	–	–	81,824
Profit for future periods	(3,641)	–	–	(3,641)	(3,641)	–	–	(3,641)
Net Assets / Investments in Ijarah	78,183	–	–	78,183	78,183	–	–	78,183

Rupees in '000	2024 Not later than 1 year	2024 Later than 1 year and less than 5 years	2024 Over 5 years	2024 Total	2023 Not later than 1 year	2023 Later than 1 year and less than 5 years	2023 Over 5 years	2023 Total
Future Ijarah rentals receivable	164,582	2,947,273	572,228	3,684,083	150,961	3,675,379	607,652	4,433,992

Rupees in '000		Note	2024	2023
3.2	**Murabaha**			
	Murabaha financing	3.2.1	6,028,831	5,688,574
	Inventory for Murabaha		–	–
	Advances for Murabaha		384,018	449,708
			6,412,849	6,138,282
3.2.1	Murabaha receivable – gross	3.2.3	6,399,936	6,199,015
	Less: Deferred Murabaha income	3.2.4	129,627	207,365
	Profit receivable shown in other assets		241,478	303,076
	Murabaha financing		6,028,831	5,688,574
3.2.2	The movement in Murabaha financing during the year is as follows:			
	Opening balance		5,688,574	4,078,826
	Sales during the year		14,751,909	13,945,555
	Adjusted during the year		(14,411,652)	(12,335,807)
	Closing balance		6,028,831	5,688,574
3.2.3	Murabaha sale price		6,399,936	6,199,015
	Murabaha purchase price		(6,028,831)	(5,688,574)
			371,105	510,441
3.2.4	Deferred Murabaha income			
	Opening balance		207,365	110,584
	Arising during the year		984,978	1,210,296
	Less: Recognised during the year		1,062,716	1,113,515
	Closing balance		129,627	207,365

3.3 Advance against Islamic assets

Rupees in '000	Ijarah	Musawamah	Diminishing Musharaka	Salam	Istisna	Total
2024	208,120	–	3,899,853	–	–	4,107,973
2023	40,657	–	1,468,681	–	–	1,509,338

3.4 Inventory related to Islamic financing

Rupees in '000	Ijarah	Musawamah	Diminishing Musharaka	Salam	Istisna	Total
2024	–	135,000	–	826,014	1,745,484	2,706,498
2023	–	–	–	593,003	746,565	1,339,568

Rupees in '000	Note	2024	2023
4. DUE TO FINANCIAL INSTITUTIONS			
Secured			
Musharaka from the State Bank of Pakistan under Islamic Export Refinance Facility	4.1	1,793,699	2,538,667
Investment from the State Bank of Pakistan under			
Islamic Refinance Scheme for Payment of Wages & Salaries	4.2	1,715	1,705
Islamic Temporary Economic Refinance Facility	4.2	1,198,821	2,433,936
Islamic Financing Facility for Renewable Energy	4.2	3,438	
Islamic Long Term Financing Facility	4.2	545,884	561,535
		3,543,557	5,535,843
Unsecured			
Other Musharaka	4.3	2,000,000	–
		5,543,557	5,535,843

4.1 These Musharaka are on a profit and loss sharing basis maturing between January 2025 to June 2025 and are secured against demand promissory notes executed in favour of SBP.

4.2 These Investment are on profit and loss sharing basis which has been invested in general pool of the Bank and are secured against demand promissory notes executed in favor of SBP.

4.3 This Musharaka is on profit and loss sharing basis with banks. The expected average return on this Musharaka is 11.50% (2023: Nil%) per annum. This balance is maturing in January 2025 (2023: Nil).

	2024			2023		
Rupees in '000	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
5. DEPOSITS						
Customers						
Current deposits – non remunerative	47,501,574	1,309,161	48,810,735	40,084,970	1,381,403	41,466,373
Current deposits – remunerative	1,775,224	–	1,775,224	1,210,897	–	1,210,897
Savings deposits	44,623,173	1,050,412	45,673,585	22,836,826	1,098,397	23,935,223
Term deposits	20,851,351	550,136	21,401,487	34,422,882	–	34,422,882
Others	36,844	225,654	262,498	1,169,148	342,825	1,511,973
	114,788,166	3,135,363	117,923,529	99,724,723	2,822,625	102,547,348
Financial Institutions						
Current deposits – non remunerative	416,917	–	416,917	114,330	–	114,330
Current deposits – remunerative	504,369	–	504,369	32,474	–	32,474
Savings deposits	7,924,891	–	7,924,891	333,656	–	333,656
Term deposits	8,355,500	–	8,355,500	15,642,196	–	15,642,196
	17,201,677	–	17,201,677	16,122,656	–	16,122,656
	131,989,843	3,135,363	135,125,206	115,847,379	2,822,625	118,670,004

Rupees in '000	2024	2023
5.1 Composition of deposits		
– Individuals	57,233,823	49,912,193
– Government / Public Sector Entities	23,040,169	17,388,269
– Banking Companies	28	74
– Non–Banking Financial Institutions	17,201,649	16,122,582
– Private Sector	37,649,537	35,246,886
	135,125,206	118,670,004

5.2 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 75,784,482 thousand (2023: Rs. 73,963,451 thousand).

Rupees in '000	2024	2023
6. ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT		
Opening Balance	13,878,806	6,523,276
Less: Impact of IFRS 9 – adoption	(1,595,805)	–
Add: Islamic Banking profit for the period	6,987,457	7,355,530
Closing Balance	19,270,458	13,878,806
7. CONTINGENCIES AND COMMITMENTS		
Guarantees	11,583,306	9,704,484
Commitments	15,429,163	16,754,842
	27,012,469	26,459,326
8. PROFIT / RETURN EARNED ON FINANCING, INVESTMENTS AND PLACEMENT		
Profit earned on:		
Financing	20,238,202	18,894,324
Investments	9,578,771	6,976,119
Placements	1,086,475	51,305
	30,903,448	25,921,748
9. PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		
Deposits and other accounts	12,955,595	11,397,157
Due to Financial Institutions	997,536	870,554
Due to head office	5,583,147	3,454,540
Lease liability against right–of–use assets	322,643	213,162
	19,858,921	15,935,413
10. CHARITY FUND		
Opening Balance	46,063	40,130
Additions during the period		
– Received from customers on account of delayed payment	40,848	39,463
– Non–Shariah compliant income	–	–
– Profit on charity saving account	48	32
– Others	1,026	690
	41,922	40,185
Payments / utilization during the period		
– Education	–	(5,468)
– Relief related activities	(30,000)	–
– Health	(28,489)	(24,661)
– Orphanage	–	(4,123)
	(58,489)	(34,252)
Closing Balance	29,496	46,063
10.1 Charity in excess of Rs. 500,000 was paid to following institutions:		
Prime Minister's Relief Fund for Gaza and Lebanon	30,000	–
Bali Memorial Trust, Lahore	–	3,123
Bin Qutab Foundation, Lahore	–	4,400
Dar–us–Shifa Foundation, Karachi	3,520	5,000
Hamza Foundation Welfare Hospital, Peshawar	7,764	4,154
International Islamic University, Islamabad	–	5,000
Markaz Islah Darul Aytam, Mardan	–	1,000
Pakistan Children's Heart Foundation, Lahore	10,000	–
Pakistan Thalassemia Welfare Society, Rawalpindi	4,205	4,125
Sundus Foundation, Islamabad	3,000	4,632
The Life Care Foundation (Trust), Lahore	–	2,350
	58,489	33,784

11. POOL MANAGEMENT

11.1 Bank generates deposit on the basis of following two modes:

1. Qard
2. Mudaraba

Deposits taken on Qard Basis are classified as 'Current Account' and deposits generated on Mudaraba basis are classified as 'Savings Account' and 'Fixed Deposit Accounts'.

The Bank also accepted / acquired customer and inter–bank funds, for short term liquidity requirement under Musharaka mode. Profits realized in Musharaka pools are distributed in pre agreed profit sharing ratio. Besides above, the bank also accept funds from State Bank of Pakistan in Islamic Export Refinance pool under Musharaka mode. The features, risk and reward of this Musharaka pool are in accordance with the SBP IERS scheme and circulars issued from time to time.

Asset pools are created at the Bank's discretion and the Bank can add, amend, and transfer an asset to any other pool in the interest of deposit holders. During the year following two Mudaraba based customer pools were maintained by the Bank having below mentioned key features:

a. General Pool

The objective of the pool is to invest funds on a Shariah Compliant basis and maximize profits for the Rabb–ul–Mal on a Gross Mudaraba Basis. As required under regulatory instructions, SBP funds obtained under it's various schemes are also made part of General pool. In this pool, portfolio diversification strategy has been used to mitigate the risk of loss. Diversification may marginally reduce returns but it also spreads risk by reducing chances of loss.

b. Foreign Currency Pool

The objective of the pool is to invest funds on a Shariah Compliant basis and maximize profits for the Rabb–ul–Mal i.e. depositors in foreign currency: US dollars on a Gross Mudaraba Basis. Due to dearth and limitations of foreign denominated investment opportunities available to Islamic Banks operating in Pakistan, the returns would be linked with an earning assets pool comprising of Shariah compliant assets, with reliance mainly on placement(s) with other known Islamic Financial Institutions, Islamic modes of financing, products / avenues approved by the shariah board.

Under the above Mudaraba based pools, the Bank accepted funds on Mudaraba basis from depositors (Rabb–ul–Mal) where the Bank acted as Manager (Mudarib) and invested the funds in Shariah Compliant modes of financing, investments and placements. Also, as allowed, the Bank at its discretion comingled its own funds including current accounts as equity with the depositor's funds in all the pools. However, for investment purposes, Rabb–ul–Mal's funds were given priority over own funds (equity).

The net profit of each deposit pool is calculated on all the remunerative assets booked by utilizing the funds from the pool after deduction of direct expenses as approved by Shariah Board, if any. The directly related costs comprise of depreciation on Ijarah assets, Wakalah tul Istismar fee, Brokerage fee paid for placement of funds under Islamic modes, Takaful / Insurance expense, Registration expense and Commission to car Ijarah dealers, staff & others. Expected credit loss created against financing, investments and placements shall be borne by the Bank as Mudarib. However, write-offs of financing and loss on sale of investments shall be charged to respective pool(s) along with other direct expenses. ECL/write offs shall revert to Mudarib / pool(s) to which it was originally charged. From the net return, profit is paid to the Mudarib in the ratio of Mudarib's equity in the pool to the total pool. The Mudarib's share is deducted from this profit to calculate distributable profit. Rabb-ul-Mal's share is distributed among depositors according to weightages assigned at the inception of profit calculation period.

In order to remain competitive in the industry and to retain existing customer / mobilize deposits from new customers, the Bank as a Mudarib distributed part of its share of profit to Rabb–ul–Mal as HIBA.

Income generated from banking operations (e.g. fee and commission income etc.) is not shared with depositors.

In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of Investments.

Notional Impact of IFRS-9 is not included in pool management.

11.2 The Bank managed following General and Specific Pools :

						2024				
Mudaraba pool	Pool currency	Profit rate and weightage announcement period	Profit sharing ratio	Profit rate / return earned	Profit rate / return distributed	Minimum weightage during the year	Maximum weightage during the year	Mudarib share	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba
								Rupees		Rupees
General Pool	PKR	Monthly	50%	17.16%	10.84%	0.57	1.95	4,067,550,845	26.34%	1,071,485,064
Foreign Currency Pool	USD	Monthly	50%	5.91%	3.54%	0.52	2.55	36,962,644	22.14%	8,182,680

						2023				
Mudaraba pool	Pool currency	Profit rate and weightage announcement period	Profit sharing ratio	Profit rate / return earned	Profit rate / return distributed	Minimum weightage during the year	Maximum weightage during the year	Mudarib share	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba
								Rupees		Rupees
General Pool	PKR	Monthly	50%	16.95%	10.55%	0.57	1.95	3,071,027,977	25.62%	786,931,234
Foreign Currency Pool	USD	Monthly	50%	4.88%	2.46%	0.40	2.11	25,431,369	0.00%	-

						2024				
Musharaka pool	Pool currency	Profit rate and weightage announcement period	Profit sharing ratio	Profit rate / return earned	Profit rate / return distributed	Minimum weightage during the year	Maximum weightage during the year	Mudarib share	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba
Interbank borrowing pool	PKR	As required	*	8.37% - 23.80%	11.50 % - 21.75 %	-	-	-	N/A	N/A
IERS pool	PKR	Monthly	*	19.84%	16.48%	-	-	-	N/A	N/A
Special Musharaka Certificate pool	PKR	As required	*	8.37% - 24.20%	3.30% - 21.70%	-	-	-	N/A	N/A

						2023				
Musharaka pool	Pool currency	Profit rate and weightage announcement period	Profit sharing ratio	Profit rate / return earned	Profit rate / return distributed	Minimum weightage during the year	Maximum weightage during the year	Mudarib share	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba
Interbank borrowing pool	PKR	As required	*	9.70% - 25.84%	13.75% - 22.00%	-	-	-	N/A	N/A
IERS pool	PKR	Monthly	*	17.91%	14.68%	-	-	-	N/A	N/A
Special Musharaka Certificate pool	PKR	As required	*	9.70% - 25.84%	3.30% - 21.50%	-	-	-	N/A	N/A

* The investment ratio and profit sharing ratio varies on case to case/monthly basis

11.3 Maturity profile of funds mobilised under various modes:

Rupees in '000 — **2024**

Type	Currency	Mode	Upto 1 month	Over 1 month upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 2 years	Over 2 years upto 3 years	Over 3 years upto 5 years	Over 5 years upto 10 years	Over 10 years	Total
Fixed deposit account	PKR	Mudaraba	1,395,034	865,181	570,142	4,060,756	16,511	38,729	47,998	–	–	6,994,351
Fixed deposit account	USD	Mudaraba	–	550,136	–	–	–	–	–	–	–	550,136
Savings account	PKR	Mudaraba	3,837,937	–	–	–	12,747,430	12,747,430	12,747,430	10,926,369	1,821,061	54,827,657
Savings account	USD	Mudaraba	73,527	–	–	–	244,221	244,221	244,221	209,333	34,889	1,050,412
SBP Funds against Various Schemes	PKR	Mudaraba	24,754	23,440	367	–	573,826	573,826	573,826	491,851	81,973	2,343,863
Musharaka funds from HO	PKR	Musharaka	–	–	–	–	–	–	–	–	–	–
Interbank borrowing	PKR	Musharaka	2,000,000	–	–	–	–	–	–	–	–	2,000,000
Special Musharaka Certificate	PKR	Musharaka	17,298,235	3,994,808	387,500	531,957	–	–	–	–	–	22,212,500
IERS borrowing from SBP	PKR	Musharaka	1,076,220	614,982	102,496	–	–	–	–	–	–	1,793,698
			25,705,707	6,048,547	1,060,505	4,592,713	13,581,988	13,604,206	13,613,475	11,627,553	1,937,923	91,772,617

Rupees in '000 — 2023

Type	Currency	Mode	Upto 1 month	Over 1 month upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 2 years	Over 2 years upto 3 years	Over 3 years upto 5 years	Over 5 years upto 10 years	Over 10 years	Total
Fixed deposit account	PKR	Mudaraba	1,055,818	868,449	692,559	5,503,720	32,076	16,511	61,128	–	–	8,230,261
Fixed deposit account	USD	Mudaraba	–	–	–	–	–	–	–	–	–	–
Savings account	PKR	Mudaraba	1,708,970	–	–	–	5,676,221	5,676,221	5,676,221	4,865,331	810,889	24,413,853
Savings account	USD	Mudaraba	76,889	–	–	–	255,377	255,377	255,377	218,895	36,482	1,098,397
SBP Funds against Various Schemes	PKR	Mudaraba	31,282	29,969	365	–	733,890	733,890	733,890	629,049	104,841	2,997,176
Musharaka funds from HO	PKR	Musharaka	41,500,000	–	–	–	–	–	–	–	–	41,500,000
Interbank borrowing	PKR	Musharaka	–	–	–	–	–	–	–	–	–	–
Special Musharaka Certificate	PKR	Musharaka	17,840,230	19,285,044	2,589,602	2,119,941	–	–	–	–	–	41,834,817
IERS borrowing from SBP	PKR	Musharaka	1,523,200	870,400	145,067	–	–	–	–	–	–	2,538,667
			63,736,389	21,053,862	3,427,593	7,623,661	6,697,564	6,681,999	6,726,616	5,713,275	952,212	122,613,171

Rupees in '000	**2024**	2023
11.4 Class of assets by sources of financing:		
Jointly financed by the Bank and PLS deposit account holders.		
Murabaha	6,028,831	5,688,574
Musawamah	135,000	–
Ijarah	6,156,324	7,034,127
Diminishing Musharaka	22,865,990	21,996,181
Salam	3,527,674	10,868,164
Musharaka	11,380,383	55,026,157
Istisna	4,000,051	10,629,866
Wakalah	1,427,744	780,967
Receivables against sale of Salam/Istisna inventory	1,802,497	809,800
Other Islamic mode (Qard)	1,157,780	1,732,065
Balances with other & treasury banks	9,061,217	7,494,287
Sukuk	77,570,348	49,148,983
Open end mutual fund (NIT–IMMF)	100,000	100,802
Due from financial institutions	4,568,218	–
Islamic Naya Pakistan Certificates	3,668,096	3,744,996
	153,450,153	175,054,969

11.5 Sectors of economy used for deployment of Mudarba based PKR deposits alongwith equity

	2024		2023	
	Rupees in '000	Percent	Rupees in '000	Percent
Agriculture / Agri business	1,463,196	1.20	1,712,963	2.14
Automobiles & Allied	1,914,910	1.57	1,460,122	1.82
Cables / Electronics	525,752	0.43	626,438	0.78
Cements	320,831	0.26	467,287	0.58
Chemicals / Pharmaceuticals	5,517,833	4.52	4,127,054	5.16
Education	177,175	0.15	250,000	0.31
Fertilizers	2,090	0.00	23,871	0.03
Financial	7,193,035	5.89	2,513,036	3.14
Food and Allied	1,863,959	1.53	7,062,712	8.82
Fuel / Energy	1,400,000	1.15	92,106	0.12
Ghee and Edible Oil	2,289,522	1.88	–	–
Glass and Ceramics	174,216	0.14	152,809	0.19
GOP Ijarah Sukuk	48,320,767	39.59	14,080,990	17.59
GOP Islamic Naya Pakistan Certificates	2,606,524	2.14	2,130,235	2.66
Individuals	2,724,298	2.23	3,486,543	4.36
Investment Banks / Scheduled Banks	1,925,610	1.58	847,140	1.06
Open end Mutual Funds	100,000	0.08	100,802	0.13
Iron / Steel	3,441,873	2.82	3,427,319	4.28
Leather Products and Shoes	326,076	0.27	20,700	0.03
Modarabas	39,292	0.03	113,252	0.14
Paper and Board	503,307	0.41	555,592	0.69
Production and transmission of energy	1,238,023	1.01	2,396,405	2.99
Real Estate / Construction	7,730,104	6.33	6,996,689	8.74
Rice Processing and trading	99,400	0.08	–	–
Services (Other than Financial, Hoteling & Traveling)	400,318	0.33	20,674	0.03
Sugar	3,445,205	2.82	11,157,840	13.94
Textile	8,596,843	7.04	8,277,139	10.34
Transport and communication	395,409	0.32	336,049	0.42
Public sector / Government	11,339,439	9.29	7,464,265	9.32
Others	5,976,790	4.90	149,312	0.19
	122,051,797	100.00	80,049,344	100.00

11.6 Sectors of economy used for deployment of Mudarba based USD deposits alongwith equity

	2024		2023	
	Rupees in '000	Percent	Rupees in '000	Percent
Investment Banks / Scheduled Banks	604,063	32.39	291,741	14.39
Textile	23,342	1.25	–	–
GOP Islamic Naya Pakistan Certificates	1,061,572	56.92	1,614,761	79.65
Public sector / Government	176,060	9.44	120,824	5.96
	1,865,037	100.00	2,027,326	100.00

CONSOLIDATED
FINANCIAL STATEMENTS
ASKARI BANK LIMITED
FOR THE YEAR ENDED DECEMBER 31, 2024

KPMG Taseer Hadi & Co.
Chartered Accountants
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Lahore 54000 Pakistan
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASKARI BANK LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed consolidated financial statements of Askari Bank Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2024 and the consolidated statement of profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

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

KPMG Taseer Hadi & Co.

Following is the Key Audit Matter:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	**Credit loss allowance against advances and off-balance sheet items**	
	Refer to notes 10 and 22, and the accounting policy in note 5.1.2 to the consolidated financial statements. As at 31 December 2024, the Bank's Credit loss allowance against advances and off-balance sheet items stands at Rs. 37,315 million and Rs. 756 million, respectively. As per the BPRD Circular No. 07 of 2023, the Bank adopted requirements of IFRS 9 along with the Application Instructions issued by State Bank of Pakistan (SBP) (hereafter referred to as "application instruction of IFRS 9") from 1 January 2024 which requires the Bank to recognize Expected Credit Losses (ECL) on advances and off-balance sheet items. The estimation of ECL, involves judgement and complexity. The key areas which are subject to complexity and judgement in the estimation of ECL are: • Model estimations – judgmental modelling and assumption are used to estimate ECL which involves determining Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD). Respective models assumptions are key driver of uncertainty, and are required in the application of these model for calculation of the ECL estimate. • Economic scenarios – IFRS 9 requires the Bank to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Complex Statistical methodology is applied in determining the forward-looking economic scenarios used as an input to calculate ECL, the associated scenario probability weightings, and the key economic variables that drive the scenarios. • Qualitative criteria – the criteria selected to identify a SICR involves judgment and can lead to unreliable ECL recognized for certain portfolios.	Our audit procedures, amongst others, included the following: • Performing risk assessment procedures over the credit loss allowance against advances and off-balance sheet exposure within the Bank's consolidated financial statement. As part of these risk assessment procedures, identifying the elements associated with risk of material misstatement on application including those arising from judgements over the estimation of ECL either due to, methods / models, assumptions or data. • Assessing the design and implementation of key controls established by the Bank over measurement of ECL and provision calculated as per PR. • We involved in-house specialist who assisted in the following: - Evaluating the Bank's ECL model methodologies for compliance with application instructions of IFRS 9; - Assessing the reasonableness of the Bank's methodology for determining the economic scenarios used and the probability weightings applied to them by independently validating and challenging the assumption, methodologies, and outputs of the models; - Assessing the reasonableness of macro-economic variables and economic forecasts by comparing these to external sourced data extracted; and - Performing independent testing of the Expected Credit Loss (ECL) allowance on a sample basis. • Assessing the appropriateness of SICR criteria applied by the Bank by ensuring that the SICR criteria and staging methodology are consistent with the application instructions of IFRS 9. • Ensuring relevance and completeness of the key inputs into the ECL calculations with their respective sub-ledgers and general ledgers. • Performing testing on sample basis over key inputs into the ECL calculations with their respective source documents.

S. No.	Key Audit Matters	How the matter was addressed in our audit
	In line with the application instructions of IFRS 9, the Bank must compare the ECL for Stage 3 with the provision determined under the Prudential Regulations (PR) issued by the SBP. The PR requires specific provisioning against advances on the basis of time-based criteria which should be supplemented by a Bank's subjective evaluation of credit worthiness of customers. The determination of provision, therefore, involves use of management's judgement, on a case-to-case basis, taking into account factors such as the economic and business conditions, borrowers' repayment behaviors and realizability of collateral held by the Bank. Because of the high degree of estimation uncertainty and complexity involved in the calculation of ECL we considered the area of ECL as a key audit matter.	• In accordance with the PR, we sampled at least sixty percent of the total advances outstanding exposure and performed credit reviews through the following substantive procedures: - verifying repayments of principal and markup and checked that non-performing advances have been correctly classified and categorized based on the number of days overdue; - examining watch list accounts and, based on review of the individual facts and circumstances, discussions with management and our assessment of financial conditions of the borrowers, formed a judgement as to whether classification of these accounts as performing was appropriate; and - assessing the accuracy of specific provision made against non-performing advances in accordance with the criteria prescribed under the PRs by performing recalculation. • Assessing the appropriateness of ECL categorized as Stage 3 by performing a comparison of ECL computed, through the use of methodology and models with the provision required to be computed as required under the PR to ensure that an amount which is higher of the ECL and PR requirements is appropriately recognized for these stage 3 customers pursuant to the requirement of application instructions of IFRS 9. • Evaluating the adequacy of the consolidated financial statement disclosures.

KPMG Taseer Hadi & Co.

Information Other than the Consolidated and Unconsolidated Financial Statements and Auditor's Reports Thereon

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

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

The engagement partner on the audit resulting in this independent auditor's report is M. Rehan Chughtai.

Lahore

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: March 2, 2025

UDIN: AR2024101836yPAMz3rS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

Rupees in '000	Note	2024	2023
Assets			
Cash and balances with treasury banks	6	133,535,448	160,087,467
Balances with other banks	7	12,958,886	14,761,177
Lendings to financial institutions	8	4,567,619	–
Investments	9	1,509,368,801	1,182,497,658
Advances	10	695,692,118	633,046,149
Property and equipment	11	21,834,904	18,707,443
Right of use assets	12	12,196,186	8,312,812
Intangible assets	13	1,849,778	1,860,747
Assets held for sale	14	1,750,000	1,750,000
Deferred tax assets	15	–	8,065,412
Other assets	16	107,627,956	96,684,170
Total Assets		2,501,381,696	2,125,773,035
Liabilities			
Bills payable	17	66,704,448	12,394,336
Borrowings	18	869,212,410	643,362,665
Deposits and other accounts	19	1,362,850,503	1,292,794,706
Lease liabilities	20	14,174,653	9,699,474
Subordinated debts	21	12,000,000	12,000,000
Deferred tax liabilities	15	737,821	–
Other liabilities	22	53,291,573	57,826,193
Total Liabilities		2,378,971,408	2,028,077,374
Net assets		122,410,288	97,695,661
Represented By			
Share capital	23	14,492,992	14,492,992
Reserves		74,690,127	57,855,752
Surplus on revaluation of assets – net of tax	24	16,235,737	4,458,455
Unappropriated profit		16,522,092	20,511,764
Non–controlling interest		469,340	376,698
		122,410,288	97,695,661
Contingencies and Commitments	25		

The annexed notes 1 to 50 and Annexures I and II form an integral part of these consolidated financial statements.

Chief Financial Officer	President & CEO	Director	Director	Chairman

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

Rupees in '000	Note	2024	2023
Mark–up / return / interest earned	27	401,257,754	305,634,875
Mark–up / return / interest expensed	28	337,603,215	246,184,226
Net mark–up / interest income		63,654,539	59,450,649
Non mark–up / interest income			
Fee and commission income	29	7,553,247	7,310,000
Dividend income		828,952	711,930
Foreign exchange income		4,079,139	3,896,622
Income / (loss) from derivatives		–	–
Gain on securities	30	2,875,039	780,698
Other income	31	692,012	564,383
Total non–markup / interest income		16,028,389	13,263,633
Total income		79,682,928	72,714,282
Non mark–up / interest expenses			
Operating expenses	32	35,990,556	28,786,370
Workers' welfare fund		550,236	533,110
Other charges	33	72,041	245,543
Total non–markup / interest expenses		36,612,833	29,565,023
Profit before credit loss allowance / provisions		43,070,095	43,149,259
Credit loss allowance / provisions and write offs – net	34	(1,799,385)	966,361
Other income / expense		–	–
Profit before taxation		44,869,480	42,182,898
Taxation	35	(23,612,925)	(20,642,489)
Profit after taxation		21,256,555	21,540,409
Profit attributable to			
Non–controlling interest		118,861	51,817
Equity holders of the Bank		21,137,694	21,488,592
		21,256,555	21,540,409
		(Rupees)	
Basic and diluted earnings per share	36	14.58	14.83

The annexed notes 1 to 50 and Annexures I and II form an integral part of these consolidated financial statements.

Chief Financial Officer | President & CEO | Director | Director | Chairman

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

Rupees in '000	Note	2024	2023
Profit after taxation for the year		21,256,555	21,540,409
Other comprehensive income			
Items that may be reclassified to profit and loss account in subsequent periods:			
Effect of translation of net investment in wholesale bank branch Bahrain		(50,182)	719,284
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI – net of tax		8,463,807	1,184,212
		8,413,625	1,903,496
Items that will not be reclassified to profit and loss account in subsequent periods:			
Remeasurement gain on defined benefit plan	39.8.2	809,660	277,917
Movement in surplus on revaluation of equity investments through FVOCI – net of tax		1,641,903	–
Reversal of deferred tax liability recognized in previous year	15	–	65,004
Movement in surplus on revaluation of non–banking assets	16.4.1	142,282	126,715
		2,593,845	469,636
Total comprehensive income		32,264,025	23,913,541
Total comprehensive income attributable to			
Non–controlling interest		120,865	51,817
Equity holders of the Bank		32,143,160	23,861,724
		32,264,025	23,913,541

The annexed notes 1 to 50 and Annexures I and II form an integral part of these consolidated financial statements.

Chief Financial Officer	President & CEO	Director	Director	Chairman

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

							Surplus / (deficit) on revaluation of				
Rupees in '000	Share capital	Share premium account	Exchange translation reserve	Merger reserve	Statutory reserve	General reserve	Investments	Property and equipment / Non banking assets	Un-appropriated profit / (loss)	Non-Controlling interest	Total
Balance as at January 1, 2023	12,602,602	234,669	1,192,942	–	15,605,063	26,340,921	(7,549,155)	11,501,511	13,403,870	–	73,332,423
Total comprehensive income for the year ended December 31, 2023											
Profit after taxation for the year ended December 31, 2023	–	–	–	–	–	–	–	–	21,488,592	51,817	21,540,409
Other comprehensive income	–	–	719,284	–	–	–	1,181,925	126,715	341,669	3,539	2,373,132
Transfer to:											
Statutory reserve	–	–	–	–	2,143,466	–	–	–	(2,143,466)	–	–
General reserve	–	–	–	–	–	13,381,442	–	–	(13,381,442)	–	–
	–	–	–	–	2,143,466	13,381,442	–	–	(15,524,908)	–	–
Transfer from surplus on revaluation of assets to unappropriated profit on disposal	–	–	–	–	–	–	–	(802,541)	802,541	–	–
Transaction with owners, recorded directly in equity											
Bonus shares issued	1,890,390	(234,669)	–	–	–	(1,655,721)	–	–	–	–	–
Acquisition of subsidiary	–	–	–	128,355	–	–	–	–	–	321,342	449,697
Balance as at December 31, 2023	14,492,992	–	1,912,226	128,355	17,748,529	38,066,642	(6,367,230)	10,825,685	20,511,764	376,698	97,695,661
Effect of reclassification / remeasurement on adoption of IFRS 9 (net of tax)	–	–	–	–	–	–	1,751,597	–	223,613	–	1,975,210
Effect of adoption of IFRS 9 – ECL (net of tax)	–	–	–	–	–	–	–	–	(5,873,135)	–	(5,873,135)
Balance as at January 1, 2024 – restated	14,492,992	–	1,912,226	128,355	17,748,529	38,066,642	(4,615,633)	10,825,685	14,862,242	376,698	93,797,736
Total comprehensive income for the year ended December 31, 2024											
Profit after taxation for the year ended December 31, 2024	–	–	–	–	–	–	–	–	21,137,694	118,861	21,256,555
Other comprehensive income	–	–	(50,182)	–	–	–	10,105,710	142,282	807,654	2,005	11,007,469
Transfer to:											
Statutory reserve	–	–	–	–	2,102,267	–	–	–	(2,102,267)	–	–
General reserve	–	–	–	–	–	14,782,290	–	–	(14,782,290)	–	–
	–	–	–	–	2,102,267	14,782,290	–	–	(16,884,557)	–	–
Gain on disposal of equity instruments measured at FVOCI – net of tax	–	–	–	–	–	–	(222,307)	–	222,307	–	–
Transaction with owners, recorded directly in equity											
Final dividend 2023: Rs. 2.5 per share	–	–	–	–	–	–	–	–	(3,623,248)	(28,224)	(3,651,472)
Balance as at December 31, 2024	14,492,992	–	1,862,044	128,355	19,850,796	52,848,932	5,267,770	10,967,967	16,522,092	469,340	122,410,288

The annexed notes 1 to 50 and Annexures I and II form an integral part of these consolidated financial statements.

Chief Financial Officer   President & CEO   Director   Director   Chairman

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

Rupees in '000	Note	**2024**	2023
Cash flow from operating activities			
Profit before taxation		44,869,480	42,182,898
Less: dividend income		(828,952)	(711,930)
		44,040,528	41,470,968
Adjustments:			
Depreciation		1,413,340	990,509
Amortization		216,856	181,584
Depreciation on ROU assets		2,258,248	1,722,707
Interest expense on lease liability against ROU assets		1,544,722	1,061,886
Gain on termination of lease contracts under IFRS 16, Leases		(31,978)	(13,731)
Charge for defined benefit plans		573,453	501,872
Credit loss allowance & write offs – net	34	(1,678,906)	1,093,302
Unrealized gain on revaluation of securities – FVTPL		(1,075,063)	(22,049)
Gain on sale of property and equipment		(43,029)	(25,960)
		3,177,643	5,490,120
		47,218,171	46,961,088
(Increase) / decrease in operating assets			
Lendings to financial institutions		(4,538,497)	436,656
Net investment in securities classified as FVTPL / HFT		(702,378)	(69,721)
Advances		(72,156,819)	(50,500,270)
Other assets		(6,608,331)	(36,533,025)
		(84,006,025)	(86,666,360)
Increase / (decrease) in operating liabilities			
Bills payable		54,310,112	515,773
Borrowings from financial institutions		225,849,745	409,930,576
Deposits		70,055,797	150,220,100
Other liabilities		(5,292,026)	13,296,611
		344,923,628	573,963,060
		308,135,774	534,257,788
Payment made to defined benefit plan		(167,320)	(275,748)
Income tax paid		(25,569,990)	(18,582,802)
Net cash flow generated from operating activities		282,398,464	515,399,238
Cash flow from investing activities			
Net investment in securities classified as FVOCI / AFS		(320,900,197)	(474,811,526)
Net investment in securities measured at amortized cost / HTM		20,545,362	56,059,165
Acquisition of subsidiary		–	585,750
Dividend received		827,287	712,463
Investments in property and equipment		(4,024,711)	(2,007,985)
Investments in intangible assets		(316,662)	(699,639)
Proceeds from non–banking assets		–	751,400
Proceeds from sale of property and equipment		61,691	39,285
Effect of translation of net investment in wholesale banking branch		(50,182)	719,284
Net cash flow used in investing activities		(303,857,412)	(418,651,803)
Cash flow from financing activities			
Payments against lease liabilities under IFRS 16		(3,309,401)	(2,523,755)
Dividends paid		(3,586,808)	(2,226)
Net cash flow used in financing activities		(6,896,209)	(2,525,981)
(Decrease) / increase in cash and cash equivalents		(28,355,157)	94,221,454
Cash and cash equivalents at beginning of the year		174,848,644	80,627,190
Cash and cash equivalents at end of the year	37	146,493,487	174,848,644

The annexed notes 1 to 50 and Annexures I and II form an integral part of these consolidated financial statements.

Chief Financial Officer | President & CEO | Director | Director | Chairman

1 STATUS AND NATURE OF BUSINESS

The Group consists of Askari Bank Limited, the holding company, Foundation Securities Limited, a 51% owned subsidiary and Askari Currency Exchange (Private) Limited, a 100% owned subsidiary.

Askari Bank Limited (the Bank) was incorporated in Pakistan on October 9, 1991 as a Public Limited Company and is listed on the Pakistan Stock Exchange. The registered office of the Bank is situated at AWT Plaza, the Mall, Rawalpindi. The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962. The Fauji Consortium: comprising of Fauji Foundation (FF), Fauji Fertilizer Company Limited (FFCL) and Fauji Fertilizer Bin Qasim Limited (FFBL) collectively owned 71.91 (2023: 71.91) percent shares of the Bank. The ultimate parent of the Bank is Fauji Foundation. During the year ended December 31, 2024, FFBL has been amalgamated into FFCL. Consequently, the Fauji consortium now consists of only FF and FFCL which collectively owns 71.9%. The Bank has 720 branches (2023: 660 branches); 719 in Pakistan and Azad Jammu and Kashmir including 198 (2023: 137) Islamic Banking branches and 68 (2023: 63) sub–branches and a Wholesale Bank Branch (WBB) in the Kingdom of Bahrain.

The Honorable Sindh High Court vide its order dated March 13, 2023 approved the scheme of arrangement for amalgamation of Askari Securities Limited (ASL) inclusive of all properties, assets, rights, liabilities, trademarks, patents and obligations with and into Foundation Securities (Private) Limited (FSL), wholly owned by Fauji Foundation, as of the effective date of scheme i.e. July 01, 2021 against issuance of 27,140,000 ordinary shares of Rs. 10 each of FSL at par value (1.18 shares of FSL) against 1 share of ASL held by the Bank.

Earlier, the amalgamation was approved by the State Bank of Pakistan subject to the Bank holding atleast 51% equity stake in the post amalgamated FSL. Accordingly, subsequent to merger the Bank acquired 2,236,031 ordinary shares of Rs. 10 each of FSL to hold 51% equity stake in FSL.

The Bank lost the control on 1 July 2021 and derecognized the assets and liabilities of ASL against the consideration received in the form of shares of FSL as per requirements of IFRS.

Foundation Securities (Private) Limited (FSL) was incorporated in Pakistan on January 18, 2005 under the repealed Companies Ordinance, 1984 as a private limited company. The Group holds 51% Ordinary Shares of FSL. The principal activity includes equity and commodity brokerage, equity research and corporate financial advisory services. The registered office of FSL is situated in Karachi.

Askari Currency Exchange (Private) Limited was incorporated in Pakistan on April 18, 2024 under the Companies Act 2017 (XIX of 2017) as a private limited Company. The company is principally engaged in currency exchange services.

2 BASIS OF PRESENTATION AND CONSOLIDATION

These consolidated financial statements have been presented in accordance with the requirements of format prescribed by the State Bank of Pakistan's BPRD Circular No. 2 dated February 9, 2023 with further addition made vide BPRD Circular Letter No. 13 of 2024, dated 01 July 2024 and accounting and financial reporting standards as applicable in Pakistan.

In accordance with the directives of the Federal Government regarding shifting of the banking system to Islamic modes, the SBP has issued various circulars from time to time. One permissible form of trade related mode of financing comprises of purchase of goods by the Group from its customers and resale to them at appropriate mark–up in price on a deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these consolidated financial statements as such but are restricted to the amount of facilities actually utilized and the appropriate portion of profit thereon.

The financial results of the Islamic banking branches have been consolidated in these consolidated financial statements for reporting purposes, after eliminating material inter–branch transactions / balances. Key figures of the Islamic banking branches are disclosed in Annexure – II to these consolidated financial statements.

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. The consolidated financial statements are presented in Pak. Rupee, which is the Group's functional and presentation currency. Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

The consolidated financial statements include the financial statements of the Bank and its subsidiaries, FSL and ACEL with 51% (2023: 51%) and 100% (2023: nil) holding respectively. They are collectively referred to as "the Group".

Subsidiary is that enterprise in which the holding company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has the power to elect and appoint more than 50% of its directors. The financial statements of the subsidiary are included in the consolidated financial statements from the date control commences until the date that control ceases.

Material intra–group balances and transactions have been eliminated.

Non–controlling interests are part of net results of the operations and of net assets of the subsidiaries attributable to interests which are not owned by the Group. Non–controlling interests are presented as separate item in the consolidated financial statements.

2.1 Statement of Compliance

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

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

Wherever the requirements of the BCO, 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 BCO, 1962, the Companies Act, 2017 and the said directives, shall prevail.

The State Bank of Pakistan has deferred the applicability of IFAS 3 'Profit and Loss Sharing on Deposits', vide BPRD Circular No.04 dated February 25, 2015 and International Accounting Standard 40, Investment Property, vide BSD Circular Letter no. 10 dated August 26, 2002, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements.

IFRS 10 Consolidated Financial Statements was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O 56(I) /2016 dated January 28, 2016, that the requirements of consolidation under section 228 of Companies Act 2017 and IFRS 10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under Trust structure. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements.

As per BPRD Circular Letter No. 16 of 2024 dated 29 July 2024, unlisted equity securities are currently carried at the lower of cost or breakup value as per the exemption granted by SBP. Effective from 01 January 2025, as per the requirement of IFRS 9, these will be measured at fair value under IFRS 13.

The Group received an extension from SBP up to 31 December 2025 for application of EIR in general for all financial assets and liabilities (excluding staff loans / subsidized loans) at amortized cost, net of expected credit loss allowances.

Further, SBP through BPRD Circular Letter No. 01 of 2025 dated 22 January 2025 has clarified the followings:

- Islamic Banking Institutions (IBIs) are allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue the existing accounting methodology on other Islamic products until issuance of further instruction in this regard.
- The treatment of charity should be in line with the existing practices as defined in SBP instructions issued via IBD Circular No. 02 of 2008 and should not be recognized as income.

All Islamic products are governed by the product manual approved by the Shariah Board of the Group. The related accounting and revenue recognition policies are outlined in notes 5.5.2, 5.14.2 and 5.14.3 of these consolidated financial statements, respectively. However, in case of Ijarah and Murabaha, the Group has also complied with the requirements of IFAS 1 and IFAS 2.

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

As directed by SBP via BPRD Circular Letter No. 7 of 2023 dated 13 April 2023, IFRS 9, (Financial Instruments) is effective in Pakistan for period beginning on or after 01 January 2024. In addition, due to the application of IFRS 9, SBP vide BPRD Circular No. 02 dated 09 February 2023, has also amended the format of the annual financial statements. Details regarding the aforementioned adoption and amendment, including the impact thereof are discussed in more detail in note 5.1 to these consolidated financial statements.

Except for the above, there are certain other interpretations and amendments to accounting and reporting standards that are mandatory for the Group's accounting periods beginning on or after January 1, 2024. These are either considered not to be relevant or do not have any significant effect on the Group's operations and are therefore not detailed in these consolidated financial statements.

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

Following standards and amendments to published accounting standards will be effective in future periods and have not been early adopted by the Group.

		Effective date (periods ending on or after)
IAS 28	Investments in Associates and Joint Ventures (amendments)	Not yet finalized
IFRS 10	Consolidated Financial Statements (Amendments)	Not yet finalized
IFRS S1	General Requirements For Disclosure Of Sustainability Related Financial Information	January 1, 2025
IFRS S2	Climate Related Disclosures	January 1, 2025
IAS 21	Lack of exchangeability (amendments to IAS 21).	January 1, 2025
IFRS 9	Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experiences, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are 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 of assumptions and estimates which are significant to the Group's financial statements or where judgment was exercised in the application of accounting policies are as follows:

i) expected credit loss against financial instruments (note 5.1.13)

ii) staff retirement benefits (note 5.12)

iii) taxation (note 5.15)

4 BASIS OF MEASUREMENT

These consolidated financial statements have been prepared under the historical cost convention as modified for certain investments and derivative financial instruments which are carried at fair value, non–banking assets acquired in satisfaction of claims, freehold and leasehold land which are shown at revalued amounts and staff retirement gratuity and compensated absences which are carried at present value.

5 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended 31 December 2023, except as disclosed in note 5.1 below.

5.1 Changes in accounting policies

5.1.1 Revised format of consolidated financial statements

SBP through its BPRD Circular No. 02 dated 09 February 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 accounting year starting from 01 January 2024. Accordingly, the Group has prepared these consolidated financial statements on the new format prescribed by SBP. The adoption of the new format contains additional disclosures and certain changes in the financial statements' presentation, primarily due to the implementation of IFRS 9 as applicable in Pakistan. However, the corresponding figures continue to be classified and disclosed in accordance with the previous financial accounting and reporting framework.

Adoption of revised financial statements format has also resulted in following material changes (due to which the corresponding presentations have also been changed):

- Right–of–use–assets (note 12) amounting to Rs 12,196,186 thousand (December 31, 2023: Rs 8,312,812 thousand) which were previously shown as part of fixed assets are now shown separately on the consolidated statement of financial position.
- Lease liabilities (note 20) amounting to Rs 14,174,653 thousand (December 31, 2023: Rs 9,699,474 thousand) which were previously shown as part of other liabilities are now shown separately on the consolidated statement of financial position.

5.1.2 IFRS 9 – 'Financial Instruments'

During the year, as directed by the SBP vide its BPRD Circular No. 07 of 2023 dated April 13, 2023, IFRS 9: 'Financial Instruments' (the Standard) became applicable to the Group.

BPRD Circular No. 03 of 2022 dated 05 July 2022 issued by SBP provides detailed instructions on implementation of IFRS 9 (the Application Instructions) for ensuring smooth and consistent implementation of the standard across banks.

The standard 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 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach as previously followed. The ECL has impact on all the assets of the Bank which are exposed to credit risk.

The Group has adopted IFRS 9 in accordance with the Application Instructions from 01 January 2024, using the modified retrospective approach and has not restated comparatives for the 2023 reporting period and the differences in carrying amount of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings and reserves as at 01 January 2024, as permitted under the specific transitional provisions in the Standard. Accordingly, the information presented for 2023 does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2024 under IFRS 9.

SBP through its BPRD Circular Letter No. 16 of 2024 dated 29 July 2024, has amended and extended the timelines for application instructions. Under the revised guidelines, banks are required to implement modification accounting for financial assets and liabilities in accordance with the Standard. These changes took effect from 01 October 2024, and have been applied retrospectively from 01 January 2024. SBP through its BPRD Circular Letter No. 01 of 2025 dated 22 January 2025, SBP further clarifies that modification accounting to be applied to loans modified on or after 01 January 2020.

5.1.3 Impact on the consolidated statement of financial position:

				Impact due to								
Rupees in '000		Classification under IFRS 9	Balances as of December 31, 2023 (Audited)	Change in classification	Remeasure-ments	Surplus / (Deficit)	Reversal of provisions held	Recognition of expected credit losses (ECL)	Total impact - gross of tax	Taxation	Total impact - net of tax	Balances as of January 01, 2024
Cash and balances with treasury banks		Amortised Cost	160,087,467	-	-	-	-	-	-	-	-	160,087,467
Balances with other banks		Amortised Cost	14,761,177	-	-	-	-	(1,089)	(1,089)	-	(1,089)	14,760,088
Lendings to financial institutions		Amortised Cost	-	-	-	-	-	-	-	-	-	-
Investments												
Held for trading	(a)	FVTPL	566,543	-	-	-	-	-	-	-	-	566,543
Available for sale	(b)	FVTPL	-	9,312,588	(82,500)	-	-	-	9,230,088	-	9,230,088	9,230,088
Available for sale	(c)	FVOCI	1,125,033,491	(23,111,196)	-	(609,057)	609,057	(26,215)	(23,137,411)	-	(23,137,411)	1,101,896,080
Available for sale		Amortised Cost	-	13,798,608	4,282,000	-	-	-	18,080,608	-	18,080,608	18,080,608
Held to maturity	(d)	Amortised Cost	56,897,624	-	-	-	-	-	-	-	-	56,897,624
Advances	(e)											
Subsidized SBP financing		Amortised Cost	12,083,595	-	(3,797,359)	-	-	-	(3,797,359)	-	(3,797,359)	8,286,236
Concessional staff loans		Amortised Cost	9,680,498	-	(3,315,022)	-	-	-	(3,315,022)	-	(3,315,022)	6,365,476
Modified financing		Amortised Cost	5,625,103	-	(247,274)	-	-	-	(247,274)	-	(247,274)	5,377,829
Other advances		Cost	633,832,175	-	-	-	-	-	-	-	-	633,832,175
– Provision against advances			(28,175,222)	-	-	-	-	(9,944,270)	(9,944,270)	-	(9,944,270)	(38,119,492)
Property and equipment			18,707,443	-	-	-	-	-	-	-	-	18,707,443
Right-of-use assets			8,312,812	-	-	-	-	-	-	-	-	8,312,812
Intangible assets			1,860,747	-	-	-	-	-	-	-	-	1,860,747
Assets held for sale			1,750,000	-	-	-	-	-	-	-	-	1,750,000
Deferred tax assets			8,065,412	-	-	-	-	-	-	4,081,073	4,081,073	12,146,485
Other assets												
Financial other assets		Amortised Cost	91,163,867	-	(2,120,302)	-	-	(431,571)	(2,551,873)	-	(2,551,873)	88,611,994
Non financial other assets			5,520,303	-	5,329,934	-	-	-	5,329,934	(415,272)	4,914,662	10,434,965
			2,125,773,035	-	49,477	(609,057)	609,057	(10,403,145)	(10,353,668)	3,665,801	(6,687,867)	2,119,085,168
Bills payable		Amortised Cost	12,394,336	-	-	-	-	-	-	-	-	12,394,336
Borrowings		Amortised Cost	643,362,665	-	(3,935,463)	-	-	-	(3,935,463)	-	(3,935,463)	639,427,202
Deposits and other accounts		Cost	1,292,794,706	-	-	-	-	-	-	-	-	1,292,794,706
Lease liabilities			9,699,474	-	-	-	-	-	-	-	-	9,699,474
Subordinated debts			12,000,000	-	-	-	-	-	-	-	-	12,000,000
Other liabilities												
Financial other liabilities		Amortised Cost	46,794,309	-	(80,012)	-	-	1,112,808	1,032,796	-	1,032,796	47,827,105
Non financial other liabilities			9,709,295	-	112,726	-	-	-	112,726	-	112,726	9,822,021
Forward foreign exchange contracts		FVTPL	1,322,589	-	-	-	-	-	-	-	-	1,322,589
			2,028,077,374	-	(3,902,749)	-	-	1,112,808	(2,789,941)	-	(2,789,941)	2,025,287,433
Net Assets			97,695,661	-	3,952,226	(609,057)	609,057	(11,515,953)	(7,563,727)	3,665,801	(3,897,926)	93,797,735
REPRESENTED BY												
Share capital			14,492,992	-	-	-	-	-	-	-	-	14,492,992
Reserves			57,855,752	-	-	-	-	-	-	-	-	57,855,752
Surplus on revaluation of assets – net			4,458,455	-	4,282,000	(847,496)	-	-	3,434,504	(1,682,907)	1,751,597	6,210,052
Unappropriated profit			20,511,764	-	(329,774)	238,439	609,057	(11,515,953)	(10,998,231)	5,348,708	(5,649,523)	14,862,241
Non-Controlling interest			376,698	-	-	-	-	-	-	-	-	376,698
			97,695,661	-	3,952,226	(609,057)	609,057	(11,515,953)	(7,563,727)	3,665,801	(3,897,926)	93,797,735

(a) Certain equity securities are held by the Group in separate portfolios and are managed with an objective of realising cash flows through sale. The Group primarily focuses on fair value information and uses that information to assess the securities' performance and to make decisions.

(b) Units of mutual funds and certain debt securities have contractual cash flows that do not meet the SPPI criteria. These assets are measured at FVTPL under IFRS 9 (AFS to FVTPL). Additionally, certain debt securities held by the Group in a transitory capacity, with the intent to pass them on to customers, fall under the "Held to Sell" business model and are also measured at FVTPL.

(c) Certain debt securities are held by the Group in separate portfolios to meet everyday liquidity needs. The Group seeks to minimise the costs of managing these liquidity needs and therefore actively manages the return on the portfolio. That return consists of collecting contractual payments as well as gains and losses from the sale of financial assets. The investment strategy often results in sales activity that is significant in value. The Group considers that under IFRS 9 these securities are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Moreover, certain equity investments held by the Group have been designated under IFRS 9 as at FVOCI. (AFS to FVOCI).

(d) Debt securities that were previously classified as held–to–maturity are now classified at amortised cost. The Group intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and profit on the principal amount outstanding. (HTM to AC).

(e) Advances except for Temporary Economic Refinance Facility (TERF), staff loans and modified financing are stated at cost. Whereas, Temporary economic refinance scheme, staff loans and modified financing are stated at amortized cost.

5.1.4 Impact on regulatory capital

The introduction of IFRS 9 has resulted in reduction in regulatory capital of the Banks, which has reduced their lending capacity and ability to support their clients. In order to mitigate the impact of ECL models on capital, SBP has determined that it may be appropriate for the banks to introduce a transitional arrangement for the impact on regulatory capital from the application of ECL accounting. Annexure B of the Application Instructions issued by SBP has detailed the transitional arrangement.

The transitional arrangement applies only to provisions for stage 1 and stage 2 financial assets. The transitional arrangement must adjust CET1 capital. Where there is a reduction in CET1 capital due to new provisions, net of tax effect, upon adoption of an ECL accounting model, the decline in CET1 capital (the "transitional adjustment amount") must be partially included (i.e., added back) to CET1 capital over the "transition period" of five years.

Moreover, SBP has allowed to adjust the amount of Stage 1 and Stage 2 provisions in Tier 2 Capital that have not been added back to CET 1 and vice versa as per Annexure A of BPRD Circular no 16 of 2024 dated 29 July 2024.

Had IFRS 9 been applied at 31 December 2023 then CAR would have been lower by 49 bps from 18.35% to 17.86%.

5.1.5 Classification and measurement

Under the new standard, classification and measurement of financial assets depends on how these are managed based on business model and their contractual cash flow characteristics. Financial assets that do not meet the Solely Payment of Principal and Interest (SPPI) criteria are required to be measured at fair value through profit or loss (FVTPL) regardless of the business model in which they are held.

Recognition and initial measurement

Debt securities issued are initially recorded when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at transaction price. The fair value of a financial asset on initial recognition is generally its transaction price. If the Group determines that the fair value on initial recognition differs from the transaction price then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in consolidated statement of profit and loss account on an appropriate basis over the life of the asset but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out. Advances other than staff loans, Temporary Economic Refinance Facility (TERF) and advances pertaining to overseas operations are initially measured at transaction price i.e., the amount of loan disbursed at disbursement date.

Staff loans, Temporary Economic Refinance Facility (TERF) loans and advances pertaining to overseas operations are recognized at fair value at the time of disbursement. The fair value is determined by discounting the expected future cash flows using the prevailing market rates for instruments.

Classification

Financial Assets

On initial recognition, a financial asset excluding advances with the exception of staff loans and Temporary Economic Refinance Facility (TERF) and advances pertaining to overseas operations is classified as measured at amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment–by–investment basis.

Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in scope of the standard are never bifurcated. Instead, the whole hybrid instrument is assessed for classification.

Advances are carried at cost, net of expected credit loss allowances, excluding staff loans, Temporary Economic Refinance Facility (TERF) and advances pertaining to overseas operations, which are measured at amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Bank changes its business models for managing financial assets, in which cases all affected financial assets are reclassified on the first day of the first reporting period following changes in the business model.

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

Financial Liabilities

Financial liabilities are either classified as fair value through profit or loss (FVTPL), when they are held for trading purposes, or at amortised cost. Financial liabilities classified as FVTPL are measured at fair value and all the fair value changes are recognized in profit and loss account. Financial liabilities classified at amortised cost are initially recorded at their fair value and subsequently measured using the effective interest rate method. Markup expense and foreign exchange gain and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

5.1.6 Business model assessment

A financial asset is classified as either Held to collect (HTC), Held to collect and Sell (HTC&S) and Held to Sell (HTS) based on business model assessment. The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The assessment requires judgement based on facts and circumstances on the date of assessment. The assessment considers the policies and objectives for the portfolio of financial assets, risk affecting, performance evaluation, business manager's compensation and historical sales information.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

5.1.7 Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'Principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as interest margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

– contingent events that would change the amount and timing of cash flows;
– leverage features;
– prepayment and extension terms;
– terms that limit the Group's claim to cash flows from specified assets (e.g. non–recourse loans); and
– features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

A prepayment feature aligns with SPPI if it mainly represents unpaid principal and profit, including reasonable compensation for early termination.

The Group holds a portfolio of long–term fixed–rate loans for which the Group has the option to propose to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The Group has determined that the contractual cash flows of these loan are SPPI because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

5.1.8 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any markup or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method in case of investments, lendings to financial institutions, cash and balances with treasury banks, balances with other banks, Temporary Economic Refinance Facility (TERF), staff loans, and advances pertaining to overseas operations and other financial assets. The amortised cost is reduced by impairment losses. Markup, foreign exchange gains and losses and impairment are recognised in consolidated statement of profit and loss account.
Debt investments at FVOCI	These assets are subsequently measured at fair value and is assessed for impairment under the new ECL model. Markup income is calculated using the effective interest method and includes amortization of premiums and accretion of discount, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment, in which case they are adjusted from the carrying value of investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.
Advances at cost	Advances are carried at cost, net of expected credit loss allowances, excluding staff loans, Temporary Economic Refinance Facility (TERF) and advances pertaining to overseas operations, which are measured at amortized cost, net of expected credit loss allowances.

5.1.9 Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount for investments and lendings to financial institution. For financial assets, adjusted for any expected credit loss allowance or impairment allowance before 01 January 2024.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

5.1.10 Calculation of markup income and expense

Income from performing advances of the domestic operations is recognised on accrual basis as per the terms of the contract. However, where debt securities, classified as investments in the financial statements, are purchased at premium or discount, such premium / discount including the transaction cost is amortized through the consolidated statement of profit and loss account over the remaining maturity of the debt security using the effective interest rate method. The interest income on staff loans and Temporary Economic Refinance Facility (TERF) and advances pertaining to overseas operations is recognized in line with the EIR, while any expected credit losses are assessed and accounted for in accordance with the requirements of IFRS 9. Income from advances except for staff loans and TERF are recognized in consolidated statement of profit and loss account using contractual rate. Similarly, under the local regulatory requirement, income recoverable on classified domestic advances and investments (debt securities), is recognized on a receipt basis.

Income on rescheduled / restructured advances and investments is recognized as permitted by SBP regulations.

In case of overseas operations, income on the financial assets is recognised under the effective interest method or as prescribed by the regulatory authorities of the countries in which the Group operates.

Markup expense on domestic financial liabilities (comprising deposits, subordinated debts, and borrowings) is recognized on an accrual basis in the period in which it is incurred, based on contracted rates.

5.1.11 Derecognition

The Group derecognises a financial asset when:

– the contractual rights to the cash flows from the financial asset expire; or

– it transfers the rights to receive the contractual cash flows in a transaction in which either:

i) substantially all of the risks and rewards of ownership of the financial asset are transferred; or

ii) the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized), and the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognized in OCI is recognized in the consolidated statement of profit and loss, except that in case of the derecognition of equity securities held at FVOCI, cumulative gains or losses are transferred to unappropriated profit.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

5.1.12 Modification

Financial assets

The Group sometimes renegotiates or otherwise modifies the contractual cash flows to its customers. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognised at fair value plus any eligible transaction costs.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

Where derecognition of financial assets is appropriate, the newly recognised residual loans are assessed to determine whether the assets should be classified as purchased or originated credit-impaired assets (POCI).

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the bank first recalculates the gross carrying amount of the financial asset using the original effective yield rate of the asset and recognised the resulting adjustment as a modification gain or loss in profit and loss account.

If such a modification is carried out because of financial difficulties of the borrower then the gain or loss is presented together with impairment losses. In other cases, it is presented as profit income calculated using the effective yield rate method.

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability recognised and consideration paid is recognised in profit and loss account.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective yield rate and the resulting gain or loss is recognised in profit and loss account. For floating-rate financial liabilities, the original effective yield rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective yield rate on the instrument.

5.1.13 Impairment

The impairment requirements apply to financial assets measured at amortised cost and FVOCI (other than equity instruments), lease receivables, and certain loan commitments and financial guarantee contracts. At initial recognition, an impairment allowance (or provision in the case of commitments and guarantees) is required for expected credit losses ('ECL') resulting from default events that are possible within the next 12 months ('12–month ECL'). In the event of a significant increase in credit risk, a provision is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL').

Measurement of ECL

ECL is a probability–weighted estimate of credit losses. It is measured as follows:

– financial assets that are not credit–impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
– financial assets that are credit–impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;

- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Non–Performing financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost, at cost and debt financial assets carried at FVOCI, and finance lease receivables are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'non–performing' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit–impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit–impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered credit–impaired even when the regulatory definition of default is different.

Under SBP's IFRS 9 application instructions, the Group is not required to compute ECL on Government Securities and on Government guaranteed credit exposure in local currency. The Group is required to calculate ECL on it's non–performing financial assets as higher of provision under Prudential Regulations (PR) and ECL under IFRS 9. Further, the Group recognizes income on impaired assets (loans classified under PRs i.e., OAEM and Stage 3 loans) on a receipt basis in accordance with the requirements of Prudential Regulations issued by SBP.

The Group calculates the ECL against corporate, commercial, SME and retail loan portfolios as higher of PR and ECL under IFRS 9 at borrower level.

ECL is a probability-weighted estimate of credit losses which is determined by multiplying the probability of default with the loss given default with the expected exposure at the time of default. Based on the requirements of IFRS 9 application instructions, the Group has performed an ECL assessment considering the following key elements:

- PD: The probability that a counterparty will default over the next 12 months from the reporting date (12- month ECL, Stage1) or over the lifetime of the product (lifetime ECL, Stage 2). PD is estimated using internal rating classes and are based on the Bank's internal risk rating. The Group has used a statistical method for the estimation of Through the Cycle (TTC) PDs associated with each of its obligors risk rating. PD are then adjusted with forward looking information for calculation of ECL. Forward looking information is incorporated to convert TTC PD to Point in Time Probability of Default (PiT) PD. The Group has estimated PiT PDs in its PD model. For this purpose the Group incorporated five years forecast obtained from the Macro Economic Variable (MEV) database of the International Monetary Fund (IMF).
- EAD: The expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortisation, pre-payments and forward-looking information where relevant. The Group estimates EAD for financial assets carried at an amortised cost and carried at cost equal to principal

plus profit. Each repayment date is assumed to be default point in the model and the ECL is calculated on EAD at each reporting date and discounted at the effective interest rate or contractual interest rate for advances other than staff loans and Temporary Economic Refinance Facility (TERF) and advances pertaining to overseas operations for which effective interest rate is used. The unutilized exposures are multiplied with credit conversion factors (CCF) to compute the EAD of revolving facilities. Additionally liquid collateral that the Bank holds are adjusted from the EAD and the ECL is computed on the net amount.

– LGD: An estimate of the loss incurred on a facility upon default by a customer. The Group estimates LGD based on actual recoveries from defaulted accounts over a historical period prior to the assessment date. Forward looking information is incorporated into the LGD calculation to reflect the impact of macro economic factors on the expected recoveries.

Presentation of allowance for Expected Credit Loss in the consolidated Statement of Financial Position

Loss allowances for ECL are presented in the consolidated statement of financial position as follows:

– Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets.
– For advances measured at cost: as a deduction from the gross carrying amount of the advances.
– Loan commitments and financial guarantee contracts: as a provision in other liabilities.
– Where a financial instrument includes both a drawn and an undrawn component, and the Group does not identify the ECL on the loan commitment component separately from those on the drawn component and instead presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
– Debt instruments measured at FVOCI: no loss allowance is recognized in the consolidated statement of financial position because the carrying amount of these assets is their fair value.

5.1.14 Significant increase in credit risk (SICR)

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

As required by the application instructions, financial assets may be reclassified out of Stage 3 if they meet the requirements of PR issued by SBP. Financial assets in Stage 2 may be reclassified to Stage 1 if the conditions that led to a SICR no longer apply. However, a minimum period of 6 months from initial downgrade is required before any facility is moved back to Stage 1 from Stage 2. For a facility to move back from Stage 3 to Stage 2, it should meet the criteria defined under the respective Prudential Regulations for de–classification of account / facility. An exposure cannot be upgraded from Stage 3 to Stage 1 directly and should be upgraded to Stage 2 initially.

IFRS 9 includes a rebuttable presumption that a default does not occur later than 90 days past due and it also presumes that there is SICR if credit exposure is more than 30 days past due. In order to bring consistency, SBP has allowed the backstop to the rebuttable presumption of days past due of credit portfolio against a specific credit facility and its stage allocation under IFRS 9 as mentioned in Annexure–C of BPRD Circular No. 3 of 2022. However, banks are free to choose more stringent days past due criteria. The Group aligned its policy with Annexure–C of BPRD Circular No. 3 of 2022; hence, SICR is considered if credit exposure exceeds 60 days past due.

5.1.15 Undrawn loan commitments and guarantees:

Financial guarantees' are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. Loan commitments' are firm commitments to provide credit under pre–specified terms and conditions.

When estimating lifetime ECL for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected cash flows if the loans are drawn down, based on a probability–weighting of the three scenarios.

5.1.16 Governance, ownership and responsibilities

The Group has adopted a governance framework requiring multiple functions to effectively work together to ensure input from all business lines. The Risk Department defines the staging criteria for the new impairment model and take ownership of all models, methodologies and the ECL calculation approach. Additionally, the Risk department also take the ownership of the impact of ECL on the Group's capital.

The Group's Finance Division performs ECL calculation. As a result, the department then assess the financial impact, meet the financial reporting requirements and further monitor the impact on the financial ratios.

As per the Group's policy, the Group's Internal Audit function carries out periodic review of IFRS 9 methodology and impacts calculated by the management.

5.2 Cash and cash equivalents

Cash and cash equivalents comprise of cash and balances with treasury banks, balances with other banks and call money lending.

5.3 Lending (reverse repo)

Consideration for securities purchased under resale agreement (reverse repo) are included in lending to financial institutions. The difference between purchase and resale price is recognized as mark–up / return earned on a time proportion basis. Reverse repo balances are reflected under lending to financial institutions.

5.4 Bai Muajjal receivable from other financial institutions

In Bai Muajjal, the Group sells Sukuk on deferred payment basis to other financial institutions. The deferred price is agreed at the time of sale and such proceeds are received at the end of the credit period. Bai Muajjal balances are reflected under lending to financial institutions. Bai Muajjal with the Federal Government is classified as investment.

5.5 Advances

Advances are stated at cost net of provision for expected credit losses except for staff loans, TERF and advance pertaining to overseas branch which are carried at amortized cost less credit loss allowance.

The provision for expected credit losses against advances is charged to the profit and loss account. Advances are written off when there is no realistic prospect of recovery.

The Group reviews its loan portfolio to assess the amount of non–performing advances and provision required there against on regular basis. While assessing this requirement various factors including the delinquency in the account, financial position of the borrowers and the requirements of the Prudential Regulations are considered.

5.5.1 Finance lease receivables

Leases where the Group transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee are classified as finance leases. A receivable is recognized at an amount equal to the present value of the lease payments including any guaranteed residual value. Finance lease receivables are included in advances to the customers.

5.5.2 Islamic financing and related assets

Ijarahs booked under Islamic Financial Accounting Standard 2 – Ijarah (IFAS 2) are stated at cost less accumulated depreciation and impairment if any, and are shown under advances.

Depreciation on Ijarah assets is charged to profit and loss account by applying the straight line method whereby the depreciable value of Ijarah assets is written off over the Ijarah period. The Group charges depreciation from the date of delivery of respective assets to Mustajir upto the date of maturity / termination of Ijarah agreement.

In Murabaha transactions, the Group purchases the goods through its agent or client and after taking the possession, sells them to the customer on cost plus profit basis either in a spot or credit transaction. Under Murabaha financing, funds disbursed for purchase of goods are recorded as 'Advance against Murabaha finance'. On culmination of Murabaha i.e. sale of goods to customers, Murabaha financing is recorded at the deferred sale price. Goods purchased but remaining unsold at the statement of financial position date are recorded as inventories.

In Salam financing, the Group pays full in advance to its customer for buying specified goods / commodities to be delivered to the Group within an agreed time. The goods are then sold and the amount financed is received back by the Group along with profit.

In Musharaka a relationship is established under a contract by the mutual consent of the Group and the customer for sharing of profits and losses arising from a joint enterprise or venture.

Diminishing Musharaka (DM) is a form of co–ownership in which Bank and the customer share the ownership of a tangible asset in an agreed proportion and customer undertakes to buy in periodic installments the proportionate share of the Group until the title to such tangible asset is completely transferred to the customer. The rental payment is recognized as profit while the assets transfer / sale payments are applied towards reducing the outstanding principal.

In Istisna financing, the Group acquires the described goods to be manufactured by the customer from raw material of its own and deliver to the Group within an agreed time. The goods are then sold and the amount financed is received back by the Group along with profit.

In Running Musharaka based financing, the Group enters into financing with the customer based on Shirkat–ul–Aqd or Business Partnership in the customer's operating business where the funds can be withdrawn or refunded during the Musharaka period.

The Group values its inventories at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale. Cost of inventories represents actual purchases made by the Group / customers as an agent of the Group for subsequent sale. Inventory against each contract is maintained on specific identification method.

5.6 Property & equipment and depreciation

Capital work–in–progress

Capital work–in–progress is stated at cost less impairment losses, if any.

Property and equipment

Property and equipment are stated at cost less impairment losses and accumulated depreciation except for freehold / leasehold land. Land is carried at revalued amounts which is not depreciated. Land is revalued by professionally qualified valuers with sufficient regularity to ensure that the carrying amount does not differ materially from their fair value. Major renewals and improvements are capitalized. Gains and losses on disposal of property and equipment are taken to the profit and loss account.

Surplus arising on revaluation of fixed assets is credited to the surplus on revaluation of assets account and is shown under the shareholders' equity in the consolidated statement of financial position. Except to the extent actually realized on disposal of land which are revalued, the surplus on revaluation of land shall not be applied to set–off or reduce any deficit or loss, whether past, current or future, or in any manner applied, adjusted or treated so as to add to the income, profit or surplus of the Group or utilized directly or indirectly by way of dividend or bonus. Surplus on revaluation of fixed assets (net of associated deferred tax) to the extent of the incremental depreciation charged on the related assets is transferred to unappropriated profit.

Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized from the month when these assets are available for use, using the straight line method, whereby the cost of the intangible assets are amortized over its estimated useful lives over which economic benefits are expected to flow to the Group. The useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Depreciation / amortization

Depreciation / amortization is computed on monthly basis over the estimated useful lives of the related assets at the rates set out in note 11.2 and 13.1 respectively on monthly basis. The cost of assets is depreciated / amortized on straight line basis, except for buildings which are depreciated on reducing balance method. Depreciation / amortization commences when the related asset is available for use and discontinues when the asset is disposed off or retired from the active use. Maintenance and normal repairs are charged to profit and loss account as and when incurred.

In making estimates of the depreciation / amortization, the management uses useful life and residual value which reflects the pattern in which economic benefits are expected to be consumed by the Group. The useful life and the residual value are reviewed at each financial year end and any change in these estimates in future years might effect the carrying amounts of the respective item of operating fixed assets with the corresponding effect on depreciation / amortization charge.

5.7 Assets held for sale

Non–current assets and associated liabilities are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable. Assets designated as held for sale are carried at the lower of carrying amount at designation and fair value less costs to sell, if fair value can reasonably be determined.

5.8 IFRS 16 – Leases

A lessee recognizes a right–of–use (ROU) asset representing its right of using the underlying asset and a corresponding lease liability representing its obligations to make lease payments.

Lease liabilities are initially measured at the present value of lease payment, discounted using the Group's contract wise incremental borrowing rate. The lease liabilities are subsequently measured at amortized cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or change in lease terms. These remeasurements of lease liabilities are recognised as adjustments to the carrying amount of related ROU assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the profit and loss account as markup expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The ROU assets are initially measured based on the initial amount of the lease liability plus any initial direct costs incurred. ROU assets are subsequently stated at cost less any accumulated depreciation. The ROU assets are depreciated on a straight line basis over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The estimated useful lives of ROU assets are determined on the same basis as that used for owned assets. The ROU assets are reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

5.9 Borrowings (Repo)

Consideration received against securities sold under repurchase agreement (repo) are included in borrowings from financial institutions. The difference between sale and repurchase price is recognized as mark–up / return expensed on a time proportion basis.

5.10 Deposits

Deposits are recorded at the fair value of proceeds received. Markup accrued on deposits is recognized separately as part of other liabilities and is charged to profit and loss account on a time proportion basis.

The Group generates deposits in two modes i.e. “Qard” and “Modaraba” under Islamic Banking Operations. Deposits taken on Qard basis are classified as ‘Current Accounts’ and deposits generated on Modaraba basis are classified as ‘Saving Accounts’ and ‘Fixed Deposit Accounts’.

5.11 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 accrual basis.

5.12 Staff retirement benefits

Defined benefit plan

The Group operates an approved funded gratuity scheme for all its regular employees. Contributions are made in accordance with the actuarial recommendation. The actuarial valuation is carried out periodically using the “Projected Unit Credit Method”.

Actuarial gain / losses arising from experience adjustment and changes in actuarial assumptions are recognized in other comprehensive income in the period of occurrence. Past service cost is recognized as expense when the plan is amended.

Certain actuarial assumptions have been adopted as disclosed in note 39 of these consolidated financial statements for the actuarial valuation of staff retirement benefit plans. Actuarial assumptions are entity’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 these plans in those years.

Defined contribution plan

The Group operates a recognized provident fund scheme for all its regular employees for which equal monthly contributions are made both by the Group and by the employees at the rate of 8.33% of the basic salary of the employee.

Compensated absences

The Group provides compensated absences to all its regular employees. Liability for unfunded scheme is recognized on the basis of actuarial valuation using the "Projected Unit Credit Method". Provision for the year is charged to consolidated profit and loss account. The amount recognized in the consolidated statement of financial position represents the present value of defined benefit obligations. Actuarial gains / losses arising from experience adjustment and changes in actuarial assumptions are recognized in the profit and loss account in the period of occurrence.

5.13 Foreign currencies

Foreign currency transactions

Foreign currency transactions other than results of foreign operations are translated into Pak. Rupee at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated to Pak. Rupee at the exchange rates prevailing at the reporting date. Forward transactions in foreign currencies and are valued at the rates applicable to the remaining maturities. Exchange gains and losses are included in consolidated profit and loss account currently.

Foreign operation

The assets and liabilities of Wholesale Bank Branch are translated to Pak. Rupee at exchange rates prevailing at the date of consolidated statement of financial position. The income and expenses of foreign operations are translated at the average rate of exchange for the year.

Translation gains and losses

Translation gains and losses are included in consolidated profit and loss account, except those arising on translation of the Group's net investment in foreign operations which are taken to equity under "Exchange Translation Reserve" through other comprehensive income and on disposal are recognized in consolidated profit and loss account.

Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed in these consolidated financial statements at committed amounts. 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 statement of financial position date.

5.14 Revenue recognition

5.14.1 (a) Mark–up / interest on advances and return on investments is recognized on time proportionate basis except on classified advances and investments which is recognized on receipt basis. Mark–up / interest on rescheduled / restructured advances and investments is recognized as permitted by the regulations of the SBP or overseas regulatory authority of the country where branch operates, except where in the opinion of the management it would not be prudent to do so.

(b) Where debt securities are purchased at a premium or discount, such premium / discount is amortised through the profit and loss account over the remaining period of maturity using effective yield method.

(c) Fees and commission income is recognized at the time of performance of service.

(d) Dividend income is recognized when the Group's right to receive the income is established.

(e) Gains or losses on sale of investments are recognized in consolidated profit and loss account.

(f) Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of the total lease rentals and estimated residual value over the cost of leased assets) is deferred and taken to income over the term of the lease period so as to produce a constant periodic rate of return on the outstanding net investment in lease. Repossessed vehicles on account of loan default are recorded in memorandum account.

Unrealized lease income is suspended on classified leases, in accordance with the requirements of the Prudential Regulations issued by the SBP. Gains / losses on termination of lease contracts, documentation charges, front–end fees and other lease income are recognized as income on receipt basis.

5.14.2 Revenue recognition under IFAS 2

(a) The rentals from Ijarah are recognised as income over the term of the contract net of depreciation expense relating to the Ijarah assets.

5.14.3 Revenue recognition under product manual as approved by Shariah Board of the Bank

(a) Profits on Musharaka and Diminishing Musharaka financing are recognized on accrual basis. Profit required to be suspended in compliance with the Prudential Regulations issued by SBP is recorded on receipt basis.

(b) Profit on Salam finance is recognized on time proportionate basis.

(c) Profit on Istisna and Murabaha financing is recognised on a time proportionate basis over the period of transaction.

5.14.4 Revenue from Islamic products would have increased by Rs. 640,038 thousand, if IFRS 9 had been adopted in its entirety.

5.15 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the consolidated profit and loss account, except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income. In making the estimates for income taxes currently payable by the Group, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past.

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into consideration available tax credits and rebates at a tax rate enacted or substantively enacted at the reporting date. The charge for current tax also includes adjustments where considered necessary, relating to prior years which arise from assessments framed / finalized during the year.

Prior years

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

Deferred

Deferred tax is provided for by using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the date of consolidated statement of financial position. A deferred tax asset is recognized only to the extent that it is probable that the future taxable profit will be available and credits can be utilized. Deferred tax assets are reduced to the extent it is no longer probable that the related tax benefit will be realized.

Deferred tax, on revaluation of investments, if any, is recognized as an adjustment to surplus / (deficit) arising on such revaluation.

5.16 Impairment of non–financial assets

The carrying amount of the Group's assets are reviewed at the reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recognized as expense in the consolidated profit and loss account. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.17 Non–banking assets acquired in satisfaction of claims

Non–banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. Surplus arising on revaluation of such properties is credited to the 'surplus on revaluation of non-banking assets' account and any deficit arising on revaluation is taken to profit and loss account directly. Legal fees, transfer costs and direct costs of acquiring title to property are charged to profit and loss account and are not capitalized.

5.18 Other provisions

Provisions are recognized when there are present, legal or constructive obligations as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amounts can be made. Provision for guarantee claims and other off balance sheet obligations is recognized when intimated and reasonable certainty exists to settle the obligations. Expected recoveries are recognized by debiting customer accounts. Charge to consolidated profit and loss account is stated net off expected recoveries.

5.19 Off–setting

Financial assets and financial liabilities are only set–off and the net amount is reported in the consolidated financial statements when there is a legally enforceable right to set–off the recognized amount and the Group expects either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

5.20 Financial assets and liabilities

Financial assets and financial liabilities are recognized at the time when the Group becomes a party to the contractual provision of the instrument. Financial assets are de–recognized when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of the asset. Financial liabilities are de–recognized when obligation specific in the contract is discharged, cancelled or expired. Any gain or loss on de–recognition of the financial asset and liability is recognized in the profit and loss account of the current period. The particular recognition and subsequent measurement methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

5.21 Derivative financial instruments

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

The fair values 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.

5.22 Appropriations subsequent to date of consolidated statement of financial position

Appropriations subsequent to year end are recognized during the year in which those appropriations are made.

5.23 Dividend distribution and appropriation

Dividends and appropriations (except for the appropriations required by law), made subsequent to the date of statement of financial position are considered as non–adjusting events and are recorded in the year in which these are approved / transfers are made.

5.24 Earnings per share

The Group presents basic and diluted Earnings Per Share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group 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.

5.25 Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment) or in providing product or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format of reporting is based on business segments.

5.26 Business segment

Branch banking

This segment consists of loans, deposits and other banking services including branchless banking services to small enterprises, medium enterprises, agriculture and individual customers.

Corporate banking

Corporate banking includes deposits, project financing, trade financing and working capital to corporate and commercial customers of the Group. This segment is also involved in investment banking activities such as mergers and acquisition, underwriting, privatization, securitization, IPO's related activities and secondary private placements.

Treasury

Treasury function is mainly engaged in money market activities, foreign exchange business and short term lending and borrowings from counterparties.

Consumer banking

Consumer banking segment provides both secured and unsecured loans to retail customers.

Islamic banking

This segment provides banking services to its customers in compliance with Shariah rules and directives, instructions and guidelines issued by SBP.

Foreign operations

Foreign operations consists of the banking activities performed through its Wholesale Bank Branch in the Kingdom of Bahrain.

Head office / others

This consists of banking operations not performed by any of above segments.

5.26.1 Geographical segments

The Group operates in two geographic regions; Pakistan including its allied territories and the Middle East.

5.27 Acceptances

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be simultaneously settled with the reimbursement from the customers. Acceptances are accounted for in consolidated statement of financial position both as assets and liabilities.

5.28 Contingent Liabilities

Contingent liabilities are not recognised in the statement of financial position as they are possible obligations where it has yet to be confirmed whether a liability, which will ultimately result in an outflow of economic resources to settle the obligation, will arise. In cases where the probability of an outflow of economic resources is considered remote, it is not disclosed as a contingent liability.

Rupees in '000	Note	2024	2023
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		35,304,422	27,760,857
Foreign currencies		3,740,358	4,318,238
		39,044,780	32,079,095
With the State Bank of Pakistan in			
Local currency current accounts	6.1	72,316,040	104,626,342
Foreign currency current account	6.1	7,421,460	6,885,755
Foreign currency deposit account	6.2	13,685,296	12,873,026
		93,422,796	124,385,123
With National Bank of Pakistan in			
Local currency current accounts		1,028,257	3,573,496
Prize bonds		39,615	49,753
		133,535,448	160,087,467
Credit loss allowance / provision held against cash and balances with treasury banks		–	–
Cash and balances with treasury banks – net of credit loss allowance / provision		133,535,448	160,087,467

6.1 These represent current accounts maintained with the SBP to comply with the statutory cash reserve requirements.

6.2 This represents special cash reserve maintained with the SBP.

Rupees in '000	Note	2024	2023
7 BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		318,151	191,224
In saving accounts		1,977,079	783,724
		2,295,230	974,948
Outside Pakistan			
In current accounts		1,908,941	1,557,101
In deposit accounts	7.1	8,756,105	12,229,132
		10,665,046	13,786,233
		12,960,276	14,761,181
Less: Credit loss allowance / provision held against balances with other banks	7.2	(1,390)	(4)
Balances with other banks – net of credit loss allowance / provision		12,958,886	14,761,177

7.1 These carry interest rates up to 3.50% (2023: up to 5.08%) per annum.

Rupees in '000	Note	2024	2023
7.2 Credit Loss Allowance – Stage 1			
Opening balance		4	2
Impact of adoption of IFRS 9		1,089	–
Balance as at January 1,		1,093	2
Charge for the year		297	2
Closing balance		1,390	4
8 LENDINGS TO FINANCIAL INSTITUTIONS			
Call / clean money lendings	8.1	1,500,000	–
Bai Muajjal receivable – with other financial institutions	8.2	3,068,218	–
Purchase under resale arrangement of equity securities		59,443	89,164
		4,627,661	89,164
Less: Credit loss allowance / provision held against lending to financial institutions	8.4	(60,042)	(89,164)
Lending to financial institutions – net of credit loss allowance / provision		4,567,619	–

8.1 Call / clean money lending carry markup rates at 13.90% to 22.90% (2023: Nil) per annum.

8.2 Bai Muajjal receivable with other financial institutions carry markup rates at 13.00% to 16.50% (2023: Nil) per annum.

Rupees in '000	2024	2023
8.3 Particulars of lending		
In local currency	4,627,661	89,164

8.4 Lending to FIs – Particulars of credit loss allowance / provision

		2024		2023	
Rupees in '000		Lending	Credit loss allowance held	Lending	Provision held
Domestic					
Performing	Stage 1	4,568,218	599	–	–
Non–performing	Stage 3	59,443	59,443	–	–
Loss		–	–	89,164	89,164
Total		4,627,661	60,042	89,164	89,164

	2024		
Rupees in '000	Stage 1	Stage 3	Total
Opening balance	–	89,164	89,164
New financial assets originated or purchased	599	–	599
Financial assets that have been derecognised	–	(29,721)	(29,721)
Closing balance	599	59,443	60,042

9 INVESTMENTS

Rupees in '000	2024 Cost / amortized cost	2024 Credit loss allowance	2024 Surplus / (deficit)	2024 Carrying value	2023 Cost / amortized cost	2023 Provision for diminution	2023 Surplus / (deficit)	2023 Carrying value
9.1 Investments by type								
– Debt instruments								
Classified / Measured at amortised cost / (2023: Held to maturity)								
Federal Government Securities	50,736,512	(189,788)	–	50,546,724	57,483,266	(585,642)	–	56,897,624
Non Government Debt Securities	110,000	(110,000)	–	–	110,000	(110,000)	–	–
	50,846,512	(299,788)	–	50,546,724	57,593,266	(695,642)	–	56,897,624
Classified / Measured at FVOCI / (2023: Available for sale)								
Federal Government Securities	1,422,059,838	(406,352)	6,686,981	1,428,340,467	1,117,640,852	(524,796)	(14,605,232)	1,102,510,824
Non Government Debt Securities	10,920,088	(380,124)	(26,243)	10,513,721	15,836,647	(1,355,068)	(32,425)	14,449,154
Units of open end mutual funds	–	–	–	–	1,913,994	(168,124)	259,059	2,004,929
Fully paid preference shares	–	–	–	–	27,314	(11,914)	12,750	28,150
	1,432,979,926	(786,476)	6,660,738	1,438,854,188	1,135,418,807	(2,059,902)	(14,365,848)	1,118,993,057
Classified / Measured at FVTPL / (2023: Held for trading)								
Federal Government Securities	3,668,096	–	–	3,668,096	–	–	–	–
Units of open end mutual funds	1,826,479	–	1,158,946	2,985,425	–	–	–	–
Non Government Debt Securities	4,603,807	–	(1,086,134)	3,517,673	–	–	–	–
	10,098,382	–	72,812	10,171,194	–	–	–	–
– Equity instruments								
Classified / Measured at FVTPL / (2023: Held for trading)								
Shares								
Ordinary Shares	461,078	–	41,941	503,019	544,494	–	22,049	566,543
Classified / Measured at FVOCI (Non-Reclassifiable) / (2023: Available for sale)								
Shares								
Listed companies	4,596,898	–	4,323,289	8,920,187	4,396,330	(591,463)	1,885,567	5,690,434
Preference shares	27,314	–	(3,825)	23,489	–	–	–	–
Unlisted companies	355,680	–	(5,680)	350,000	355,680	(5,680)	–	350,000
	4,979,892	–	4,313,784	9,293,676	4,752,010	(597,143)	1,885,567	6,040,434
Total investments	1,499,365,790	(1,086,264)	11,089,275	1,509,368,801	1,198,308,577	(3,352,687)	(12,458,232)	1,182,497,658

Rupees in '000	2024 Cost / amortized cost	2024 Credit loss allowance	2024 Surplus / (deficit)	2024 Carrying value	2023 Cost / amortized cost	2023 Provision for diminution	2023 Surplus / (deficit)	2023 Carrying value
9.2 Investments by segments:								
Federal Government Securities								
Market Treasury Bills	33,171,528	–	922,351	34,093,879	48,409,706	–	83,982	48,493,688
Pakistan Investment Bonds	1,350,774,556	–	4,330,140	1,355,104,696	1,052,025,505	–	(12,440,727)	1,039,584,778
Ijarah Sukuks	79,008,343	–	1,089,419	80,097,762	49,885,746	–	(1,478,247)	48,407,499
Euro Bonds	9,841,923	(596,140)	345,071	9,590,854	21,058,165	(1,110,438)	(770,240)	19,177,487
Naya Pakistan Certificates	3,668,096	–	–	3,668,096	3,744,996	–	–	3,744,996
	1,476,464,446	(596,140)	6,686,981	1,482,555,287	1,175,124,118	(1,110,438)	(14,605,232)	1,159,408,448
Provincial government securities	–	–	–	–	–	–	–	–
Shares								
Listed companies	5,057,976	–	4,365,230	9,423,206	4,940,824	(591,463)	1,907,616	6,256,977
Unlisted companies	355,680	–	(5,680)	350,000	355,680	(5,680)	–	350,000
	5,413,656	–	4,359,550	9,773,206	5,296,504	(597,143)	1,907,616	6,606,977
Units of open end mutual funds	1,826,479	–	1,158,946	2,985,425	1,913,994	(168,124)	259,059	2,004,929
Fully paid preference shares	27,314	–	(3,825)	23,489	27,314	(11,914)	12,750	28,150
Non Government Debt Securities								
Listed	1,821,100	(206,453)	(41,793)	1,572,854	2,529,432	(204,429)	(30,665)	2,294,338
Unlisted	13,812,795	(283,671)	(1,070,584)	12,458,540	13,417,215	(1,260,639)	(1,760)	12,154,816
	15,633,895	(490,124)	(1,112,377)	14,031,394	15,946,647	(1,465,068)	(32,425)	14,449,154
Total investments	1,499,365,790	(1,086,264)	11,089,275	1,509,368,801	1,198,308,577	(3,352,687)	(12,458,232)	1,182,497,658

Rupees in '000	2024	2023
9.2.1 Investments given as collateral		
The market value of investments given as collateral is:		
Market Treasury Bills	2,353,915	13,586,080
Pakistan Investment Bonds	701,101,750	570,673,900
Shares	247,544	141,491
	703,703,209	584,401,471

9.3 Particulars of credit loss allowance

9.3.1 Investments – exposure

	2024			
Rupees in '000	Stage 1	Stage 2	Stage 3	Total
Opening balance	21,058,165	–	–	21,058,165
Impact of adoption of IFRS 9	2,817,500	–	1,382,568	4,200,068
Balance as of January 1, 2024	23,875,665	–	1,382,568	25,258,233
New investments	1,000,000	–	–	1,000,000
Investments derecognised or repaid	(12,615,235)	–	(900,378)	(13,515,613)
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
	(11,615,235)	–	(900,378)	(12,515,613)
Closing balance	12,260,430	–	482,190	12,742,620

9.3.2 Investments – Particulars of credit loss allowance

	2024				2023
Rupees in '000	Stage 1	Stage 3	Provision for diminution other than stage 1	Total	Provision for diminution
Opening balance	1,110,438	–	2,242,249	3,352,687	3,512,177
Impact of adoption of IFRS 9	26,215	1,382,568	(2,242,249)	(833,466)	–
Balance as of January 1, 2024	1,136,653	1,382,568	–	2,519,221	3,512,177
Exchange adjustments	(1,372)	–	–	(1,372)	274,611
Charge for the year	–	–	–	–	180,392
Reversal of ECL / provision for the year	(531,207)	(1,921)	–	(533,128)	(328,207)
Transfer of provision to revaluation deficit	–	(898,457)	–	(898,457)	–
Reversal on disposal	–	–	–	–	(286,286)
	(531,207)	(900,378)	–	(1,431,585)	(434,101)
Closing balance	604,074	482,190	–	1,086,264	3,352,687

9.3.3 Investments – Credit loss allowance

	2024			
Rupees in '000	Stage 1	Stage 2	Stage 3	Total
Opening balance	1,110,438	–	–	1,110,438
Impact of adoption of IFRS–9	26,215	–	1,382,568	1,408,783
Balance as of January 1, 2024	1,136,653	–	1,382,568	2,519,221
New investments	4,840	–	–	4,840
Investments derecognised or repaid	(536,047)	–	(1,921)	(537,968)
Transfer of expected credit loss to revaluation deficit	–	–	(898,457)	(898,457)
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
	(531,207)	–	(900,378)	(1,431,585)
Changes in risk parameters (PDs/LGDs)	–	–	–	–
Exchange adjustment	(1,372)	–	–	(1,372)
Closing balance	604,074	–	482,190	1,086,264

9.3.4 Particulars of credit loss allowance against debt securities

		2024		2023	
Rupees in '000		Outstanding amount	Credit loss allowance held	Outstanding amount	Provision held
Domestic					
Performing	Stage 1	2,418,507	7,934	–	–
Non–Performing	Stage 3	482,190	482,190		
Loss		–	–	1,547,568	1,465,068
		2,900,697	490,124	1,547,568	1,465,068
Overseas					
Performing	Stage 1	9,841,923	596,140	21,058,165	1,110,438

9.4 Quality of securities

Details regarding quality of securities held under "Held to Collect and Sell" model

Rupees in '000	2024	2023
– Domestic securities		
Federal Government Securities – Government guaranteed		
Market Treasury Bills	33,171,528	48,409,706
Pakistan Investment Bonds	1,302,839,115	1,005,884,216
Euro Bonds	7,040,852	9,716,188
Ijarah Sukuks	79,008,343	49,885,746
Naya Pakistan Certificates	–	3,744,996
	1,422,059,838	1,117,640,852
Shares		
Listed		
Commercial banks	1,009,192	982,822
Chemicals	513,054	403,696
Cement	701,824	631,322
Engineering	70,018	87,491
Oil and gas marketing companies	539,930	550,448
Oil and gas exploration	392,543	477,638
Power generation and distribution	632,516	649,903
Paper and board	96,764	69,750
Pharmaceuticals	178,158	153,089
Textile composite	232,777	138,482
Technology and communication	230,122	251,689
	4,596,898	4,396,330

	2024		2023	
Rupees in '000	Cost	Breakup value	Cost	Breakup value
Unlisted				
Pakistan Export Finance Guarantee Agency Limited	5,680	–	5,680	–
1Link (Pvt) Limited	50,000	1,414,650	50,000	893,500
Pakistan Mortgage Refinance Company Limited	300,000	906,196	300,000	723,052
	355,680	2,320,846	355,680	1,616,552

Breakup value has been calculated on the basis of latest available financial statements.

	2024	2023
Rupees in '000	Cost	
Fully Paid Preference Shares		
Listed		
Textile	25,100	25,100
Unlisted		
Financial institutions	2,214	2,214
	27,314	27,314
Non Government Debt Securities		
Listed		
AAA	–	750,000
AA+, AA, AA–	691,668	1,375,000
A+, A, A–	–	200,000
Unrated	204,432	204,432
	896,100	2,529,432
Unlisted		
AAA	8,233,729	10,140,129
AA+, AA, AA–	500,000	1,016,450
A+, A, A–	1,122,500	867,500
B+, B, B–	–	215,000
Unrated	167,759	1,068,136
	10,023,988	13,307,215

9.5 Particulars relating to securities classified Under "Held to Collect" model

	2024	2023
Rupees in '000	Cost	
– Domestic securities		
Federal Government Securities – Government guaranteed		
Pakistan Investment Bonds	47,935,441	46,141,289
Government of Pakistan Euro Bonds	2,801,071	11,341,977
	50,736,512	57,483,266
Non Government Debt Securities		
Unlisted		
Unrated	110,000	110,000

9.5.1 Market value of held to collect securities other than classified investments is Rs. 47,837,111 thousand (December 31, 2023: Rs. 50,529,523 thousand).

10 ADVANCES

Rupees in '000	Performing 2024	Performing 2023	Non-performing 2024	Non-performing 2023	Total 2024	Total 2023
Loans, cash credits, running finances, etc. – Note 10.1	614,910,422	498,619,419	24,681,629	25,198,876	639,592,051	523,818,295
Islamic financing and related assets – note 3 of Annexure II	67,351,156	114,772,652	4,455,351	2,781,125	71,806,507	117,553,777
Bills discounted and purchased	16,316,956	18,765,713	5,291,668	1,083,586	21,608,624	19,849,299
Advances – gross	698,578,534	632,157,784	34,428,648	29,063,587	733,007,182	661,221,371
Credit loss allowance against advances / (provision against advances)						
– Stage 1	(1,140,828)	–	–	–	(1,140,828)	–
– Stage 2	(3,893,372)	–	–	–	(3,893,372)	–
– Stage 3	–	–	(32,280,864)	–	(32,280,864)	–
– General provision	–	(2,538,527)	–	–	–	(2,538,527)
– Specific provision	–	–	–	(25,636,695)	–	(25,636,695)
	(5,034,200)	(2,538,527)	(32,280,864)	(25,636,695)	(37,315,064)	(28,175,222)
Advances – net of credit loss allowance	693,544,334	629,619,257	2,147,784	3,426,892	695,692,118	633,046,149

10.1 Includes net investment in finance lease as disclosed below:

Rupees in '000	2024 Not later than one year	2024 Later than one and less than five years	2024 Over five years	2024 Total	2023 Not later than one year	2023 Later than one and less than five years	2023 Over five years	2023 Total
Lease rentals receivable	2,766,961	3,084,001	–	5,850,962	2,553,026	2,938,946	–	5,491,972
Residual value	594,501	1,535,245	–	2,129,746	691,255	1,276,536	–	1,967,791
Minimum lease payments	3,361,462	4,619,246	–	7,980,708	3,244,281	4,215,482	–	7,459,763
Financial charges for future periods	(678,712)	(556,299)	–	(1,235,011)	(698,657)	(767,487)	–	(1,466,144)
Present value of minimum lease payments	2,682,750	4,062,947	–	6,745,697	2,545,624	3,447,995	–	5,993,619

Rupees in '000	2024	2023
10.2 Particulars of advances (Gross)		
In local currency	676,924,670	622,718,911
In foreign currencies	56,082,512	38,502,460
	733,007,182	661,221,371
10.2.1 Advances to Women, Women–owned and Managed Enterprises		
Women	2,173,311	2,101,692
Women Owned and Managed Enterprises	135,289,640	143,278,265
	137,462,951	145,379,957

10.2.2 Gross loans disbursed to women, women–owned and managed enterprises during the year is Rs. 268,521,350 thousand (2023: Rs. 186,110,921 thousand).

10.3 Particlurs of credit loss allowance

10.3.1 Advances – Exposure

		2024			
Rupees in '000	Note	Stage 1	Stage 2	Stage 3	Total
Opening balance		–	–	–	–
Impact of ECL recognised on adoption of IFRS 9		498,337,683	133,294,322	29,589,366	661,221,371
New advances		313,980,465	11,208,753	7,114	325,196,332
Advances derecognised or repaid		(203,151,293)	(39,314,503)	(3,161,412)	(245,627,208)
Transfer to stage 1		54,767,590	(54,767,590)	–	–
Transfer to stage 2		(18,331,898)	18,410,402	(78,504)	–
Transfer to stage 3		(519,804)	(7,923,287)	8,443,091	–
		146,745,060	(72,386,225)	5,210,289	79,569,124
Amounts written off / charged Off	10.6	–	–	(371,008)	(371,008)
Fair value adjustments		(6,662,374)	(749,931)	–	(7,412,305)
Closing balance		638,420,369	60,158,166	34,428,647	733,007,182

10.3.2 Advances – Particulars of credit loss allowance

	2024						2023		
Rupees in '000		Stage 1	Stage 2	Stage 3	Specific Provision	Total	Specific Provision	General Provision	Total
Opening balance	–	–	–	25,636,695	2,538,527	28,175,222	29,297,528	1,825,586	31,123,114
Impact of adoption of IFRS 9	3,533,735	6,801,929	27,783,828	(25,636,695)	(2,538,527)	9,944,270	–	–	–
Balance as at January 1, 2024	3,533,735	6,801,929	27,783,828	–	–	38,119,492	29,297,528	1,825,586	31,123,114
Exchange adjustment	–	–	–	–	–	–	–	22,369	22,369
Charge for the year	2,168,486	7,121,410	7,338,185	–	–	16,628,080	2,657,741	1,204,787	3,862,528
Reversal under IFRS 9 related to WBB	–	(21,538)	–	–	–	(21,538)	–	(86,544)	(86,544)
Reversal for the year	(4,561,393)	(10,008,428)	(2,470,141)	–	–	(17,039,962)	(2,105,630)	(427,671)	(2,533,301)
	(2,392,907)	(2,908,557)	4,868,044	–	–	(433,420)	552,111	690,572	1,242,683
Amounts written-off	–	–	(371,008)	–	–	(371,008)	(2,505,910)	–	(2,505,910)
Amounts charged-off	–	–	–	–	–	–	(1,707,034)	–	(1,707,034)
Closing balance	1,140,828	3,893,372	32,280,864	–	–	37,315,064	25,636,695	2,538,527	28,175,222

10.3.3 Advances – Credit loss allowance

Rupees in '000	Note	2024 Stage 1	2024 Stage 2	2024 Stage 3	2024 Total
Opening balance		–	–	–	–
Impact of ECL recognised on adoption of IFRS–9		3,533,735	6,801,929	27,783,828	38,119,492
New advances		2,105,443	6,904,728	336,939	9,347,111
Advances derecognised or repaid		(1,307,334)	(2,406,833)	(2,339,326)	(6,053,493)
Transfer to stage 1		63,043	(63,043)	–	–
Transfer to stage 2		(213,952)	216,681	(2,729)	–
Transfer to stage 3		(304,459)	(6,696,787)	7,001,246	–
		342,741	(2,045,254)	4,996,130	3,293,618
Changes in risk parameters		(2,735,648)	(863,303)	(128,086)	(3,727,037)
Amounts written off / charged Off	10.6	–	–	(371,008)	(371,008)
Closing balance		1,140,828	3,893,372	32,280,864	37,315,064

10.3.4 Advances – Credit loss allowance details

Rupees in '000		2024 Stage 1	2024 Stage 2	2024 Stage 3	2024 Total
Internal / External rating / stage classification					
Outstanding gross exposure					
Performing	Stage 1	638,420,368	–	–	638,420,368
Under performing	Stage 2	–	60,158,166	–	60,158,166
Non–performing	Stage 3				
Other Assets Especially Mentioned		–	–	141,213	141,213
Substandard		–	–	3,149,887	3,149,887
Doubtful		–	–	2,217,365	2,217,365
Loss		–	–	28,920,183	28,920,183
		–	–	34,428,648	34,428,648
Total		638,420,368	60,158,166	34,428,648	733,007,182
Corresponding ECL					
Stage 1 and Stage 2		(1,140,828)	(3,893,372)	–	(5,034,200)
Stage 3		–	–	(32,280,864)	(32,280,864)
		637,279,540	56,264,794	2,147,784	695,692,118

10.4 Advances include Rs. 34,428,648 thousand (2023: Rs. 29,063,587 thousand) which have been placed under non–performing status as detailed below:

	2024		2023	
Rupees in '000	Outstanding amount	Credit loss allowance held	Outstanding amount	Provision held
Category of classification in stage 3				
Domestic				
Other Assets Especially Mentioned	141,213	85,324	133,619	1,423
Substandard	3,149,887	2,060,417	2,112,910	523,884
Doubtful	2,217,365	1,564,045	1,301,511	599,345
Loss	28,920,183	28,571,078	25,515,547	24,512,043
Total	34,428,648	32,280,864	29,063,587	25,636,695

10.5 Particulars of credit loss allowance / provision against advances

	2024			
Rupees in '000	Stage 1	Stage 2	Stage 3	Total
In local currency	1,140,828	3,889,224	32,280,864	37,310,916
In foreign currencies	–	4,148	–	4,148
	1,140,828	3,893,372	32,280,864	37,315,064

	2023			
Rupees in '000	Specific	General	Consumer financing -general	Total
In local currency	25,636,695	1,963,699	549,142	28,149,536
In foreign currencies	–	25,686	–	25,686
	25,636,695	1,989,385	549,142	28,175,222

Rupees in '000	Note	2024	2023
10.6 Particulars of write offs			
10.6.1 Against credit loss allowance / provision		371,008	2,505,910
10.6.2 Write offs of Rs. 500,000 and above			
– Domestic		40,448	2,505,910
Write offs of below Rs. 500,000	10.7	330,560	–
		371,008	2,505,910

10.6.3 Details of loan write off of Rs. 500,000/– and above

In terms of sub–section (3) of Section 33A of the Banking Companies Ordinance, 1962 the statement in respect of written off loans or any other financial relief of rupees five hundred thousand or above allowed to a person(s) during the year ended December 31, 2024 is given in Annexure – I.

10.7 Amounts charged off

This includes agriculture loans amounting to Rs. 77,186 thousand (2023: Rs. 93,707 thousand) charged off as per time based criteria prescribed by the State Bank of Pakistan in Annexure II of Regulation R–11 of Prudential Regulations for Agriculture Financing. Further, it also includes consumer loans amounting to Rs. 253,374 thousand (2023: Rs. 1,614,095) charged off as per the Bank's write off, restructuring / rescheduling and settlement policy approved by the Board of Directors.

Rupees in '000	Note	2024	2023
11 PROPERTY AND EQUIPMENT			
Capital work–in–progress	11.1	822,004	491,050
Property and equipment	11.2	21,012,900	18,216,393
		21,834,904	18,707,443

11.1 This represents civil works in progress.

11.2 Property and equipment

Rupees in '000	2024									
	Land – freehold	Land – leasehold	Buildings on freehold land	Buildings on leasehold land	Renovation of premises	Furniture, fixtures and office equipment	Machine and equipment	Computer equipment	Vehicles	Total
As at January 1, 2024										
Cost / Revalued Amount	7,118,892	6,119,500	1,229,926	984,192	2,966,308	2,198,379	4,621,878	3,532,425	237,167	29,008,667
Accumulated Depreciation	–	–	(585,776)	(546,673)	(2,368,778)	(1,251,398)	(3,329,798)	(2,573,698)	(136,153)	(10,792,274)
Net book value	7,118,892	6,119,500	644,150	437,519	597,530	946,981	1,292,080	958,727	101,014	18,216,393
Year ended December 31, 2024										
Opening net book value	7,118,892	6,119,500	644,150	437,519	597,530	946,981	1,292,080	958,727	101,014	18,216,393
Additions	–	–	–	–	779,230	550,653	1,509,825	1,121,360	63,643	4,024,711
Disposals	–	–	–	–	(1,491)	(8,802)	(3,501)	(63)	(4,805)	(18,662)
Depreciation charge	–	–	(31,480)	(21,382)	(271,410)	(210,637)	(415,854)	(425,549)	(37,028)	(1,413,340)
Other adjustments / transfers	–	–	–	–	–	–	–	203,798	–	203,798
Closing net book value	7,118,892	6,119,500	612,670	416,137	1,103,859	1,278,194	2,382,550	1,858,273	122,824	21,012,900
Cost / Revalued Amount	7,118,892	6,119,500	1,229,926	984,192	3,720,980	2,570,443	5,643,048	4,654,372	269,280	32,310,633
Accumulated Depreciation	–	–	(617,256)	(568,055)	(2,617,121)	(1,292,249)	(3,260,498)	(2,796,099)	(146,456)	(11,297,733)
Net book value	7,118,892	6,119,500	612,670	416,137	1,103,859	1,278,194	2,382,550	1,858,273	122,824	21,012,900
Rate of depreciation (percentage)	–	–	5	5	20	10–20	10–20	20	20	

Rupees in '000	2023									
	Land – freehold	Land – leasehold	Buildings on freehold land	Buildings on leasehold land	Renovation of premises	Furniture, fixtures and office equipment	Machine and equipment	Computer equipment	Vehicles	Total
As at January 1, 2023										
Cost / Revalued Amount	7,118,892	6,119,500	1,230,272	984,192	2,889,766	1,941,069	4,125,601	3,487,167	183,138	28,079,597
Accumulated Depreciation	–	–	552,679	524,193	2,460,166	1,102,835	3,111,498	2,844,183	111,710	10,707,264
Net book value	7,118,892	6,119,500	677,593	459,999	429,600	838,234	1,014,103	642,984	71,428	17,372,333
Year ended December 31, 2023										
Opening net book value	7,118,892	6,119,500	677,593	459,999	429,600	838,234	1,014,103	642,984	71,428	17,372,333
Additions	–	–	–	–	366,661	283,164	571,851	513,062	62,706	1,797,444
Disposals	–	–	–	–	(2,522)	(2,009)	(4,885)	–	(3,909)	(13,325)
Depreciation charge	–	–	(33,443)	(22,480)	(192,648)	(178,124)	(293,054)	(241,528)	(29,232)	(990,509)
Other adjustments / transfers	–	–	–	–	(3,561)	5,716	4,065	44,209	21	50,450
Closing net book value	7,118,892	6,119,500	644,150	437,519	597,530	946,981	1,292,080	958,727	101,014	18,216,393
Cost / Revalued Amount	7,118,892	6,119,500	1,229,926	984,192	2,966,308	2,198,379	4,621,878	3,532,425	237,167	29,008,667
Accumulated Depreciation	–	–	(585,776)	(546,673)	(2,368,778)	(1,251,398)	(3,329,798)	(2,573,698)	(136,153)	(10,792,274)
Net book value	7,118,892	6,119,500	644,150	437,519	597,530	946,981	1,292,080	958,727	101,014	18,216,393
Rate of depreciation (percentage)	–	–	5	5	20	10–20	10–20	20	20	

11.2.1 Cost of fully depreciated property and equipment still in use of the Bank

Rupees in '000	Land – freehold	Land – leasehold	Buildings on freehold land	Buildings on leasehold land	Renovation of premises	Furniture, fixtures and office equipment	Machine and equipment	Computer equipment	Vehicles	Total
2024	–	–	–	–	2,066,316	380,827	2,026,834	1,941,163	80,806	6,495,946
2023	–	–	–	–	1,886,712	390,421	2,308,009	1,934,154	67,919	6,587,215

11.3 Disposal of assets to related parties:

Particular of assets	Cost	Book Value	Sale Proceeds	Mode of Disposal	Particular of Purchaser
Vehicles	4,022	1,743	1,743	As per Bank's policy	Mr. Atif Riaz Bokhari – Ex – President
Furniture, fixtures and office equipment	280	250	250	–do–	Mr. Rana Fasih Ul Hassan – Ex – Key Management Person
	4,302	1,993	1,993		

11.4 Freehold and leasehold land were revalued by the valuers approved by the Pakistan Banks' Association on December 31, 2022. The valuation was carried out by M/s SMASCO on the basis of their professional assessment of the present market value. The total surplus against revaluation of freehold and leasehold land included in property and equipment as at December 31, 2024 amounts to Rs. 9,384,750 thousand (2023: Rs. 9,384,750 thousand).

Had the freehold and leasehold land included in property and equipment not been revalued, the total carrying amounts of revalued properties as at December 31, 2024 would have been Rs. 3,853,642 thousand (2023: Rs. 3,853,642 thousand).

Rupees in '000	Note	2024	2023
		Buildings	
12 RIGHT–OF–USE ASSETS			
Net carrying amount at January 1,		8,312,812	6,891,568
Additions during the year		6,262,557	3,227,516
Terminations / adjustments		(120,935)	(83,565)
Depreciation charge for the year		(2,258,248)	(1,722,707)
Net carrying amount at December 31,		12,196,186	8,312,812

Rupees in '000	Note	2024	2023
13 INTANGIBLE ASSETS			
Computer software	13.1	1,422,143	1,501,272
Capital work in progress		427,635	359,475
		1,849,778	1,860,747
13.1 Software			
As at January 1,			
Cost		3,300,547	2,748,506
Accumulated amortization		(1,799,275)	(1,617,691)
Net book value		1,501,272	1,130,815
Year ended December 31,			
Opening net book value		1,501,272	1,130,815
Additions			
– directly purchased		316,662	585,286
Amortization charge		(217,118)	(181,584)
Other adjustments / transfers		(178,673)	(33,245)
Closing net book value		1,422,143	1,501,272
As at December 31,			
Cost		3,438,536	3,300,547
Accumulated amortization and impairment		(2,016,393)	(1,799,275)
Net book value		1,422,143	1,501,272
Rate of amortization (percentage)		10	10
Useful life (in years)		10	10

13.1.1 Cost of fully amortized intangible assets still in use amounts to Rs. 1,234,865 thousand (2023: Rs. 1,195,727 thousand).

Rupees in '000	2024	2023
14 ASSETS HELD FOR SALE		
Fixed assets	1,750,000	1,750,000

14.1 The Group has entered into a sale agreement to sell its land located at Haider Road, Rawalpindi. Accordingly the same has been classified to non–current asset held for sale. The carrying amount includes revaluation surplus of Rs. 980,987 thousand at which amount the asset was transferred from property and equipment.

15 DEFERRED TAX ASSETS / (LIABILITIES)

	2024				
Rupees in '000	At January 1, 2024	IFRS 9 Opening Adjustments	Recognized in P&L	Recognized in OCI & Equity	At December 31, 2024
Deductible Temporary Differences on					
– Accelerated tax depreciation	(205,456)	–	(418,949)	–	(624,405)
– Deficit / (surplus) on revaluation of investments	6,115,338	(1,682,907)	–	(10,139,183)	(5,706,752)
– ECL against advances	2,160,533	5,763,980	(2,327,706)	–	5,596,807
– Others	(5,003)	–	2,525	(993)	(3,471)
	8,065,412	4,081,073	(2,744,130)	(10,140,176)	(737,821)

	2023				
Rupees in '000	At January 1, 2023	IFRS 9 Opening Adjustments	Recognized in P&L	Recognized in OCI & Equity	At December 31, 2023
Deductible Temporary Differences on					
– Post retirement employee benefits	(65,004)	–	–	65,004	–
– Accelerated tax depreciation	36,767	–	(242,223)	–	(205,456)
– Deficit on revaluation of investments	5,694,978	–	–	420,360	6,115,338
– Provision against advances	1,878,936	–	281,597	–	2,160,533
– Others	–	–	(2,360)	(2,643)	(5,003)
	7,545,677	–	37,014	482,721	8,065,412

16 OTHER ASSETS

Rupees in '000	Note	2024	2023
Income / mark–up accrued in local currency	16.1	65,693,368	73,588,636
Income / mark–up accrued in foreign currencies		1,100,279	2,134,035
Dividend receivable	16.2	2,788	4,453
Advances, deposits, advance rent and other prepayments	16.3	7,699,158	1,064,788
Advance taxation		8,011,118	3,966,205
Trade debts – unsecured – considered good		411,513	461,827
Non banking assets acquired in satisfaction of claims	16.4	388,891	406,862
Deferred cost on recognition of loan at fair value	16.5	4,931,905	–
Receivable from defined benefit plan		415,569	–
Receivable against trading of securities		5,161	46,245
Stationery and stamps in hand		162,096	285,087
Margin against stand by letter of credit (SBLC)		1,056,666	–
Acceptances		16,916,015	14,053,824
Others		709,831	425,248
		107,504,358	96,437,210
Less: Credit loss allowance held against other assets / provision	16.6	(478,632)	(212,988)
Other assets (Net of credit loss allowance / provision)		107,025,726	96,224,222
Surplus on revaluation of non–banking assets acquired in satisfaction of claims		602,230	459,948
Other assets – total		107,627,956	96,684,170

16.1 This balance is net of interest in suspense amounting to Rs. 14,842,570 thousand (2023: Rs. 12,675,023 thousand).

16.2 This balance is net of dividend in suspense amounting to Rs. 81,020 thousand (2023: Rs. 81,020 thousand).

16.3 This includes the prepaid employment benefit recognized in connection with concessional staff facilities provided to employees. These facilities have been recognized at fair value on the date of disbursement due to the adoption of IFRS 9 as applicable in Pakistan. The resultant benefit arising from these concessional facilities is subsequently accounted for under IAS 19 Employee Benefits. The prepaid employee benefit is amortized in a manner that reflects the concessional facilities' income recognition. The current year amortization of prepaid employee benefit amounts to Rs. 1,278,397 thousand.

Rupees in '000	2024	2023
16.4 Market value of Non–banking assets acquired in satisfaction of claims	991,121	866,810

The Group's non–banking assets were revalued by the valuers approved by the Pakistan Banks' Association on December 31, 2024. The latest valuation was carried out by M/s Pakistan Inspection Company (Pvt) Ltd, Karachi and Empire Enterprises (Pvt) Ltd, Sargodha on the basis of their professional assessment of the present market value. The total surplus against revaluation of non–banking asset acquired in satisfaction of claims as at December 31, 2024 amounts to Rs. 602,230 thousand (2023 : Rs. 459,948 thousand).

Rupees in '000	2024	2023
16.4.1 Non–banking assets acquired in satisfaction of claims		
Opening balance	866,810	1,983,236
Revaluation	142,282	126,715
Disposals	–	(1,226,540)
Depreciation	(17,971)	(16,601)
Closing balance	991,121	866,810
16.4.2 Disposal of non–banking assets acquired in satisfaction of claims		
Disposal proceeds	–	1,226,540
Less		
– Carrying value	–	(1,226,540)
Gain / (loss)	–	–

16.5 This represents deferred portion of fair value loss arisen on initial recognition of loan to PIA Holding Company Limited (PIAHCL). SBP through its circular BPRD/BRD/PIAHCL/733688–2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 6 years at rates of 5%, 10%, 15%, 20%, 25%, and 25% from year 1 to year 6, accordingly, the Group has amortized 5% in the current reporting period.

Rupees in '000	Note	2024	2023
16.6 Credit loss allowance / provision held against other assets			
Advances, deposits, advance rent and other prepayments		4,838	4,838
Acceptances		285,239	–
Others		188,555	208,150
		478,632	212,988
16.6.1 Movement in credit loss allowance / provision held against other assets			
Opening balance		212,988	182,608
Impact of ECL recognised on adoption of IFRS–9		431,571	–
		644,559	182,608
Charge for the year		–	2,756
Reversal for the year		(165,927)	(260)
Transfers / Other adjustments		–	27,884
Closing balance		478,632	212,988

17 BILLS PAYABLE

In Pakistan		66,704,448	12,394,336

18 BORROWINGS

	Note	2024	2023
Secured			
Borrowings from the State Bank of Pakistan under:			
– Export refinance scheme	18.1.1	15,106,530	19,840,120
– Long term financing facility	18.1.2	6,714,408	8,610,177
– Financing facility for storage of agricultural produce	18.1.3	72,000	14,770
– Renewable energy financing facility	18.1.4	3,663,688	3,905,513
– Refinance from SBP			
– Credit guarantee scheme for women entrepreneurs		44,384	12,700
– Temporary economic relief	18.1.5	7,029,796	11,947,741
– Modernisation of SME		275,855	8,687
– Combating COVID–19	18.1.6	237,209	400,459
– Working Capital Financing	18.1.7	27,000	–
– Rupee based discounting of bills / receivable		3,689,838	3,707,901
		36,860,708	48,448,068
Repurchase agreement borrowings			
– State Bank of Pakistan	18.1.8	639,094,000	505,000,000
– Financial institutions	18.1.9	64,095,350	86,921,724
		703,189,350	591,921,724
Refinance from Pakistan Mortgage Refinance Company	18.1.10	4,252,855	2,992,873
Total secured		744,302,913	643,362,665
Unsecured			
Call borrowings		124,908,650	–
Overdrawn nostro accounts		847	–
Total unsecured		124,909,497	–
		869,212,410	643,362,665

18.1.1 Export refinance is secured against demand promissory note executed in favor of the SBP. The effective mark–up rate is 12% to 18% (2023: 12% to 18%) per annum payable on a quarterly basis.

18.1.2 This facility is secured against demand promissory note executed in favour of the SBP. The effective mark–up rate is 2% to 8.5% (2023: 0.7% to 12.5%) per annum payable on a quarterly basis and have maturities upto March 2034.

18.1.3 These are secured against demand promissory note and carry mark–up of up to 2% (2023: 2%) per annum and have maturities upto December 2029.

18.1.4 These are secured against demand promissory note and carry mark–up of 2% to 3% (2023: 2.5% to 5%) per annum and have maturities upto January 2036.

18.1.5 These are secured against demand promissory note and carry mark–up of 1% (2023: 2% to 5%) per annum payable on quarterly basis and have maturities up to August 2032.

18.1.6 These are secured against demand promissory note and carry mark–up of Nil and have maturities up to March 2026.

18.1.7 These are secured against demand promissory note and carry markup of upto 2% per annum and have maturities upto December 2025.

18.1.8 These are secured against collateral of Government Securities and carry markup of 13.08% (2023: 22.07% to 22.10%) per annum and have maturities up to 1 month (2023: 1 month). The market value of securities given as collateral is given in note 9.2.1.

18.1.9 These are secured against collateral of Government Securities and carry markup of 12.65% to 13.9% (2023: 22.00% to 22.95%) per annum and have maturities up to 1 month (2023: 1 month). The market value of securities given as collateral is given in note 9.2.1.

18.1.10 This is secured against mortgage finance portfolio of the Group and carry markup of 6% to 16.94% (2023: 6.00% to 16.94%) per annum and has maturity up to 2031 (2023: up to 2031).

Rupees in '000	2024	2023
18.2 Particulars of borrowings with respect to currencies		
In local currency	869,212,410	643,362,665

19 DEPOSITS AND OTHER ACCOUNTS

	2024			2023		
Rupees in '000	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Customers						
Current accounts	357,652,273	28,984,351	386,636,624	320,346,322	31,589,438	351,935,760
Savings deposits	752,321,272	72,565,181	824,886,453	667,642,523	61,519,218	729,161,741
Fixed deposits	101,844,430	29,497,256	131,341,686	160,821,348	30,642,438	191,463,786
	1,211,817,975	131,046,788	1,342,864,763	1,148,810,193	123,751,094	1,272,561,287
Financial institutions						
Current accounts	1,057,931	236,526	1,294,457	1,149,626	241,191	1,390,817
Savings deposits	10,272,783	–	10,272,783	2,144,906	–	2,144,906
Fixed deposits	8,418,500	–	8,418,500	16,697,696	–	16,697,696
	19,749,214	236,526	19,985,740	19,992,228	241,191	20,233,419
	1,231,567,190	131,283,314	1,362,850,503	1,168,802,421	123,992,285	1,292,794,706

Rupees in '000	2024	2023
19.1 Composition of deposits		
– Individuals	528,581,290	449,138,203
– Government (Federal and Provincial)	443,752,760	430,201,041
– Public Sector Entities	97,785,246	99,322,124
– Banking Companies	456	493
– Non–Banking Financial Institutions	19,985,286	20,283,045
– Private Sector	272,745,465	293,849,800
	1,362,850,503	1,292,794,706

19.2 Total deposits include eligible deposits of Rs. 616,201,532 thousand (2023: Rs. 536,003,024 thousand) as required by the Deposit Protection Corporation (a subsidiary of SBP) vide circular no. 04 of 2018 dated June 22, 2018.

Rupees in '000	2024	2023
20 LEASE LIABILITIES		
Opening balance	9,699,474	8,084,073
Additions during the year	6,262,557	3,227,516
Lease payments including interest	(3,309,401)	(2,523,755)
Interest expense	1,544,722	1,061,886
Termination and other adjustments	(22,699)	(150,246)
Closing balance	14,174,653	9,699,474
20.1 Contractual maturity of lease liabilities		
Short–term lease liabilities – within one year	1,090,562	1,143,794
Long–term lease liabilities		
– 1 to 5 years	5,124,890	3,925,528
– More than 5 years	7,959,201	4,630,152
	13,084,091	8,555,680
	14,174,653	9,699,474

Rupees in '000	2024	2023
21 SUBORDINATED DEBTS		
Term Finance Certificates – VI (ADT–1)	6,000,000	6,000,000
Term Finance Certificates – VII	6,000,000	6,000,000
	12,000,000	12,000,000

21.1 The Group has raised unsecured sub–ordinated loans through issuance of Term Finance Certificates to improve the Group's capital adequacy. Liability to the TFC holders is subordinated to and rank inferior to all other indebtedness of the Group including deposits and is not redeemable before maturity without prior approval of the SBP. The salient features of outstanding issues are as follows:

	Term Finance Certificates - VI (ADT-1)	Term Finance Certificates - VII
Outstanding amount Rupees in '000	6,000,000	6,000,000
Issue amount	Rupees 6,000 million	Rupees 6,000 million
Issue date	July 03, 2018	March 17, 2020
Maturity date	Perpetual	March 16, 2030
Rating	AA–	AA
Security	Unsecured	Unsecured
Listing	Listed	Listed
Profit payment frequency	Payable six monthly	Payable quarterly
Redemption	Perpetual	109–120th month: 100%
Profit rate	Base Rate plus 1.50%	Base Rate plus 1.20%
	Base Rate is the simple average of the ask rate of six month KIBOR prevailing on the base rate setting date.	Base Rate is the simple average of the ask rate of three month KIBOR prevailing on the base rate setting date.
Call option	Exercisable after 60 months from the date of issue subject to approval by the SBP.	Exercisable after 60th month from the date of issue subject to approval by the SBP.
Lock–in–clause	Payment of profit will be subject to the condition that such payment will not result in breach of the Group's regulatory Minimum Capital Requirement or Capital Adequacy Ratio set by SBP from time to time. Any inability to exercise lock-in clause or the non-cumulative features will subject these TFCs to mandatory conversion into common shares / write off at the discretion of SBP.	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 or increase in an existing shortfall in the Group's Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio. That is, any payment (profit and/or principal) in respect of the TFC would be made, subject to the Group being in compliance with the requirement of Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio.

Loss absorption clause	The Instrument will be subject to loss absorption and / or any other requirements of SBP upon the occurrence of a Point of Non–Viability event as per Section A–5–3 of Annexure 5 of the circular, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the issuer 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 Value of the TFCs' divided by market value per share of the Group's common share on the date of trigger event as declared by SBP, subject to a specified cap.	As per Loss Absorbency Clause requirement for Tier II capital purpose, the instrument will be subject to loss absorbency and / or any other requirements under SBP's instructions on the subject. Upon the occurrence of a Point of Non–Viability event as defined under SBP BPRD Circular # 6 of 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Group 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 market value per share of the Group's common share on the date of trigger of Point of Non–Viability (PONV) as declared by SBP subject to a cap of 245,042,630 shares.

Rupees in '000	Note	2024	2023
22 OTHER LIABILITIES			
Mark–up / return / interest payable in local currency		12,250,985	22,119,508
Mark–up / return / interest payable in foreign currencies		1,498,234	1,267,444
Unearned commission and income on bills discounted		1,586,242	2,003,160
Accrued expenses		3,774,114	2,653,259
Trade payables		2,867,062	1,461,674
Advance payments		364,016	314,319
Acceptances		16,916,015	14,053,824
Dividend payable		229,933	193,493
Advance against sale of properties		513,955	461,535
Mark to market loss on forward foreign exchange contracts		664,470	1,322,589
Branch adjustment account		647,591	525,732
Payable to defined benefit plan	39.4	–	67,468
Provision for employees' compensated absences	41.2	797,348	724,890
Security deposit against lease / Ijarah financing		3,625,392	3,485,208
Levies and taxes payable		1,919,670	2,087,179
Workers' Welfare Fund		1,852,335	1,301,596
Switch settlement accounts		1,168,145	1,375,528
Deferred Grant on subsidised refinance loans		45,345	–
Credit loss allowance / provision against off–balance sheet obligations	22.1	755,760	160,558
Others		1,814,961	2,247,229
		53,291,573	57,826,193

Rupees in '000	2024	2023
22.1 Credit loss allowance / provision against off–balance sheet obligations		
Opening balance	160,558	134,767
Impact of ECL recognised on adoption of IFRS–9	1,112,808	–
	1,273,366	134,767
Exchange adjustment	–	133
Charge for the year	–	26,319
Reversal for the year	(517,606)	(661)
	(517,606)	25,658
Closing balance	755,760	160,558

23 SHARE CAPITAL

23.1 Authorized capital

2024 (Number of shares)	2023		2024 (Rupees in '000)	2023
2,000,000,000	2,000,000,000	Ordinary shares of Rs. 10 each	20,000,000	20,000,000

23.2 Issued, subscribed and paid up capital

2024 (Number of shares)	2023		2024 (Rupees in '000)	2023
		Ordinary shares of Rs. 10 each:		
514,689,096	514,689,096	Fully paid in cash	5,146,891	5,146,891
906,336,796	906,336,796	Issued as bonus shares	9,063,368	9,063,368
28,273,315	28,273,315	Issued on Askari Leasing Limited merger	282,733	282,733
1,449,299,207	1,449,299,207		14,492,992	14,492,992

(Number of shares)	2024	2023
23.3 Composition of shares held by the Fauji Consortium is as follows:		
Fauji Foundation	104,224,366	104,224,366
Fauji Fertilizer Company Limited	937,999,837	625,333,227
Fauji Fertilizer Bin Qasim Limited	–	312,666,610
	1,042,224,203	1,042,224,203

Rupees in '000	Note	2024	2023
24 SURPLUS ON REVALUATION OF ASSETS – NET OF TAX			
Surplus / (deficit) on revaluation of:			
– Securities measured at FVOCI – Debt		6,660,738	–
– Securities measured at FVOCI – Equity		4,313,784	–
– Available for sale securities – Debt		–	(14,620,240)
– Available for sale securities – Equity		–	2,139,959
– Property and equipment		10,365,737	10,365,737
– Non–banking assets acquired in satisfaction of claims	24.1	602,230	459,948
		21,942,489	(1,654,596)
Deferred tax on surplus / (deficit) on revaluation of:			
– Securities measured at FVOCI – Debt		(3,463,584)	–
– Securities measured at FVOCI – Equity		(2,243,168)	–
– Available for sale securities – Debt		–	7,163,918
– Available for sale securities – Equity		–	(1,048,580)
		(5,706,752)	6,115,338
		16,235,737	4,460,742

24.1 Surplus on revaluation of non–banking assets acquired in satisfaction of claims

Rupees in '000	2024	2023
Surplus on revaluation as at January 1	459,948	1,135,774
Recognised during the year	142,282	126,715
Realised on disposal during the year	–	(802,541)
	602,230	459,948

25 CONTINGENCIES AND COMMITMENTS

Rupees in '000	Note	2024	2023
– Guarantees	25.1	308,928,884	350,296,809
– Commitments	25.2	639,295,945	522,612,991
– Other contingent liabilities	25.3	1,530,994	1,429,701
		949,755,823	874,339,501

25.1 Guarantees

Rupees in '000	2024	2023
Financial guarantees	12,443,697	7,400,327
Performance guarantees	169,536,398	188,322,832
Other guarantees	126,948,789	154,573,650
	308,928,884	350,296,809

Rupees in '000	Note	2024	2023
25.2 Commitments			
Documentary credits and short–term trade–related transactions			
– letters of credit		206,461,012	226,655,650
Commitments in respect of:			
– forward foreign exchange contracts	25.2.1	200,561,147	276,444,892
– forward government securities transactions	25.2.2	204,610,000	2,000,000
– forward non–government securities transactions	25.2.3	530,538	1,174,056
Commitments for acquisition of:			
– operating fixed assets		325,308	255,774
– intangible assets		229,312	239,594
– Undrawn loan commitments	25.2.4	26,578,628	15,843,025
		639,295,945	522,612,991
25.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		118,183,587	153,115,769
Sale		82,377,560	123,329,123
		200,561,147	276,444,892

The above commitments have maturities falling within one year.

Rupees in '000	2024	2023
25.2.2 Commitments in respect of forward Government securities transactions		
Sale	204,610,000	2,000,000
25.2.3 Commitments in respect of forward Non-Government securities transactions		
Purchase	36,455	1,168,290
Sale	494,083	5,766
	530,538	1,174,056

25.2.4 Undrawn loan commitments

The Group makes commitments to extend credit in the normal course of business but these being revocable commitments do not attract any significant penalty or the expense if the facility is unilaterally withdrawn, other than commitments in respect of syndicated long term financing amounting to Rs 26,578,628 thousand (2023: Rs 15,843,025 thousand).

Rupees in '000	2024	2023
25.3 Other contingent liabilities		
These represent certain claims by third parties against the Group, which are being contested in the Courts of law. Based on legal advice and / or internal assessment, management is confident that the matters will be decided in Group's favour and the possibility of any outcome against the Group is remote and accordingly no provision has been made in these consolidated financial statements	474,328	596,911
This represents stand by letters of credit issued by a correspondent bank on behalf of the Group.	1,056,666	832,790
	1,530,994	1,429,701

25.4 Tax related contingencies are disclosed in note 35.2 to these consolidated financial statements.

26 DERIVATIVE INSTRUMENTS

The Group at present does not offer derivative products such as Interest Rate Swaps, Cross Currency Swaps, Forward Rate Agreements or Foreign Exchange Options. The Bank's Treasury and Investment Banking Groups buy and sell derivative instruments such as Forward Exchange Contracts (FECs) and Equity Futures (EFs).

26.1 Forward exchange contracts (FECs)

FECs is a product offered to clients to hedge FX risk. The traders use this product to hedge themselves from unfavourable movements in a foreign currency, however, by agreeing to fix the exchange rate, they do not benefit from favourable movements in that currency.

FECs is a contract between the obligor and the Group in which both agree to exchange an amount of one currency for another currency at an agreed forward exchange rate for settlement over more than two business days after the FECs is entered into (the day on which settlement occurs is called the value date). FECs is entered with those obligors whose credit worthiness has already been assessed, and they have underlined trade transactions.

If the relevant exchange rate moves un–favourably, the Group will lose money, and obligor will benefit from that movement because the Group must exchange currencies at the FEC rate. In order to mitigate this risk of adverse exchange rate movement, the Group manages its exposure by hedging forward position in inter–bank foreign exchange.

26.2 Equity futures

An equity futures contract is a standardized contract, traded on a futures counter of the stock exchange, to buy or sell a certain underlying scrip at a certain date in the future, at a specified price.

The Group uses equity futures as a hedging instrument to hedge its equity portfolio against equity price risk. Only selected shares are allowed to be traded on futures exchange as determined by the Exchange.

Equity futures give flexibility to the Group either to take delivery on the future settlement date or to settle it by adjusting the notional value of the contract based on the current market rates.

Maximum exposure limit to the equity futures is 10% of Tier I Capital of the Group, based on prevailing SBP regulations.

The Risk Management Group monitors the Bank's exposure in equity futures and forward exchange contracts. Positions in equity futures and forward exchange contracts are marked–to–market. Forward contracts are included in measures of portfolio volatility including Value at Risk (VaR). Forward exchange contracts and equity futures are also included in capital charge and Risk Weighted Asset calculation in accordance with SBP regulations.

The accounting policies used to recognize and disclose derivatives are given in note 5.21.

Rupees in '000	Note	2024	2023
27 MARK–UP / RETURN / INTEREST EARNED			
Loans and advances	27.1	118,518,543	108,554,341
Investments		274,633,349	193,155,418
Lendings to financial institutions		1,834,258	609,615
Balances with banks		1,218,966	721,040
Securities purchased under resale agreements (reverse repo)		3,774,241	2,594,461
Amortization under IFRS 9		1,278,397	–
		401,257,754	305,634,875

27.1 This includes Rs. 772,706 thousand related to unwinding of Temporary Economic Refinance Facility.

Rupees in '000	Note	2024	2023
28 MARK–UP / RETURN / INTEREST EXPENSED			
Deposits		173,295,027	157,777,905
Borrowings	28.1	155,520,859	81,181,911
Subordinated debts		2,597,765	2,617,101
Cost of foreign currency swaps against foreign currency deposits / borrowings		4,385,268	3,543,842
Interest expense on lease liability against ROU assets	20	1,544,722	1,061,886
Fair value loss upon initial recognition under IFRS 9		259,574	–
Others		–	1,581
		337,603,215	246,184,226

28.1 This includes Rs. 840,087 thousand related to unwinding of Temporary Economic Refinance Facility.

Rupees in '000	Note	2024	2023
29 FEE AND COMMISSION INCOME			
Branch banking customer fees		951,755	817,818
Consumer finance related fees		89,019	95,373
Card related fees (debit and credit cards)		2,219,942	1,645,863
Credit related fees		430,973	727,735
Investment banking fees		356,973	282,514
Commission on trade		1,262,285	1,853,854
Commission on guarantees		1,299,035	1,346,464
Commission on cash management		84,817	53,547
Commission on remittances including home remittances		192,145	150,298
Commission on bancassurance		29,721	31,228
Others		636,582	305,306
		7,553,247	7,310,000
30 GAIN ON SECURITIES			
Realised	30.1	1,799,976	758,649
Unrealised		1,075,063	22,049
		2,875,039	780,698
30.1 Realised gain / (loss) on			
Measured at FVTPL / HFT			
shares		330,759	186,709
Measured at FVOCI / AFS			
Federal Government securities		1,440,131	156,384
Shares		–	412,280
Mutual funds		29,086	–
Non-Government debt securities		–	3,276
		1,799,976	758,649

Rupees in '000	Note	2024	2023
31 OTHER INCOME			
Gain on sale of property and equipment		43,029	25,960
Rent of lockers		53,768	50,272
Recovery of expenses from customers		495,246	378,628
Gain on termination of lease contracts under IFRS – 16, Leases		31,978	13,731
Amortization of deferred liability under IFRS–9		67,381	–
Others		610	95,792
		692,012	564,383
32 OPERATING EXPENSES			
Total compensation expenses	32.1	17,408,841	14,529,211
Property expense			
Rent and taxes		376,651	187,061
Insurance		122,255	95,179
Utilities cost		1,971,557	1,526,884
Security (including guards)		1,010,020	792,101
Repair & maintenance (including janitorial charges)		566,989	502,090
Depreciation on ROU assets	12	2,258,248	1,722,707
Depreciation		323,678	250,716
		6,629,398	5,076,738
Information technology expense			
Software maintenance		1,158,151	753,433
Hardware maintenance		192,638	169,335
Depreciation		417,263	239,454
Amortisation		216,856	181,584
Network charges		336,925	752,845
		2,321,833	2,096,651
Other operating expenses			
Directors' fees, allowances		52,800	43,760
Fees and allowances to Shariah Board		10,756	9,547
Rates, taxes, insurance etc.		154,841	188,096
Legal and professional charges		222,449	124,333
Brokerage and commission		367,233	253,833
NIFT clearing charges		134,251	89,635
Repair and maintenance		972,851	752,500
Communication		2,318,297	1,059,094
Stationery and printing		828,857	656,049
Marketing, advertisement and publicity		313,793	309,106
Donations		–	524,398
Auditors' remuneration	32.2	58,406	46,724
Travelling, conveyance and entertainment		553,459	441,871
Depreciation		672,399	500,339
Security service charges		733,725	670,421
Training and development		56,396	49,256
Deposit premium expense		857,605	702,320
Outsourced service cost (in Pakistan)		725,376	345,348
Other expenditure		596,990	317,140
		9,630,484	7,083,770
		35,990,556	28,786,370

Rupees in '000	Note	2024	2023
32.1 Total compensation expenses			
Managerial remuneration			
i) Fixed		5,405,511	4,919,492
ii) Variable			
– Cash bonus / awards etc.		2,192,584	1,796,941
Charge for defined benefit plans	32.1.1	572,653	496,574
Contribution to defined contribution plan	40	390,445	340,111
Rent and house maintenance		2,441,142	2,147,183
Utilities		532,076	470,613
Medical		807,950	694,533
Conveyance		2,300,497	2,019,364
Amortization under IFRS 9	16.3	1,278,397	–
Other staff cost	32.1.2	1,487,586	1,644,400
Total		17,408,841	14,529,211

32.1.1 This includes charge for defined benefit plan and compensated absences.

32.1.2 This includes staff incentives, other allowances and health coverage etc.

Rupees in '000	2024	2023
32.2 Auditors' remuneration		
Statutory auditors of the Group		
Audit fee	7,800	6,609
Special certifications, half year review and audit of consolidated financial statements	22,239	16,550
Tax services	17,120	15,000
Out of pocket expenses	2,780	951
	49,939	39,110
Auditors of Wholesale Bank Branch, Bahrain		
Audit fee	6,519	6,668
Auditors of Subsidiary	1,948	946
	58,406	46,724

33 This represents penalties imposed by the State Bank of Pakistan.

Rupees in '000	Note	2024	2023
34 CREDIT LOSS ALLOWANCE & WRITE OFFS – NET			
Credit loss allowance / (reversal) of provision against lending to financial institutions		(29,122)	(29,722)
Credit loss allowance / (reversal) of provision against diminution in value of investments	9.3.2	(533,128)	(147,815)
Credit loss allowance / provision charge against loans and advances	10.3.2	(433,420)	1,242,683
Credit loss allowance / provision charge against other assets	16.6.1	(165,927)	2,496
Credit loss allowance / provision against off–balance sheet obligations	22.1	(517,606)	25,658
Credit loss allowance / provision charge against balances with other banks		297	2
Recovery of written off / charged off bad debts		(120,479)	(126,941)
		(1,799,385)	966,361
35 TAXATION			
Current		20,868,795	20,679,503
Deferred		2,744,130	(37,014)
		23,612,925	20,642,489
35.1 Relationship between tax expense and accounting profit			
Profit before taxation		44,869,480	42,182,898
Tax at applicable tax rate of 44 percent (2023: 39 percent)		19,742,571	16,451,330
Effect of:			
– Super tax – current year		4,486,948	4,221,489
– Permanent difference		142,026	–
– Change in tax rate		(567,824)	–
– Others		(190,796)	(30,330)
		23,612,925	20,642,489

35.2 Tax status and contingencies

i) During the year ended 31 December 2023, the Federal Government issued S.R.O 1588 (I)/2023 on 21 November 2023 under section 99D of the Income Tax Ordinance 2001, whereby the banking sector was specified the sector for the payment of additional tax on windfall income. Through said S.R.O, the Federal Government also specified the method to determine windfall income, tax rate to be applied on such windfall income and tax years under scope. The Group has challenged the S.R.O through petition before the Honorable Islamabad High Court with regards to retrospective application of Section 99D of the Income Tax Ordinance, 2001 for tax years 2022 and 2023. The Honorable Islamabad High Court through its order dated 30 November 2023 has suspended the operation of S.R.O.1588 (I)/2023 and the said injunctive order continues to operate till date of next hearing for which no date has been fixed yet. Management based on the legal advisor opinion believes that the Group has reasonably good chance to succeed in this case and therefore has not recognized any provision in the financial statements. Additional tax on windfall income for tax years 2022 and 2023 is estimated to be Rs. 2,189 million.

ii) The Group has filed tax returns for and up to tax year 2024. The assessments for and up to tax year 2023 were amended by the tax authorities creating accumulated additional tax demand, mainly in the matters of admissibility of recoveries against doubtful debts for Rs 1,119 million, provision for diminution in the value of investments for Rs 3,144.44 million, bad debts written off for Rs 242.892 million, provision for substandard advances for Rs 74.95 million, Provision against other assets/fixed assets for Rs 145.81 million, disallowance of employee benefit expenses Rs 228.680 million, disallowance of depreciation on lease assets Rs 773.88 and other disallowances of expenses/credits for Rs 551.78 million. The Group's Appeals against these orders are currently pending before Commissioner Appeals, Appellate Tribunal and Islamabad High Court. The management and tax advisor of the Group are confident that these matters will be decided in favor of the Group and consequently no provision has been made thereon. Tax payments by the Group against certain matters are being carried forward as receivable, as management and tax advisor of the Group are confident of their realization.

iii) Consequent upon the amalgamation with and into the Group, the outstanding tax issues relating to Askari Leasing Limited (ALL) are as follows:

Tax returns of ALL have been filed for and up to tax year 2010. The returns for the tax years 2003 to 2010 were amended by the tax authorities mainly in the matter of admissibility of initial allowance claimed on leased vehicles. On appeals filed by ALL, partial relief was provided by the CIR(A) by allowing initial allowance on commercial vehicles. Re–assessment has not yet been carried out by the tax department. A tax demand is however not likely to arise after re–assessment.

For and up to the assessment years 2002–2003, reference applications filed by the tax authorities in the matter of computation of lease income are pending decisions by the High Court. However, the likelihood of an adverse decision is considered low due to a favorable decision of the High Court in a parallel case.

Rupees in '000	2024	2023
36 BASIC AND DILUTED EARNINGS PER SHARE		
Profit for the year – Rupees in '000	21,137,694	21,488,592
Weighted average number of ordinary shares – numbers	1,449,299,207	1,449,299,207
Basic and diluted earnings per share – Rupees	14.58	14.83

There is no dilutive effect on the basic earnings per share of the Group, therefore diluted earnings per share have not been presented separately.

Rupees in '000	2024	2023
37 CASH AND CASH EQUIVALENTS		
Cash and balances with treasury banks	133,535,448	160,087,467
Balances with other banks	12,958,886	14,761,177
Overdrawn nostro balance	(847)	–
	146,493,487	174,848,644

	2024	2023
	Number of employees	
38 STAFF STRENGTH		
Permanent	8,048	7,589
On Bank's contract	336	406
Group's own staff strength at the end of the year	8,384	7,995

Out of total employees, 6 (2023: 6) employees are working abroad.

In addition to the above, 1,174 (2023: 848) domestic employees of outsourcing services companies were assigned to the Group as at the end of the year to perform services other than guarding and janitorial services.

39 DEFINED BENEFIT PLAN

39.1 General description

The Group operates an approved funded gratuity scheme for all its regular employees. Contributions are made in accordance with the actuarial recommendations.

The benefits under the gratuity scheme are payable on retirement at the age of 60 years or earlier cessation of service in lump sum. The benefit is equal to one month's last drawn basic salary for each year of eligible service or part thereof.

39.2 The number of employees covered under the defined benefit scheme are 8,042 employees (2023: 7,469 employees).

39.3 Principal actuarial assumptions

The actuarial valuation was carried out for the year ended December 31, 2024 using the "Projected Unit Credit Method". The main assumptions used for actuarial valuation are as follows:

	2024	2023
Discount rate – per annum	12.00%	16.00%
Expected rate of increase in salaries – per annum	11.50%	15.50%
Expected rate of return on plan assets – per annum	16.00%	14.25%
Duration	8 years	8 years
Mortality rate	SLIC 2001 – 2005 mortality table	SLIC 2001 – 2005 mortality table

Rupees in '000	2024	2023
39.4 Reconciliation of (receivable) / payable to defined benefit plan		
Present value of defined benefit obligation	3,996,517	3,666,458
Fair value of plan assets	(4,412,086)	(3,598,990)
Net (asset) / liability	(415,569)	67,468

Rupees in '000	Note	2024	2023
39.5 Movement in defined benefit obligations			
Obligation at beginning of the year		3,666,458	3,285,070
Current service cost		383,696	326,669
Interest cost		554,299	448,069
Re–measurement gain		(100,157)	(89,381)
Benefits paid by the Group		(494,067)	(281,452)
Benefits due but not paid		(13,712)	(22,517)
Obligation at end of the year		3,996,517	3,666,458
39.6 Movement in fair value of plan assets			
Fair value at beginning of the year		3,598,990	3,090,356
Interest income on plan assets		560,182	434,196
Net return on plan assets	39.8.2	693,225	188,536
Contributions by the Group – net		67,468	189,871
Benefits paid		(494,067)	(281,452)
Benefits due but not paid		(13,712)	(22,517)
Fair value at end of the year		4,412,086	3,598,990
39.7 Movement in payable under defined benefit schemes			
Opening balance		67,468	194,714
Charge for the year		377,813	340,542
Contribution by the Group – net		(67,468)	(189,871)
Re–measurement gain recognised in OCI during the year	39.8.2	(793,382)	(277,917)
Closing balance		(415,569)	67,468
39.8 Charge for defined benefit plan			
39.8.1 Cost recognised in profit and loss			
Current service cost		383,696	326,669
Net interest on defined benefit liability		(5,883)	13,873
		377,813	340,542
39.8.2 Re–measurements recognised in OCI during the year			
Gain on obligation			
– Experience adjustment		(93,731)	(99,398)
– Financial assumptions		(24,993)	10,017
		(118,724)	(89,381)
Return on plan assets over interest income		(690,936)	(188,536)
Total re–measurements recognised in OCI		(809,660)	(277,917)

Rupees in '000	2024	2023
39.9 Components of plan assets		
Cash and cash equivalents – net	122,669	215,948
Government securities	3,273,057	2,678,284
Term Finance Certificates	160,599	182,392
Shares	245,403	81,386
Mutual funds	641,727	468,741
Payables	(44,846)	(27,761)
	4,398,609	3,598,990

The fund primarily invests in Government securities which do not carry any credit risk. These are subject to interest rate risk based on market movements. Equity securities are subject to price risk whereas non–Government debt securities are subject to both credit risk and interest rate risk. These risks are regularly monitored by the Trustees of the employee funds.

39.10 Sensitivity analysis

Sensitivity analysis is performed by changing only one assumption at a time while keeping the other assumptions constant. Sensitivity analysis of key assumptions is given below:

		Impact on Defined Benefit Obligations	
Assumptions	Change in assumption	Increase in assumption	Decrease in assumption
		Rupees in '000	
Discount rate	1.00%	3,665,047	4,325,016
Salary increase	1.00%	4,328,477	3,656,487

39.11 Expected contributions to be paid to the funds in the next financial year is Rs. 181,798 thousand.

39.12 Expected charge for the next financial year is Rs. 365,266 thousand.

39.13 Maturity profile

The average duration of defined benefit obligation is 8 years (2023: 8 years).

39.14 Funding Policy

The Group carries out the actuarial valuation of its defined benefit plan on periodic basis using the "Projected Unit Credit Method". Contributions are made annually in accordance with the actuarial recommendation.

39.15 Significant risk associated with the staff retirement benefit scheme:

Longevity Risks	The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.
Salary Increase Risk	The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.
Withdrawal Risk	The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

40 DEFINED CONTRIBUTION PLAN

The Group operates a recognized provident fund scheme for all its regular employees for which equal monthly contributions are made both by the Group and by the employees to the fund at the rate of 8.33% of basic salary of the employee. Payments are made to the employees as specified in the rules of the fund. Contribution to the fund made by the Group and the employees during the year amounts to Rs. 786,431 thousand (2023: Rs. 686,158 thousand) each. The fund covers 6,825 employees (2023: 6,550 employees).

41 COMPENSATED ABSENCES

41.1 General description

The Group grants compensated absences to all its regular employees as per effective Service Rules. Provisions are recorded in accordance with the actuarial recommendation.

Under this unfunded scheme, all employees are entitled to take 24 days of earned leaves every year which can be accumulated up to a maximum of 45 days. Leave encashment is made on the basis of gross salaries and paid to members on separation from service.

41.2 Principal actuarial assumptions

The actuarial valuation was carried out for the year ended December 31, 2024 using “Projected Unit Credit Method”. Present value of obligation as at December 31, 2024 was Rs. 797,348 thousand (2023: Rs. 724,890 thousand). Expense for the year of Rs. 188,600 thousand (2023: Rs 154,504 thousand) has been included in operating expenses. The main assumptions used for actuarial valuation are as follows:

Rupees in '000	2024	2023
Discount rate - per annum	12.00%	16.00%
Expected rate of increase in salaries – per annum	11.50%	15.50%
Leave accumulation factor – days	11	11

42 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

42.1 Total Compensation Expense

	For the year ended December 31, 2024							
	Directors							
Items	Chairman	Executives (other than CEO)	Non-executives	Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers / Controllers	Total
	(Rupees in '000)							
Fees and Allowances etc.								
Managerial Remuneration								
i) Fixed	2,400	–	50,400	9,640	64,991	200,999	251,882	580,312
ii) Total variable of which								
a) Cash bonus / awards	–	–	–	–	61,746	82,466	104,123	248,335
b) Bonus & awards in shares	–	–	–	–	–	–	–	–
Charge for defined benefit plan	–	–	–	–	12,036	13,491	21,439	46,966
Contribution to defined contribution plan	–	–	–	–	3,488	11,030	18,574	33,092
Rent & house maintenance	–	–	–	–	11,101	66,942	101,536	179,579
Utilities	–	–	–	–	5,918	15,984	24,751	46,653
Medical	–	–	–	–	938	14,695	22,563	38,196
Conveyance	–	–	–	1,116	6,879	76,104	146,707	230,806
Others	–	–	–	–	1,975	76,110	46,609	124,694
Total	2,400	–	50,400	10,756	169,072	557,821	738,184	1,528,633
Number of persons	2	–	9	4	1	21	77	114

Items	Chairman	Directors: Executives (other than CEO)	Directors: Non-executives	Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers / Controllers	Total
	For the year ended December 31, 2023							
	(Rupees in '000)							
Fees and Allowances etc.								
Managerial Remuneration								
i) Fixed	2,620	–	41,140	8,400	65,401	199,622	232,508	549,691
ii) Total variable of which								
a) Cash bonus / awards	–	–	–	–	41,000	96,183	85,615	222,798
b) Bonus & awards in shares	–	–	–	–	–	–	–	–
Charge for defined benefit plan	–	–	–	–	5,031	17,179	16,907	39,117
Contribution to defined contribution plan	–	–	–	–	5,029	11,323	16,668	33,020
Rent & house maintenance	–	–	–	–	12,845	70,119	93,904	176,868
Utilities	–	–	–	–	9,150	15,204	23,672	48,026
Medical	–	–	–	–	–	16,431	20,867	37,298
Conveyance	–	–	–	1,147	5,796	82,550	137,890	227,383
Others	–	–	–	–	302	111,959	24,891	137,152
Total	2,620	–	41,140	9,547	144,554	620,570	652,922	1,471,353
Number of persons	1	–	9	4	1	22	67	104

Total amount of deferred bonus outstanding as at December 31, 2024 for the President & CE, Key Management Personnel and other Material Risk Takers / Material Risk Controllers is Rs. 95,531 thousand (2023: Rs. 60,620 thousand).

The President & CE and certain executives are provided with the Group maintained cars in accordance with their respective entitlements.

Others mainly include cost of living allowance (COLA) given to certain executives.

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

S.No	Name of Director	Board meetings	Human resource and remuneration committee	Risk management committee	Audit committee	Information technology committee	Total amount paid
		2024					
		Meeting fees and allowances paid					
			For Board Committees				
		Rupees in '000					
1	Lt Gen Anwar Ali Hyder (Retd)	1,920	–	–	–	–	1,920
2	Mr. Jahangir Piracha	2,000	1,200	–	400	–	3,600
3	Mr. Arif Ur Rehman	2,000	–	–	–	–	2,000
4	Syed Bakhtiar Kazmi	2,000	400	1,600	800	1,200	6,000
5	Mr. Manzoor Ahmed	2,400	2,880	2,400	1,600	–	9,280
6	Raja Muhammad Abbas	2,000	–	–	1,600	1,200	4,800
7	Mrs. Zoya Mohsin Nathani	2,400	2,400	2,880	–	–	7,680
8	Mr. Kamran Yousuf Mirza	2,400	2,400	–	1,920	–	6,720
9	Ms. Samina Rizwan	2,400	2,400	–	–	1,920	6,720
10	Lt Gen Ghayur Mahmood Awan (Retd)	1,200	–	–	800	400	2,400
11	Mr. Waqar Ahmed Malik	480	–	–	–	–	480
12	Dr. Nadeem Inayat	400	400	400	–	–	1,200
	Total amount paid	21,600	12,080	7,280	7,120	4,720	52,800

		2023					
		Meeting fees and allowances paid					
			For Board Committees				
S.No	Name of Director	Board meetings	Human resource and remuneration committee	Risk management committee	Audit committee	Information technology committee	Total amount paid
		Rupees in '000					
1	Mr. Waqar Ahmed Malik	2,620	–	–	–	–	2,620
2	Mr. Sarfaraz Ahmed Rehman	1,400	300	–	–	–	1,700
3	Mr. Arif Ur Rehman	1,800	–	–	–	–	1,800
4	Dr. Nadeem Inayat	1,800	1,100	1,400	700	1,100	6,100
5	Syed Bakhtiar Kazmi	2,200	–	600	1,400	1,100	5,300
6	Mr. Manzoor Ahmed	2,200	1,260	1,800	1,400	–	6,660
7	Mr. Kamran Yousuf Mirza	1,600	800	–	960	–	3,360
8	Mrs. Zoya Mohsin Nathani	2,200	1,150	1,910	–	–	5,260
9	Ms. Samina Rizwan	1,600	830	–	–	1,280	3,710
10	Raja Muhammad Abbas	2,200	–	–	1,450	1,400	5,050
11	Mr. Muhammad Aftab Manzoor	300	–	–	350	350	1,000
12	Mr. Mushtaq Malik	300	–	600	–	300	1,200
	Total amount paid	20,220	5,440	6,310	6,260	5,530	43,760

42.3 Remuneration paid to Shariah Board Members

	For the year ended December 31,					
	2024			2023		
Items	Chairman	Resident member	Non–resident member	Chairman	Resident member	Non–resident member
	Rupees in '000					
Managerial remuneration fixed	2,710	2,710	4,220	2,400	2,400	3,600
Fuel	–	1,116	–	–	1,147	–
Total amount	2,710	3,826	4,220	2,400	3,547	3,600
Total number of persons	1	1	2	1	1	2

43 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as Amortised Cost, is based on quoted market price. Quoted securities classified under held to collect are carried at amortised cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break–up value of these investments as per their latest available audited financial statements.

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

43.1 Fair value of financial assets

The Group 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) available at Mutual Fund Association of Pakistan (MUFAP) and Reuters page.

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

Valuation techniques used in determination of fair values within level 2 and level 3

Federal Government securities	The fair values of Federal Government securities are determined on the basis of rates / prices sourced from Reuters.
Non-Government debt securities	Non-Government debt securities are valued on the basis of rates announced by MUFAP.
Foreign Government debt securities	Foreign Government debt securities are valued on the basis of rates taken from custodian of the securities which are usually drawn from Bloomberg.
Unit of mutual funds	Fair values of mutual funds are determined based on their net asset values as published at the close of reporting period.
Forward foreign exchange contracts and forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land and non-banking assets acquired in satisfaction of claims are valued on a periodic basis using professional valuers. The valuation is based on their assessments of the market value of the assets.

The table below analyses the financial assets carried at fair values, by valuation methods. Valuation of investments is carried out as per guidelines specified by the SBP.

	2024				
Rupees in '000	Carrying / Notional Value	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments					
Financial assets – measured at fair value					
Investments					
Federal Government securities	1,432,008,563	6,979,571	1,425,028,992	–	1,432,008,563
Shares	9,423,206	9,423,206	–	–	9,423,206
Units of open end mutual funds	2,985,425	1,590,038	1,395,387	–	2,985,425
Fully paid preference shares	23,489	23,489	–	–	23,489
Non-Government debt securities	14,031,394	–	14,031,394	–	14,031,394
	1,458,472,077	18,016,304	1,440,455,773	–	1,458,472,077
Financial assets – disclosed but not measured at fair value					
Investments					
Federal Government securities	50,546,724	2,611,283	47,935,441	–	50,546,724
Unlisted shares	350,000	–	–	–	–
Cash and balances with treasury banks	133,535,448	–	–	–	–
Balances with other banks	12,958,886	–	–	–	–
Lendings to financial institutions	4,567,619	–	–	–	–
Advances	695,692,118	–	–	–	–
Other assets	85,066,739	–	–	–	–
	982,717,534	2,611,283	47,935,441	–	50,546,724
	2,441,189,611	20,627,587	1,488,391,214	–	1,509,018,801
Off–balance sheet financial instruments – measured at fair value					
Forward purchase of foreign exchange	118,183,587	–	(1,602,237)	–	(1,602,237)
Forward sale of foreign exchange	82,377,560	–	937,767	–	937,767

	2023				
Rupees in '000	Carrying / Notional Value	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments					
Financial assets – measured at fair value					
Investments					
Federal Government securities	1,102,510,824	8,421,152	1,094,089,672	–	1,102,510,824
Shares	6,256,977	6,256,977	–	–	6,256,977
Units of open end mutual funds	960,596	–	960,596	–	960,596
Fully paid preference shares	28,150	28,150	–	–	28,150
Non-Government debt securities	14,449,154	–	14,449,154	–	14,449,154
	1,124,205,701	14,706,279	1,109,499,422	–	1,124,205,701
Financial assets – disclosed but not measured at fair value					
Investments					
Federal Government securities	56,897,624	10,756,335	46,141,289	–	56,897,624
Unlisted shares	350,000	–	–	–	–
Units of open end mutual funds	1,044,333	–	–	–	–
Cash and balances with treasury banks	160,087,467	–	–	–	–
Balances with other banks	14,761,177	–	–	–	–
Advances	633,046,149	–	–	–	–
Other assets	90,346,735	–	–	–	–
	956,533,485	10,756,335	46,141,289	–	56,897,624
	2,080,739,186	25,462,614	1,155,640,711	–	1,181,103,325
Off–balance sheet financial instruments – measured at fair value					
Forward purchase of foreign exchange	153,115,769	–	(2,798,564)	–	(2,798,564)
Forward sale of foreign exchange	123,329,123	–	1,475,975	–	1,475,975

The Group'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 such transfer to takes place. There were no transfers between levels 1 and 2 during the year.

	2024	2023
Rupees in '000	Level 2	Level 2
43.2 Fair value of non–financial assets		
Fixed assets		
Property and equipment (freehold and leasehold land)	13,238,392	13,238,392
Assets held for sale	1,750,000	1,750,000
Other assets		
Non–banking assets acquired in satisfaction of claims	991,121	866,810

44 Segment Information

44.1 Segment details with respect to Business Activities

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

	2024							
Rupees in '000	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head office / others	Total
Profit and loss								
Net mark-up / return / profit	(114,340,397)	44,334,275	112,547,702	5,065,085	16,627,674	1,293,265	(1,873,065)	63,654,539
Inter segment revenue – net	142,112,955	(38,739,641)	(107,732,473)	(3,670,508)	(5,583,147)	(520,046)	14,132,860	–
Non mark-up / return / interest income	2,843,478	3,968,422	6,854,929	628,182	977,142	2,460	753,775	16,028,388
Total income	30,616,036	9,563,056	11,670,158	2,022,759	12,021,669	775,679	13,013,570	79,682,927
Segment direct expenses	18,280,323	1,249,632	474,890	1,786,585	4,274,399	239,451	10,307,553	36,612,833
Inter segment expense allocation	384,911	1,429,037	3,677	28,423	–	–	(1,846,048)	–
Total expenses	18,665,234	2,678,669	478,567	1,815,008	4,274,399	239,451	8,461,505	36,612,833
Credit loss allowance	(218,036)	(692,844)	(533,128)	(250,808)	759,813	(522,239)	(342,143)	(1,799,385)
Profit before tax	12,168,838	7,577,231	11,724,719	458,559	6,987,457	1,058,467	4,894,208	44,869,479
Balance sheet								
Cash and bank balances	39,134,158	–	95,246,945	–	12,029,791	83,440	–	146,494,334
Investments	–	8,134,146	1,408,084,327	–	82,416,700	9,590,854	1,142,774	1,509,368,801
Lendings to financial institutions	–	–	–	–	4,567,619	–	–	4,567,619
Advances – performing	17,604,851	579,995,832	–	23,598,799	67,142,842	552,952	4,649,058	693,544,334
Advances – non–performing	333,254	1,393,713	–	32,399	388,418	–	–	2,147,784
Others	1,464,361	38,653,942	46,866,118	1,764,432	10,232,932	216,903	46,060,136	145,258,824
Total assets	58,536,624	628,177,633	1,550,197,390	25,395,630	176,778,302	10,444,150	51,851,968	2,501,381,697
Borrowings	1,518,088	31,799,065	826,098,845	4,252,855	5,543,557	–	–	869,212,410
Subordinated debts	–	–	–	–	–	–	12,000,000	12,000,000
Deposits and other accounts	988,117,223	238,600,920	–	3,200	135,125,206	1,003,954	–	1,362,850,503
Lease liabilities	–	–	–	–	–	–	14,174,653	14,174,653
Net inter segment balances – net	(980,501,293)	328,179,440	708,893,021	20,469,236	(5,153,532)	9,347,574	(81,234,446)	–
Others	47,189,591	28,779,621	15,205,524	670,339	16,292,345	92,621	12,503,802	120,733,842
Total liabilities	56,323,609	627,359,046	1,550,197,390	25,395,630	151,807,576	10,444,149	(42,555,991)	2,378,971,409
Equity	–	–	–	–	24,970,726	–	97,439,561	122,410,287
Total equity and liabilities	56,323,609	627,359,046	1,550,197,390	25,395,630	176,778,302	10,444,149	54,883,570	2,501,381,696
Contingencies and commitments	6,946,750	508,539,842	405,171,147	1,056,666	27,012,469	–	1,028,949	949,755,823

	2023							
Rupees in '000	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head office / others	Total
Profit and loss								
Net mark–up / return / profit	(92,875,094)	29,317,122	106,068,776	4,479,764	13,440,875	2,159,966	(3,140,760)	59,450,649
Inter segment revenue – net	127,496,474	(23,606,351)	(107,933,374)	(3,468,895)	(3,454,540)	(1,485,911)	12,452,597	–
Non mark–up / return / interest income	2,074,719	4,695,721	4,211,306	624,337	751,360	31,788	874,402	13,263,633
Total income	36,696,099	10,406,492	2,346,708	1,635,206	10,737,695	705,843	10,186,239	72,714,282
Segment direct expenses	15,747,650	1,028,769	487,985	1,661,652	3,368,335	216,745	7,053,887	29,565,023
Inter segment expense allocation	1,273,695	1,021,616	21,969	47,131	–	–	(2,364,411)	–
Total expenses	17,021,345	2,050,385	509,954	1,708,783	3,368,335	216,745	4,689,476	29,565,023
(Reversal of provisions) / provisions	77,318	1,363,318	68,172	(232,768)	13,830	(368,242)	44,733	966,361
Profit before tax	19,597,436	6,992,789	1,768,582	159,191	7,355,530	857,340	5,452,030	42,182,898
Balance sheet								
Cash and bank balances	33,208,938	–	129,715,500	832,790	10,058,919	60,278	972,219	174,848,644
Investments	–	9,252,065	1,102,004,077	–	51,493,187	19,177,486	570,843	1,182,497,658
Lendings to financial institutions	–	–	–	–	–	–	–	–
Advances – performing – net of provision	13,991,028	469,036,336	–	20,306,104	114,745,256	2,876,637	8,663,896	629,619,257
Advances – non–performing – net of provision	259,102	2,237,228	–	74,662	855,900	–	–	3,426,892
Others	1,084,252	30,473,445	48,204,707	915,181	10,533,982	405,421	43,763,596	135,380,584
Total assets	48,543,320	510,999,074	1,279,924,284	22,128,737	187,687,244	22,519,822	53,970,554	2,125,773,035
Borrowings	1,574,075	41,338,149	591,921,725	2,992,873	5,535,843	–	–	643,362,665
Subordinated debts	–	–	–	–	–	–	12,000,000	12,000,000
Deposits and other accounts	879,331,340	293,376,734	–	250	118,670,004	1,416,378	–	1,292,794,706
Net inter segment balances – net	(851,827,275)	149,905,856	677,830,555	18,475,360	38,253,559	16,939,831	(49,577,886)	–
Others	19,465,180	26,378,335	10,172,004	660,254	8,249,821	4,163,613	10,830,796	79,920,003
Total liabilities	48,543,320	510,999,074	1,279,924,284	22,128,737	170,709,227	22,519,822	(26,747,090)	2,028,077,374
Equity	–	–	–	–	16,978,017	–	80,717,644	97,695,661
Total equity and liabilities	48,543,320	510,999,074	1,279,924,284	22,128,737	187,687,244	22,519,822	53,970,554	2,125,773,035
Contingencies and commitments	6,016,566	563,921,447	276,081,621	832,790	26,459,326	–	1,027,751	874,339,501

44.2 Segment details with respect to geographical locations

Geographical segment analysis

	2024		
Rupees in '000	Pakistan	Middle East	Total
Profit and loss			
Net mark–up / return / profit	62,361,274	1,293,265	63,654,539
Inter segment revenue – net	520,046	(520,046)	–
Non mark–up / return / interest income	16,025,928	2,460	16,028,388
Total income	78,907,248	775,679	79,682,927
Segment direct expenses	36,373,382	239,451	36,612,833
Total expenses	36,373,382	239,451	36,612,833
Credit loss allowance	(1,277,146)	(522,239)	(1,799,385)
Profit before tax	43,811,012	1,058,467	44,869,479
Balance Sheet			
Cash and bank balances	146,410,894	83,440	146,494,334
Investments	1,499,777,947	9,590,854	1,509,368,801
Lendings to financial institutions	4,567,619	–	4,567,619
Advances – performing	692,991,382	552,952	693,544,334
Advances – non–performing	2,147,784	–	2,147,784
Others	145,041,921	216,903	145,258,824
Total assets	2,490,937,547	10,444,150	2,501,381,697
Borrowings	869,212,410	–	869,212,410
Subordinated debts	12,000,000	–	12,000,000
Deposits and other accounts	1,361,846,549	1,003,954	1,362,850,503
Net inter segment borrowing	(9,347,574)	9,347,574	–
Others	134,815,874	92,621	134,908,495
Total liabilities	2,368,527,259	10,444,149	2,378,971,408
Equity	122,410,287	–	122,410,287
Total equity and liabilities	2,490,937,547	10,444,149	2,501,381,696
Contingencies and commitments	949,755,823	–	949,755,823

Rupees in '000	2023 Pakistan	 Middle East	 Total
Profit and loss			
Net mark–up / return / profit	57,290,683	2,159,966	59,450,649
Inter segment revenue – net	1,485,911	(1,485,911)	–
Non mark–up / return / interest income	13,231,845	31,788	13,263,633
Total income	72,008,439	705,843	72,714,282
Segment direct expenses	29,348,278	216,745	29,565,023
Inter segment expense allocation	–	–	–
Total expenses	29,348,278	216,745	29,565,023
Provisions / (reversals)	1,334,603	(368,242)	966,361
Profit before tax	41,325,558	857,340	42,182,898
Balance Sheet			
Cash and bank balances	174,788,366	60,278	174,848,644
Investments	1,163,320,172	19,177,486	1,182,497,658
Net inter segment lending	–	–	–
Lendings to financial institutions	–	–	–
Advances – performing – net of provision	626,742,620	2,876,637	629,619,257
Advances – non–performing – net of provision	3,426,892	–	3,426,892
Others	134,975,163	405,421	135,380,584
Total assets	2,103,253,213	22,519,822	2,125,773,035
Borrowings	643,362,665	–	643,362,665
Subordinated debts	12,000,000	–	12,000,000
Deposits and other accounts	1,291,378,328	1,416,378	1,292,794,706
Net inter segment balances – net	(16,939,831)	16,939,831	–
Others	75,756,390	4,163,613	79,920,003
Total liabilities	2,005,557,552	22,519,822	2,028,077,374
Equity	97,695,661	–	97,695,661
Total equity and liabilities	2,103,253,213	22,519,822	2,125,773,035
Contingencies and commitments	874,339,501	–	874,339,501

45 TRUST ACTIVITIES

The Group acts as custodian and holds the securities on behalf of individuals, trusts, retirement benefit plans and other institutions. These are not assets of the Group and, therefore, are not included in the consolidated statement of financial position.

46 RELATED PARTY TRANSACTIONS

Fauji Consortium comprising of Fauji Foundation and Fauji Fertilizer Company Limited (the Parent) holds 71.91% of the Bank's share capital at the year end. Accordingly all the subsidiaries and associates of Fauji consortium are the related parties of the Group. The Group also has related party relationships with its directors, key management personnel and employees' funds.

The Group 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 valuation / terms of the contribution plan. Remuneration to the executives/ officers is determined in accordance with the terms of their appointment.

Details of transactions and balances with related parties are as follows:

	2024				2023			
Rupees in '000	Parent	Directors	Key management personnel & their relatives	Other related parties	Parent	Directors	Key management personnel & their relatives	Other related parties
Investments								
Opening balance	–	–	–	1,420,050	–	–	–	1,159,768
Revaluation adjustment	–	–	–	1,346,252	–	–	–	262,947
Investment redeemed / disposed off during the year	–	–	–	(500,000)	–	–	–	(2,664)
Transfer in / (out) – net	–	–	–	2,016,985	–	–	–	–
Closing balance	–	–	–	4,283,287	–	–	–	1,420,050
ECL / provision for diminution in value of investments	–	–	–	898,458	–	–	–	82,113
Advances								
Opening balance	8,108,881	–	496,686	25,003,594	29,986,315	60	507,549	16,783,652
Addition during the year	1,196,156,040	25,076	169,998	258,248,620	1,377,976,167	15,000	533,437	209,693,144
Repaid during the year	(1,186,294,641)	(23,784)	(112,135)	(257,568,925)	(1,399,853,601)	(15,060)	(544,300)	(213,910,777)
Transfer in / (out) – net	–	–	(287,715)	(12,045,234)	–	–	–	12,437,575
Closing balance	17,970,281	1,292	266,834	13,638,055	8,108,881	–	496,686	25,003,594
ECL held against advances	2,191	–	1,452	3,150,241	–	–	–	–
Other assets								
Interest / mark–up receivable	66,417	–	49,135	151,802	171,099	–	68,627	886,474
Advance rent	999	–	–	–	1,380	–	–	–
Receivable from staff retirement fund	–	–	–	415,569	–	–	–	–
Acceptances	3,837	–	–	424,116	–	–	–	–
Others	–	–	–	–	106	–	–	–
Borrowings								
Opening balance	–	–	–	2,992,873	–	–	–	3,366,079
Borrowings during the year	–	–	–	2,000,000	–	–	–	1,000,000
Settled during the year	–	–	–	(740,018)	–	–	–	(1,373,206)
Closing balance	–	–	–	4,252,855	–	–	–	2,992,873
Deposits and other accounts								
Opening balance	39,101,224	63,502	299,420	49,059,956	38,816,364	34,614	193,107	38,455,796
Received during the year	1,251,319,810	545,392	1,008,533	1,375,477,575	1,786,530,029	556,261	1,843,093	988,872,329
Withdrawn during the year	(1,271,722,333)	(523,615)	(973,309)	(1,404,518,301)	(1,786,245,169)	(521,157)	(1,707,626)	(978,274,385)
Transfer in / (out) – net	–	(42,028)	(100,246)	5,149,701	–	(6,216)	(29,154)	6,216
Closing balance	18,698,701	43,251	234,398	25,168,932	39,101,224	63,502	299,420	49,059,956
Other liabilities								
Interest / mark–up payable	821,174	–	4	802,755	2,574,737	7	2,964	715,559
Payable to staff retirement fund	–	–	–	–	–	–	–	67,467
Security deposits payable	–	–	–	597,202	–	–	–	462,570
Others	–	–	57,965	12,035	25	1,667	58,608	71,818
Contingencies and commitments	3,983,736	–	–	6,182,135	225,219	–	–	4,476,687
Others								
Dividend paid	2,605,561	–	–	–	–	–	–	–
Commitment in respect of Government securities transactions	17,560,000	–	–	6,500,000	–	–	–	–
Securities held as custodian	27,810,000	–	9,600	17,905,460	13,699,456	–	48,821	10,493,034

Rupees in '000	2024 Parent	2024 Directors	2024 Key management personnel & their relatives	2024 Other related parties	2023 Parent	2023 Directors	2023 Key management personnel & their relatives	2023 Other related parties
Income								
Mark–up / return / interest earned	236,118	13	11,589	1,604,400	658,163	–	19,551	4,677,348
Fee and commission income	12,454	–	–	92,784	1,332	–	–	57,228
Dividend income	–	–	–	313,747	–	–	–	178,346
Gain on sale of fixed assets	–	–	–	–	–	–	3,929	–
Others	1,645	–	–	14,170	486	–	–	105,799
Expense								
Mark–up / return / interest expensed	8,394,578	5,229	36,383	8,548,433	10,540,080	3,231	41,107	6,810,283
Charge to defined benefit plan	–	–	–	572,653	–	–	–	342,070
Contribution to defined contribution plan	–	–	–	390,445	–	–	–	340,111
Remuneration and allowances	–	–	726,893	10,756	–	–	765,124	9,547
Rent & taxes	3,021	–	–	–	2,847	–	–	–
Communications	–	–	–	200,526	–	–	–	139,094
Brokerage and commission	–	–	–	100,407	–	–	–	92,518
Directors' fee and allowances	–	52,800	–	–	–	43,760	–	–
Marketing, advertisement and publicity	100	–	–	–	–	–	–	–
Donations	–	–	–	–	524,398	–	–	–
Training and development	1,075	–	–	–	–	–	–	–

In addition to above, rent free sub–branches are operating at FFC Sona Tower, FFBL Tower and Foundation University (along with booth and ATM).

The term 'key management personnel' has the same meaning as defined in IAS 24 – Related party disclosures.

During the year ended December 31, 2024, certain movable assets were settled against the final settlement of related parties as disclosed in note 11.3.

47 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

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

Under the current scenario, the Banks are under pressure to extend further credit to its borrowers, while overall deteriorating credit risk and increased NPL may also put additional pressures on the Group from Capital Adequacy Ratio perspective. The SBP has relaxed the Capital Conversion Buffer (CCB) requirements for the banks to 1.5%, resulting in an overall CAR requirement of 11.5%. In addition to the measures by SBP, the Group is continuously monitoring the impacts of various decisions of its CAR and taking further lending decisions based on the overall impacts on Risk Weighted Assets (RWA). The Group also believes that it has sufficient buffer in its CAR requirement to meet any adverse movements in credit, market or operational risks.

Rupees in '000	2024	2023
Minimum Capital Requirement (MCR):		
Paid–up capital (net of losses)	14,492,992	14,492,992
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	106,074,962	88,384,546
Eligible Additional Tier 1 (ADT 1) Capital	6,000,000	5,649,000
Total Eligible Tier 1 Capital	112,074,962	94,033,546
Eligible Tier 2 Capital	22,028,156	13,220,417
Total Eligible Capital (Tier 1 + Tier 2)	134,103,117	107,253,963
Risk Weighted Assets (RWAs):		
Credit Risk	418,533,799	452,108,198
Market Risk	79,795,184	29,328,100
Operational Risk	125,480,495	103,031,181
Total	623,809,478	584,467,479
Common Equity Tier 1 Capital Adequacy ratio	17.00%	15.12%
Tier 1 Capital Adequacy Ratio	17.97%	16.09%
Total Capital Adequacy Ratio	21.50%	18.35%

As of December 2024, the Group must meet a Tier 1 to RWA ratio and CAR, including CCB, of 9% and 11.50% respectively.

Standardized Approach is used for calculating the Capital Adequacy for Market and Credit Risk while Basic Indicator Approach (BIA) is used for Operational Risk.

Rupees in '000	2024	2023
Leverage Ratio (LR):		
Eligible Tier–1 Capital	112,074,962	94,033,546
Total Exposures	3,119,410,960	2,612,438,645
Leverage Ratio	3.59%	3.60%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	758,343,578	649,069,803
Total Net Cash Outflow	348,473,882	322,735,094
Liquidity Coverage Ratio	217.62%	201.12%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,413,383,785	1,314,647,752
Total Required Stable Funding	668,217,716	612,059,002
Net Stable Funding Ratio	211.52%	214.79%

47.1 The full disclosure on the Capital Adequacy, Leverage Ratio & Liquidity Requirements as per SBP instructions issued from time to time have been placed on the website. The link to the full disclosure can be accessed through the Bank's website at http://akbl.com.pk

48 RISK MANAGEMENT

The Group believes that effective risk management is key to achieving desired level of return while maintaining acceptable level of risk exposure. Robust risk management processes and framework are in place to achieve the Group's overall objectives through a well thought out strategy, which enables the Group to effectively manage Credit, Market, Operational and Liquidity risk in a proactive manner.

The Group's approach is to ensure that risk management is deeply and firmly embedded in the culture of the Group. All employees are therefore considered responsible for identification, measurement, monitoring and controlling risks within the scope of their assigned responsibilities. As a result of changing risk environment, the Group continuously monitors and conducts holistic assessment of complex transactions on an integrated basis.

The Group has a Board Risk Management Committee (BRMC) in place and is updated regularly by the Group's Risk Management Group. BRMC is responsible for reviewing the extent of design and adequacy of the risk management framework. BRMC oversight ensures that risks are managed within the level of tolerance and risk appetite of the Group.

48.1 Credit Risk:

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability is impaired resulting in economic loss to the Group. The Group takes necessary measures to control such risk by establishing minimum standards and rules for booking credit exposures and subsequently, by monitoring these exposures – limiting transactions with specific counter parties with increased likelihood of default and continually assessing creditworthiness of it obligors.

The Group has built and maintains a sound loan portfolio in line with a well defined Credit Policy approved by the Board of Directors. Its credit evaluation system comprises well-designed credit appraisal, sanctioning and review procedures for the purpose of emphasizing prudence in its lending activities and ensuring quality of asset portfolio. Advances portfolio constitutes around 28% of the total asset base and is also the largest source of credit risk for the Group. The Group's advances portfolio is well diversified across various business segments and industries. The Group employs a robust Credit Risk Rating model that systematically assigns ratings to obligors based on assessment of their quantitative and qualitative factors.

Risk mitigants have been put in place at all stages of credit risk cycle i.e. identification, measurement, monitoring, controlling and reporting for effective credit risk management. Accordingly, portfolio monitoring function is in place with dedicated resources to ensure that the risk is effectively monitored and reported.

Credit Risk Review is conducted at obligor as well as at portfolio level to ensure adherence to regulatory requirement as well as internal policies and procedures. The review process ensures that a sound and proactive risk management culture is maintained across the Group. Credit is approved under the 4 eye principal with equal ownership from both Business functions and Risk Management Group (RMG). Audit (Risk Assets Review) division reviews the advances portfolio on a post approval basis.

The Group has undertaken a number of initiatives to strengthen its credit risk management framework including in–house development of internal risk rating models (obligor and facility) for the portfolio for respective segments, and transition and migration matrices to study the realized default rates and performance of the risk rating models over the years.

Keeping in view the deteriorating economic situation, Rapid Portfolio Reviews are performed to identify vulnerable accounts and decide account specific strategies with respect to exposure and to estimate possible additional provisioning. Results of the Rapid Portfolio Reviews are shared with senior management and Board Risk Management Committee (BRMC).

Provision for expected credit losses is determined in accordance with the SBP's requirements and IFRS 9.

Stress testing for credit risk is carried out regularly to estimate the impact of increase in non - performing loans and to ensure that CAR is maintained at sufficient level to meet regulatory requirement and business needs.

The Group has implemented an Enterprise Risk Management solution and Loan Origination System. These systems not only enhance operational efficiency in the risk management processes, but also promote integrated risk assessment.

Risk Asset Review (RAR) performs an independent review of the credit portfolio. It provides an independent assessment of portfolio quality, efficacy of processes for acquisition of risk assets, regulatory/policy compliance and appropriateness of classification and risk rating.

A centralized Credit Administration Division (CAD) under Operations Group is working to ensure that terms and conditions of approval of credit sanctions are complied, all documentation is complete and fully enforceable, all disbursements of approved facilities are made only after necessary authorization by CAD and collateral is monitored on regular basis. Cash, deposits under lien, Government securities and eligible guarantees etc. are considered as eligible collateral.

To handle the specific needs of managing classified accounts, the Group has a separate Special Asset Management Division (SAMD) to negotiate settlement of the non-performing exposure, including pursuing litigation, if required, to protect the interests of the depositors and shareholders.

48.1.1 Credit risk - General disclosures

The Group follows the Standardized Approach for its credit risk exposures, which sets out fixed risk weights corresponding to external credit ratings or type of exposure, whichever is applicable.

Under the Standardized Approach, the capital requirement is based on the credit rating assigned to counterparties by External Credit Assessment Institutions (ECAIs) duly recognized by the SBP. The Group selects particular ECAIs for each type of exposure. The Group utilizes the credit ratings assigned by Pakistan Credit Rating Agency (PACRA), Japan Credit Rating Company Limited – Vital Information Systems (JCR-VIS), Fitch, Moody's and Standard & Poors (S&P).

Types of exposure and ECAIs used

	FITCH	Moody's	S & P	PACRA	JCR–VIS	ECA Scores
Corporates	√	√	√	√	√	√
Banks	√	√	√	√	√	√
Public sector enterprises	–	–	–	√	√	√

* FITCH, Moody's and S&P ratings (as applicable) are used where sovereign exposures are denominated in USD.

Mapping to SBP Rating Grades

For all exposures, the selected ratings are translated to the standard rating grades given by the SBP. The mapping tables used for converting ECAI ratings to the SBP rating grades are given below:

Long Term Rating Grades mapping

SBP Rating grade	FITCH	Moody's	S & P	PACRA	JCR–VIS	ECA scores
1	AAA AA+ AA AA–	Aaa Aa1 Aa2 Aa3	AAA AA+ AA AA–	AAA AA+ AA AA–	AAA AA+ AA AA–	0, 1
2	A+ A A–	A1 A2 A3	A+ A A–	A+ A A–	A+ A A–	2
3	BBB+ BBB BBB–	Baa1 Baa2 Baa3	BBB+ BBB BBB–	BBB+ BBB BBB–	BBB+ BBB BBB–	3
4	BB+ BB BB–	Ba1 Ba2 Ba3	BB+ BB BB–	BB+ BB BB–	BB+ BB BB–	4
5	B+ B B–	B1 B2 B3	B+ B B–	B+ B B–	B+ B B–	5, 6
6	CCC+ and below	Caa1 and below	CCC+ and below	CCC+ and below	CCC+ and below	7

	2024	2023	2024	2023	2024			2023
	Gross lendings		Non-performing lendings		Credit loss allowance / Provision held			
Rupees in '000					Stage 1	Stage 2	Stage 3	Provision
48.1.2 Lendings to financial institutions								
Credit risk by public / private sector								
Private	4,627,661	89,164	59,443	89,164	599	–	59,443	89,164

Rupees in '000	2024 Gross investments	2023 Gross investments	2024 Non-performing investments	2023 Non-performing investments	2024 Credit loss allowance / Provision held Stage 1	2024 Stage 2	2024 Stage 3	2023 Provision
48.1.3 Investment in debt securities								
Credit risk by industry sector								
Textile	1,277,758	279,681	282,598	279,678	4,840	–	277,758	279,678
Chemical and Pharmaceuticals	122,500	1,090,958	506	898,458	506	–	–	898,458
Power and energy	8,508,732	8,416,126	709	–	709	–	–	–
Telecommunication	204,432	204,432	204,432	204,432	–	–	204,432	204,432
Metal and allied	500,000	500,000	568	–	568	–	–	–
Financial	1,473,213,015	1,180,480,942	597,451	165,000	597,451	–	–	82,500
	1,483,826,437	1,190,972,139	1,086,264	1,547,568	604,074	–	482,190	1,465,068
Credit risk by public / private sector								
Public / Government	1,480,163,833	1,175,025,492	596,140	204,432	596,140	–	–	204,432
Private	3,662,604	15,946,647	490,124	1,343,136	7,934	–	482,190	1,260,636
	1,483,826,437	1,190,972,139	1,086,264	1,547,568	604,074	–	482,190	1,465,068

Rupees in '000	2024 Gross advances	2023 Gross advances	2024 Non-performing advances	2023 Non-performing advances	2024 Credit loss allowance / Provision held Stage 1	2024 Stage 2	2024 Stage 3	2023 Provision
48.1.4 Advances								
Credit risk by industry sector								
Agriculture, Forestry, Hunting and Fishing	8,250,916	8,110,464	1,934,693	322,237	173,089	39,313	1,740,710	135,249
Mining and Quarrying	10,697,011	11,107,074	–	–	4,392	–	–	–
Textile	71,721,567	72,951,683	8,911,224	8,654,320	125,599	143,049	8,743,691	8,165,544
Chemical and Pharmaceuticals	33,526,664	46,493,823	403,167	727,772	20,819	49,273	400,313	706,933
Cement	10,220,393	15,236,900	25,458	395	31,066	22,273	25,379	395
Sugar	20,135,002	35,656,630	1,053	6,453	60,557	42,604	1,053	6,453
Footwear and Leather garments	1,465,774	1,413,043	231,911	168,582	1,727	20	231,911	168,582
Automobile and transportation equipment	2,500,146	2,701,484	727,441	814,919	968	7,130	619,475	814,919
Electronics and electrical appliances	5,430,095	5,101,528	1,008,332	1,021,105	5,594	498	1,033,900	902,937
Food and allied	18,612,355	75,000,000	1,314,459	1,334,570	26,056	23,203	1,305,213	613,445
Construction	23,530,560	15,409,186	370,339	1,793,076	69,704	111,309	303,725	761,092
Power and energy	41,715,749	58,594,300	1,750,631	393,206	169,573	68,939	1,502,816	348,967
Oil and gas	45,876,637	66,211,253	92,106	–	55,587	2,945,614	61,411	–
Wholesale and Retail Trade	16,950,991	17,792,073	3,949,604	338,679	6,977	41,614	3,770,457	338,679
Transport, Storage and Communication	71,951,933	39,604,834	944,898	–	169,919	161,992	867,899	–
Financial	214,428,188	26,395,992	–	–	22,582	2,065	–	–
Insurance	220,514	121,025	–	413,531	263	–	–	413,531
Services	20,651,684	44,742,814	734,320	663,141	52,690	32,999	610,278	563,801
Individuals	34,310,438	34,857,892	513,215	1,623,098	66,770	14,942	384,152	1,623,098
Edible oil and ghee	5,991,678	6,037,236	2,095,995	2,527,867	2,768	28	2,021,795	2,527,867
Rice Processing (husking, semi – wholly milled etc.)	15,661,066	14,872,454	2,456,301	3,147,841	9,407	10,174	2,455,781	3,117,557
Metal and allied	20,096,133	21,362,992	5,076,410	734,170	26,850	39,255	4,491,243	734,170
Others	39,061,688	41,446,691	1,887,091	4,378,625	37,871	137,078	1,709,662	3,693,476
	733,007,182	661,221,371	34,428,648	29,063,587	1,140,828	3,893,372	32,280,864	25,636,695

Rupees in '000	2024 Gross investments	2023 Gross investments	2024 Non-performing investments	2023 Non-performing investments	2024 Credit loss allowance / Provision held Stage 1	2024 Stage 2	2024 Stage 3	2023 Provision
Credit risk by public / private sector								
Public/ Government	128,452,359	247,324,519	–	–	166,300	108,029	–	–
Private	604,554,823	413,896,852	34,428,648	29,063,587	974,528	3,785,343	32,280,864	25,636,695
	733,007,182	661,221,371	34,428,648	29,063,587	1,140,828	3,893,372	32,280,864	25,636,695

Rupees in '000	2024	2023
48.1.5 Contingencies and Commitments		
Credit risk by industry sector		
Agriculture, Forestry, Hunting and Fishing	735,367	1,801,299
Mining and Quarrying	5,129,672	6,023,341
Textile	16,977,566	14,785,574
Chemical and Pharmaceuticals	14,707,235	13,497,070
Cement	3,172,146	2,189,928
Sugar	3,624,801	2,949,530
Footwear and Leather garments	598,238	1,272,469
Automobile and transportation equipment	819,714	646,516
Electronics and electrical appliances	2,937,525	4,928,772
Real Estate & Construction	41,065,201	39,005,445
Research and development	–	3,018,764
Power and energy	17,132,869	25,772,808
Wholesale and Retail Trade	10,998,327	13,137,036
Oil and gas	18,690,799	9,324,183
Transport, Storage and Communication	19,509,896	29,753,113
Financial	555,154,330	505,173,111
Insurance	353,603	356,172
Food and allied	10,160,964	13,159,536
Services	32,305,406	12,077,385
Individuals	308,632	302,569
Engineering	–	98,451,727
Telecommunication	3,133,588	4,801,495
Metal and allied	23,313,566	9,789,188
Others	168,926,378	62,122,470
	949,755,823	874,339,501
Credit risk by public / private sector		
Public / Government	185,019,104	253,430,885
Private	764,736,719	620,908,616
	949,755,823	874,339,501

48.1.6 Concentration of Advances

The Group's top 10 exposures on the basis of total (funded and non–funded) exposures aggregated to Rs. 338,790,645 thousand (2023: Rs. 446,883,893 thousand) are as following:

Rupees in '000	2024	2023
Funded	274,742,792	173,321,907
Non Funded	229,260,417	273,561,986
Total Exposure	504,003,209	446,883,893

The sanctioned limits against these top 10 exposures aggregated to Rs. 652,224,299 thousand (2023: Rs. 570,620,020 thousand).

The above does not include any classified exposure.

48.1.7 Advances – province / region–wise disbursement and utilization

	2024						
	Disbursements	Utilization					
Rupees in '000		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit Baltistan
Province / Region							
Punjab	1,640,387,311	1,621,840,398	3,862,293	530,517	37,851	14,099,472	16,780
Sindh	1,297,609,796	1,869,085	1,294,566,599	27,896	12,886	1,132,580	750
KPK including FATA	17,653,615	397,905	95,100	16,059,031	12,800	1,045,241	43,538
Balochistan	493,117	3,451	900	–	487,616	–	1,150
Islamabad	170,527,637	11,187,523	4,343,007	3,586,747	68,753	151,280,762	60,845
AJK including Gilgit Baltistan	490,293	99,511	67,740	500	–	44,258	278,284
Total	3,127,161,769	1,635,397,873	1,302,935,639	20,204,691	619,906	167,602,313	401,347

	2023						
	Disbursements	Utilization					
Rupees in '000		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit Baltistan
Province / Region							
Punjab	1,332,424,390	1,317,615,884	2,911,276	146,893	6,730	11,735,324	8,283
Sindh	1,165,558,110	3,449,372	1,161,709,366	37,575	230,264	127,634	3,900
KPK including FATA	5,187,340	168,355	16,464	4,391,963	2,250	587,013	21,296
Balochistan	680,059	2,982	5,010	700	665,891	5,276	200
Islamabad	125,780,328	13,858,353	8,270,344	13,188,547	41,206	90,383,886	37,992
AJK including Gilgit Baltistan	825,077	76,966	200	3,225	–	7,945	736,741
Total	2,630,455,304	1,335,171,912	1,172,912,660	17,768,903	946,341	102,847,078	808,412

48.1.8 Forward–looking information contained in ECL

The Group's Expected Credit Loss (ECL) calculation incorporates forward–looking information by integrating macroeconomic variables to enhance the accuracy and reliability of credit risk estimates. The use of forward–looking data helps in better predicting potential credit losses under different economic conditions.

To estimate Probability of Default (PD) and Loss Given Default (LGD), the Group utilizes historical and forecasted macroeconomic data. For ECL calculations, the Group considers Gross Domestic Product (GDP), Consumer Price Index (CPI), unemployment, exports and imports as the primary macroeconomic variables, with forecasted data sourced from the International Monetary Fund (IMF). The selection of these variables is based on their relevance and sensitivity to specific portfolios.

The Group has developed three macroeconomic scenarios—Base, Best, and Worst—to reflect potential economic conditions. These scenarios have been assigned probability weightings of 68% for the Base scenario, 16% for the Best scenario, and 16% for the Worst scenario to ensure a comprehensive assessment of credit risk exposure.

As part of its forward–looking assessment, the Group conducted a sensitivity analysis on macroeconomic indicators used in Expected Credit Loss (ECL) calculations. As of December 31, 2024, the Group developed three scenarios—Base, Best, and Worst—based on a five–year forecast. A 10% change in macroeconomic variables mentioned above in the weighted average scenario was applied to assess the upside and downside impact on ECL. The resulting variations are as follows:

	Upwards	Downwards
Expected credit loss allowance	3.71%	(1.18%)

Sensitivity of ECL to Future Economic Conditions

The ECL are sensitive to judgements and assumption made regarding formulation of forward–looking scenarios and how much such scenarios are incorporated into calculations. The Group performs sensitivity analysis on the ECL.

The table below shows the loss allowance assuming each forward–looking scenario (e.g. Base, Best and Worst) were weighted 100% instead of applying scenario probability across the three scenarios.

		Base		Best		Worst	
Rupees in '000	Total ECL as per FS	Total ECL after sensitivity analysis	Increase / decrease in %	Total ECL after sensitivity analysis	Increase / decrease in %	Total ECL after sensitivity analysis	Increase / decrease in %
Province / Region							
Expected credit loss allowance	39,661,264	39,526,591	(0.34%)	37,465,987	(5.54%)	44,782,919	12.91%

48.2 Market Risk

Market risk is the risk that the value of on and off–balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices and credit spreads, resulting in a loss to earnings and capital.

The Group is exposed to market risk from both its banking and trading books. Trading book for the Group includes all Fair Value through Profit and Loss (FVTPL) securities along with Fair Value through Other Comprehensive Income (FVTOCI) securities that are held with intention of short term trade. All assets not included in trading book are included in the Banking book.

The Group's Risk Management Process seeks to identify, measure, monitor, and control market risks in order to shield against adverse movements in market factors and to attain an efficient risk / return profile of its open positions. Risk Management Group has developed and implemented market risk policy and risk measurement / monitoring methodology for review and reporting of market risk.

The Group makes use of the globally established Value–at–Risk (VaR) methodology to measure traded market risk. Additionally, sensitivity analysis is carried out to gauge the impact of extreme market movements on traded exposures, such as fixed income securities and equity capital market instruments.

Further, stress testing is used to analyze the impact of abnormal market movements across different portfolios to assess non–traded market risk, in particular interest rate risk in the banking book. The performance of the Group's traded portfolios is evaluated through the use of risk / return analysis. Risk is assessed through the revaluation of all traded market risk exposed positions on a daily basis, and monitored by ensuring that these positions do not breach any regulatory limits as well as any internally established risk tolerance limits.

Basel III Standardized Approach is used for calculating the Capital Adequacy for Market Risk.

Total capital charge for market risk is Rs. 79,295,220 thousand (2023: Rs. 29,300,677 thousand).

48.2.1 Balance sheet split by trading and banking books

	2024			2023		
Rupees in '000	Banking book	Trading book	Total	Banking book	Trading book	Total
Cash and balances with treasury banks	133,535,448	–	133,535,448	160,087,467	–	160,087,467
Balances with other banks	12,958,886	–	12,958,886	14,761,177	–	14,761,177
Lendings to financial institutions	4,567,619	–	4,567,619	–	–	
Investments	156,146,868	1,353,221,933	1,509,368,801	453,789,581	728,708,077	1,182,497,658
Advances	695,692,118	–	695,692,118	633,046,149	–	633,046,149
Property and equipment	21,834,904	–	21,834,904	18,707,443	–	18,707,443
Right-of-use assets	12,196,186	–	12,196,186	8,312,812	–	8,312,812
Intangible assets	1,849,778	–	1,849,778	1,860,747	–	1,860,747
Assets held for sale	1,750,000	–	1,750,000	1,750,000	–	1,750,000
Deferred tax assets	–	–	–	8,065,412	–	8,065,412
Other assets	107,627,956	–	107,627,956	96,684,170	–	96,684,170
	1,148,159,763	1,353,221,933	2,501,381,696	1,397,064,958	728,708,077	2,125,773,035

48.2.2 Foreign Exchange Risk

Foreign exchange risk, or the risk that the Group's earnings and / or capital can fluctuate due to changes in foreign exchange rates, arises out of the Group's foreign exchange exposure which consists of foreign currency cash in hand, nostro / vostro accounts, forward contracts, forward bookings with exporters, foreign bills purchased, foreign currency placements with SBP and the Group's Wholesale Bank Branch, foreign currency lendings / deposits and capital investments in offshore operations.

The Group's treasury manages consolidated foreign exchange exposure by matching foreign currency assets and liabilities in spot and forward. The foreign exchange exposure and nostro balances are maintained within regulatory limits and VaR is calculated for consolidated foreign exchange exposure on a daily basis. The impact of a change in USD / PKR parity on the net open position is also determined through daily sensitivity analysis.

	2024			
Rupees in '000	Foreign currency assets	Foreign currency liabilities	Off–balance sheet items	Net foreign currency exposure
United States Dollar	113,011,123	124,672,071	27,232,949	15,572,001
Pound Sterling	3,126,581	9,186,082	7,570,955	1,511,454
Euro	5,665,518	4,293,508	1,051,714	2,423,724
Other European currencies	11,632	-	-	11,632
Other currencies	20,480,764	6,246,239	(15,432)	14,219,093
	142,295,617	144,397,900	35,840,186	33,737,904

	2023			
Rupees in '000	Foreign currency assets	Foreign currency liabilities	Off–balance sheet items	Net foreign currency exposure
United States Dollar	100,057,331	133,407,202	(21,110,855)	(54,460,726)
Pound Sterling	1,159,587	8,594,795	(7,412,731)	(14,847,939)
Euro	1,851,281	4,001,522	(1,565,484)	(3,715,725)
Other European currencies	2,481	–	–	2,481
Other currencies	1,603,397	906,278	302,424	999,543
	104,674,077	146,909,797	(29,786,646)	(72,022,366)

	2024		2023	
Rupees in '000	Banking book	Trading book	Banking book	Trading book
Impact of 1% decrease in foreign exchange rates on – Profit and loss account	294,165	358,402	422,357	297,866

48.2.3 Equity position risk

Equity position risk is the risk that the value of equity positions inside the trading book and banking book will change as a result of general and specific equity market movements. Equity positions are monitored on daily basis through management action triggers.

The Group classifies its direct equity investments into Fair Value Through Profit and Loss (FVTPL), Fair Value Through Other Comprehensive Income (FVOCI), and Amortized Cost (AC). FVTPL exposures are of a short term nature and are undertaken to earn profit by exploiting market conditions and short term price fluctuations. Equities held in the FVOCI portfolio are kept with the intent of earning profit due to underlying fundamental strength of each security. Strategic investments are undertaken in line with the long–term strategy of the Group, i.e. to build strategic interest in other concerns. The Group may also carry indirect equity exposure through financing against shares and reverse repos against shares.

At the end of FY 2024 Bank's equity investment portfolio was classified as FVTPL and FVOCI. Pretax impact of 5% decrease in equity prices are provided below;

	2024		2023	
Rupees in '000	Banking book	Trading book	Banking book	Trading book
Impact of 5% change in equity prices on				
– Profit and loss account	–	(25,150)	–	(27,644)
– Other comprehensive income	(59,662)	(387,411)	(35,149)	(249,372)

48.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB)–Basel III Specific

The Group's interest rate exposure arises out of its investment, lending and borrowing activities. Interest Rate Risk in the Banking Book (IRRBB) in its various forms is the risk of adverse changes in earnings and/or capital due to (i) timing differences or mismatches in the maturity/repricing period of financial assets and liabilities (repricing risk), (ii) differences in the basis used for calculating interest rates received and paid (basis risk), (iii) and options implicit or explicit in the Group's financial assets and liabilities (options risk). The Asset and Liability Management Committee of the Group monitors and controls mismatch of interest rate sensitive assets and liabilities on an ongoing basis through its regular meetings. The Market Risk Management Department monitors interest rate in the banking book from an earnings and economic value perspective.

Key IRRBB measures include:

1. Interest Earnings at Risk (IAR): the rolling 12–month impact of a parallel shift in interest rates on Net Interest Margin.

2. Change in Economic Value of Equity (EVE): the impact of a parallel shift in interest rates on the present value of the Group's cash flows.

3. Repricing Gaps: mismatch between the Group's assets and liabilities in terms of repricing time bands based on residual maturity for repricing or actual maturity which ever is earlier. Repricing assumptions for non–contractual assets and liabilities have been set based on a behavioral study.

	2024		2023	
Rupees in '000	Banking book	Trading book	Banking book	Trading book
Impact of 1% change in interest rates on				
– Profit and loss account	(759,782)	(4,761,335)	(180,183)	(1,387,869)
– Other comprehensive income	2,814,052	–	129,062	–

48.2.5 Mismatch of interest rate sensitive assets and liabilities

Yield / interest rate sensitivity position for on–balance sheet instruments is based on the earlier of contractual re–pricing or maturity date and for off–balance sheet instruments is based on settlement date.

Rupees in '000			2024									
			Exposed to yield / interest risk									
	Effective Yield / Interest rate	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	Non-interest bearing financial instruments
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		133,535,448	13,685,296	–	–	–	–	–	–	–	–	119,850,152
Balances with other banks	10.93%	12,958,886	8,756,105	–	–	–	–	–	–	–	–	4,202,782
Lendings to financial institutions	18.95%	4,567,619	3,499,901	1,067,718	–	–	–	–	–	–	–	–
Investments	19.32%	1,509,368,801	17,614	186,388	133,177,287	106,629,798	201,345,809	45,660,944	737,753,046	263,693,711	8,122,084	12,782,120
Advances	18.32%	695,692,118	293,569,312	193,590,158	100,318,462	19,704,296	25,232,871	10,896,074	10,148,031	40,721,111	1,511,801	–
Other assets		84,707,158	–	–	–	–	–	–	–	–	–	84,707,158
		2,440,830,031	319,528,228	194,844,264	233,495,749	126,334,094	226,578,680	56,557,018	747,901,077	304,414,822	9,633,885	221,542,212
Liabilities												
Bills payable		66,704,448	–	–	–	–	–	–	–	–	–	66,704,448
Borrowings	19.26%	869,212,410	786,491,060	43,582,081	18,230,233	745,647	5,742,237	4,810,342	4,429,743	4,558,769	621,451	847
Deposits and other accounts	12.84%	1,362,850,503	82,207,802	38,277,120	16,748,923	59,534,597	194,966,937	194,600,128	194,357,827	166,486,870	27,739,218	387,931,081
Sub-ordinated loans	21.65%	12,000,000	–	6,000,000	6,000,000	–	–	–	–	–	–	–
Other liabilities		42,329,879	–	–	–	–	–	–	–	–	–	42,329,879
		2,353,097,241	868,698,862	87,859,201	40,979,156	60,280,244	200,709,174	199,410,470	198,787,570	171,045,639	28,360,669	496,966,255
On-balance sheet gap		87,732,790	(549,170,635)	106,985,063	192,516,594	66,053,850	25,869,506	(142,853,452)	549,113,507	133,369,183	(18,726,783)	(275,424,043)
Off-balance sheet financial instruments												
Commitments in respect of:												
Forward foreign exchange contracts purchase		118,183,587	–	–	–	–	–	–	–	–	–	118,183,587
Forward foreign exchange contracts sale		82,377,560	–	–	–	–	–	–	–	–	–	82,377,560
Off-balance sheet gap		35,806,027	–	–	–	–	–	–	–	–	–	35,806,027
Total yield / interest risk sensitivity gap			(549,170,635)	106,985,063	192,516,594	66,053,850	25,869,506	(142,853,452)	549,113,507	133,369,183	(18,726,783)	(239,618,016)
Cumulative yield / interest risk sensitivity gap			(549,170,635)	(442,185,572)	(249,668,978)	(183,615,129)	(157,745,622)	(300,599,074)	248,514,432	381,883,615	363,156,832	123,538,816

	2023											
			Exposed to yield / interest risk									
Rupees in '000	Effective Yield / Interest rate	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	Non-interest bearing financial instruments
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		160,087,467	12,873,026	-	-	-	-	-	-	-	-	147,214,441
Balances with other banks	5.24%	14,761,177	13,012,856	-	-	-	-	-	-	-	-	1,748,321
Lendings to financial institutions	21.16%	-	-	-	-	-	-	-	-	-	-	-
Investments	18.73%	1,182,497,658	304,993,034	335,255,801	285,016,573	90,799,857	41,013,367	47,961,711	39,491,310	21,043,410	8,282,544	8,640,051
Advances	18.61%	633,046,149	255,236,812	179,012,129	96,782,356	26,081,357	24,756,765	14,365,184	19,459,226	12,047,379	3,330,161	1,974,780
Other assets		90,346,735	-	-	-	-	-	-	-	-	-	90,346,735
		2,080,739,185	586,115,728	514,267,930	381,798,929	116,881,214	65,770,132	62,326,895	58,950,536	33,090,789	11,612,705	249,924,328
Liabilities												
Bills payable		12,394,336	-	-	-	-	-	-	-	-	-	12,394,336
Borrowings	19.97%	643,362,665	606,543,301	8,543,464	1,530,759	161,802	6,823,565	6,724,701	6,194,752	5,983,279	857,042	-
Deposits and other accounts	12.80%	1,292,794,706	59,614,202	32,190,546	46,584,030	77,250,104	170,887,894	170,474,082	212,438,474	145,738,968	24,289,828	353,326,578
Sub-ordinated loans	21.81%	12,000,000	-	6,000,000	6,000,000	-	-	-	-	-	-	-
Other liabilities		57,629,799	-	-	-	-	-	-	-	-	-	57,629,799
		2,018,181,506	666,157,503	46,734,010	54,114,789	77,411,906	177,711,459	177,198,783	218,633,226	151,722,247	25,146,870	423,350,713
On-balance sheet gap		62,557,679	(80,041,775)	467,533,920	327,684,140	39,469,308	(111,941,327)	(114,871,888)	(159,682,690)	(118,631,458)	(13,534,165)	(173,426,385)
Off-balance sheet financial instruments												
Commitments in respect of:												
Forward foreign exchange contracts purchase		153,115,769	-	-	-	-	-	-	-	-	-	153,115,769
Forward foreign exchange contracts sale		123,329,123	-	-	-	-	-	-	-	-	-	123,329,123
Off-balance sheet gap		29,786,646	-	-	-	-	-	-	-	-	-	29,786,646
Total yield / interest risk sensitivity gap			(80,041,775)	467,533,920	327,684,140	39,469,308	(111,941,327)	(114,871,888)	(159,682,690)	(118,631,458)	(13,534,165)	(143,639,739)
Cumulative yield / interest risk sensitivity gap			(80,041,775)	387,492,145	715,176,285	754,645,593	642,704,266	527,832,378	368,149,688	249,518,229	235,984,064	

48.2.5.1 Yield risk is the risk of decline in earnings due to adverse movement of the yield curve.

48.2.5.2 Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates.

48.2.5.3 Assets do not include fixed assets including right of use asset of Rs. 34,031,090 thousand (2023: Rs. 27,020,255 thousand), Intangible assets of Rs. 1,849,778 thousand (2023: Rs. 1,860,747 thousand), deferred tax asset of Rs. nil (2023: Rs. 8,065,412 thousand), assets held for sale of Rs. 1,750,000 thousand (2023: 1,750,000 thousand) and other assets consisting of advances, deposits, advance rent and other prepayments, advance taxation, non-banking assets acquired in satisfaction of claims, deferred cost on recognition of loan at fair value, receivable from defined benefit plan, stationary & stamps in hand and Others of Rs. 22,920,798 thousand (2023: Rs. 5,859,952 thousand).

48.2.5.4 Liabilities do not include deferred tax liabilities of Rs. 737,821 (2023: nil) lease liabilities of Rs. 14,174,653, and other liabilities consisting of unearned commission and income on bills discounted, advance payments, advance against sale of properties, mark to market loss on forward foreign exchange contracts, branch adjustment account, payable to defined benefit plan, provision for employees compensated absences, levies and taxes payable, workers welfare fund, deferred grant on subsidized refinance loans, credit loss allowance/ provision against off-balance sheet obligations and others of Rs. Rs. 10,961,694 thousand (2023: Rs. 9,869,853 thousand).

48.3 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and external events. The Group strives to manage operational risk within acceptable levels through sound operational risk management practices.

Board Risk Management Committee defines the operational risk appetite and tolerance limits. Operational risk governance structure adopted by Bank is embedded with three lines of defense: Strategic, Macro and Micro.

Bank already has in place an Operational Risk Management framework which is aligned with global best market practices. Bank has dedicated functions to manage Operational Risk, Business Continuity Risk and Information Security Risk governed through comprehensive frameworks in line with international best practices.

48.3.1 Operational Risk–Disclosures Basel II specific

Basel II Basic Indicator Approach is used for calculating the Capital Adequacy for Operational Risk.

48.4 Liquidity Risk

Liquidity risk reflects an enterprises inability in raising funds to meet commitments. The Group's liquidity position is managed by the Asset and Liability Management Committee (ALCO). ALCO monitors the maintenance of financial position, liquidity ratios, depositors concentration both in terms of the overall funding mix and to avoid undue reliance on large individual deposits. Moreover, core retail deposits (current accounts and saving accounts) form a considerable part of the Group's overall funding and significant importance is attached to the stability and growth of these deposits.

The Group is confident that the liquidity buffer currently maintained is sufficient to cater to any adverse movement in the cash flow maturity profile.

48.4.1 Assets and liabilities – based on contractual maturity

	2024													
Rupees in '000	Total	Upto 1 day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
Assets														
Cash and balances with treasury banks	133,535,448	40,060,634	1,335,354	-	-	-	-	-	-	-	23,034,865	23,034,865	23,034,865	23,034,865
Balances with other banks	12,958,886	2,332,600	1,183,146	9,071	844,919	425,050	4,354,187	2,177,093	1,088,546	544,273	-	-	-	-
Lendings to financial institutions	4,567,619	-	3,499,900	-	-	1,067,719	-	-	-	-	-	-	-	-
Investments	1,509,368,801	381,108	1,346,762	959,934	565,392	685,187	280,242	132,798,425	78,776,716	28,769,312	203,309,967	47,625,101	739,916,399	273,954,255
Advances	695,692,118	11,024,367	13,361,776	4,001,199	220,071,293	89,456,952	50,516,100	79,564,459	16,687,942	35,499,735	20,849,935	14,845,267	36,956,363	102,856,731
Property and equipment	21,834,904	-	-	174,282	174,282	152,120	152,120	446,817	435,142	435,142	1,499,515	1,105,200	1,210,968	16,049,317
Right-of-use assets	12,196,186	-	-	97,347	97,347	84,968	84,968	249,576	243,055	243,055	837,575	617,325	676,403	8,964,567
Intangible assets	1,849,778	-	-	14,765	14,765	12,887	12,887	37,853	36,864	36,864	127,034	93,629	102,589	1,359,643
Assets held for sale	1,750,000	-	-	-	-	-	-	-	1,750,000	-	-	-	-	-
Other assets	107,627,957	14,624,913	2,842,576	2,954,004	1,289,021	1,781,812	896,000	5,094,059	2,050,131	1,069,725	17,915,608	21,278,889	17,915,608	17,915,608
	2,501,381,696	68,423,622	23,569,515	8,210,602	223,057,020	93,666,695	56,296,504	220,368,283	101,068,396	66,598,105	267,574,498	108,600,275	819,813,195	444,134,986
Liabilities														
Bills payable	66,704,448	21,345,423	6,090,116	-	5,062,868	17,654,731	8,827,365	4,413,683	2,206,841	1,103,421	-	-	-	-
Borrowings	869,212,411	1,719,523	82,926,518	16,092,759	685,752,768	27,156,552	16,425,819	18,230,281	125,000	620,647	5,742,238	4,810,342	4,429,744	5,180,220
Deposits and other accounts	1,362,850,503	71,942,734	130,885,757	5,451,329	14,359,034	47,384,662	5,633,839	16,748,923	40,136,433	19,398,164	253,156,599	252,789,790	252,547,490	252,415,750
Lease Liabilities	14,174,653	3,280,015	3,949,058	566,986	-	-	-	-	-	-	1,594,648	1,594,648	1,594,648	1,594,648
Deferred tax liabilities	737,821	15,002	90,014	120,019	225,035	-	-	-	14,708	14,708	29,482	84,389	144,464	-
Sub-ordinated loans	12,000,000	-	-	-	-	-	-	-	-	-	-	-	4,500,000	7,500,000
Other liabilities	53,291,572	8,464,808	10,990,215	1,923,519	1,289,021	1,781,812	896,000	5,094,059	2,050,131	1,069,725	4,092,250	7,455,530	4,092,250	4,092,250
	2,378,971,408	106,767,505	234,931,678	24,154,612	706,688,726	93,977,756	31,783,024	44,486,946	44,533,113	22,206,665	264,615,218	266,734,699	267,308,596	270,782,868
Net assets	122,410,288	(38,343,883)	(211,362,163)	(15,944,011)	(483,631,706)	(311,061)	24,513,480	175,881,337	56,535,283	44,391,440	2,959,280	(158,134,425)	552,504,599	173,352,117
Share Capital	14,492,992													
Reserves	74,690,127													
Unappropriated profit	16,235,737													
Surplus on revaluation of assets	16,522,092													
Non-Controlling interest	469,340													
	122,410,288													

Rupees in '000	2023 Total	Upto 1 day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
Assets														
Cash and balances with treasury banks	160,087,467	48,026,240	1,600,875	-	-	-	-	-	-	-	27,615,088	27,615,088	27,615,088	27,615,088
Balances with other banks	14,761,177	2,657,013	1,347,696	10,333	962,429	484,167	4,959,757	2,479,878	1,239,934	619,970	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	1,182,497,658	254,212	223,206,111	628,515	83,065,020	139,237,355	196,538,601	285,257,165	42,564,218	48,355,935	42,325,414	49,273,758	40,990,023	30,801,331
Advances	633,046,149	1,362,182	18,419,478	23,897,691	201,328,218	62,284,013	32,356,652	74,845,825	16,541,338	5,516,759	28,615,270	28,125,923	44,232,277	95,520,525
Property and equipment	18,707,443	-	-	149,319	149,319	130,331	130,331	382,819	372,816	372,816	1,284,736	946,900	1,037,518	13,750,539
Right-of-use assets	8,312,812	-	-	66,351	66,351	57,914	57,914	170,109	165,664	165,664	570,883	420,763	461,030	6,110,169
Intangible assets	1,860,747	-	-	14,852	14,852	12,963	12,963	38,077	37,082	37,084	127,787	94,184	103,197	1,367,706
Assets held for sale	1,750,000	-	-	-	-	-	-	1,750,000	-	-	-	-	-	-
Deferred tax assets	8,065,412	163,997	983,980	1,311,974	2,459,951	-	-	-	160,775	160,775	322,284	922,486	1,579,189	-
Other assets	96,684,170	13,347,097	1,867,733	2,491,738	10,962,899	1,904,819	222,529	421,295	-	-	16,507,581	16,319,493	16,319,493	16,319,493
	2,125,773,035	65,810,741	247,425,873	28,570,773	299,009,039	204,111,562	234,278,746	365,345,168	61,081,827	55,229,003	117,369,043	123,718,595	132,337,815	191,484,851
Liabilities														
Bills payable	12,394,336	3,966,188	1,131,603	-	940,730	3,280,421	1,640,210	820,105	410,053	205,026	-	-	-	-
Borrowings	643,362,665	2,156,506	163,556,035	420,399,459	20,431,301	5,805,043	2,738,421	1,530,759	-	161,802	6,823,565	6,724,701	6,194,752	6,840,321
Deposits and other accounts	1,292,794,706	64,637,493	115,084,396	4,962,375	2,834,160	42,046,784	3,570,172	46,584,030	53,650,958	23,599,146	223,886,881	223,473,068	265,437,461	223,027,782
Lease Liabilities	9,699,474	2,244,458	2,702,273	387,979	-	-	-	-	-	-	1,091,191	1,091,191	1,091,191	1,091,191
Sub-ordinated loans	12,000,000	-	-	-	-	-	-	-	-	-	-	-	-	12,000,000
Other liabilities	57,826,193	10,197,327	12,253,111	1,978,561	10,962,899	1,904,819	222,524	421,295	-	-	5,112,483	4,924,391	4,924,391	4,924,392
	2,028,077,374	83,201,972	294,727,418	427,728,374	35,169,090	53,037,067	8,171,327	49,356,189	54,061,011	23,965,974	236,914,120	236,213,351	277,647,795	247,883,686
Net assets	97,695,661	(17,391,231)	(47,301,545)	(399,157,601)	263,839,949	151,074,495	226,107,419	315,988,979	7,020,816	31,263,029	(119,545,077)	(112,494,756)	(145,309,980)	(56,398,835)

Share Capital	14,492,992
Reserves	57,855,752
Unappropriated profit	20,511,764
Surplus on revaluation of assets	4,458,455
Non-Controlling interest	376,698
	97,695,661

48.4.2 Assets and Liabilities – based on expected maturities

	2024									
Rupees in '000	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
Assets										
Cash and balances with treasury banks	133,535,448	41,395,988	–	–	–	23,034,865	23,034,865	23,034,865	19,744,170	3,290,695
Balances with other banks	12,958,886	4,369,737	4,779,237	2,177,093	1,632,820	–	–	–	–	–
Lendings to financial institutions	4,567,619	3,499,900	1,067,719	–	–	–	–	–	–	–
Investments	1,509,368,801	3,253,197	965,429	132,798,425	107,546,028	203,309,967	47,625,101	739,916,399	265,526,677	8,427,577
Advances	695,692,118	248,458,635	139,973,052	79,564,459	52,187,676	20,849,935	14,845,267	36,956,363	94,304,240	8,552,490
Property and equipment	21,834,904	348,564	304,239	446,817	870,284	1,499,515	1,105,200	1,210,968	1,169,022	14,880,296
Right-of-use assets	12,196,186	194,695	169,937	249,576	486,109	837,575	617,325	676,403	652,973	8,311,594
Intangible assets	1,849,778	29,529	25,774	37,853	73,727	127,034	93,629	102,589	99,036	1,260,607
Assets held for sale	1,750,000	–	–	–	1,750,000	–	–	–	–	–
Other assets	107,627,957	21,710,514	2,677,812	5,094,059	3,119,856	17,915,608	21,278,889	17,915,608	15,357,532	2,558,077
	2,501,381,696	323,260,758	149,963,200	220,368,283	167,666,501	267,574,498	108,600,275	819,813,195	396,853,650	47,281,336
Liabilities										
Bills payable	66,704,448	32,498,407	26,482,096	4,413,683	3,310,262	–	–	–	–	–
Borrowings	869,212,411	786,491,568	43,582,371	18,230,281	745,647	5,742,238	4,810,342	4,429,744	4,558,769	621,451
Deposits and other accounts	1,362,850,503	222,638,854	53,018,501	16,748,923	59,534,597	253,156,599	252,789,790	252,547,490	216,363,723	36,052,026
Lease Liabilities	14,174,653	7,796,059	–	–	–	1,594,648	1,594,648	1,594,648	1,363,172	231,476
Deferred tax liabilities	737,821	450,071	–	–	29,415	29,482	84,389	144,464	–	–
Sub-ordinated loans	12,000,000	–	–	–	–	–	–	4,500,000	1,500,000	6,000,000
Other liabilities	53,291,572	22,667,564	2,677,812	5,094,059	3,119,856	4,092,250	7,455,530	4,092,250	3,507,643	584,607
	2,378,971,408	1,072,542,522	125,760,781	44,486,946	66,739,778	264,615,218	266,734,699	267,308,596	227,293,308	43,489,561
Net assets	122,410,288	(749,281,764)	24,202,419	175,881,337	100,926,724	2,959,280	(158,134,425)	552,504,599	169,560,342	3,791,776
Share Capital	14,492,992									
Reserves	74,690,127									
Surplus on revaluation of assets	16,235,737									
Unappropriated profit	16,522,092									
Non-Controlling interest	469,340									
	122,410,288									

	2023									
Rupees in '000	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
Assets										
Cash and balances with treasury banks	160,087,467	49,627,115	–	–	–	27,615,088	27,615,088	27,615,088	23,670,075	3,945,013
Balances with other banks	14,761,177	4,977,470	5,443,924	2,479,874	1,859,909	–	–	–	–	–
Lendings to financial institutions	–	–	–	–	–	–	–	–	–	–
Investments	1,182,497,658	307,153,855	335,775,956	285,257,165	90,920,152	42,325,414	49,273,758	40,990,023	22,308,022	8,493,313
Advances	633,046,149	245,007,568	94,640,665	74,845,825	22,058,098	28,615,270	28,125,923	44,232,277	80,034,403	15,486,121
Property and equipment	18,707,443	298,638	260,662	382,819	745,632	1,284,736	946,900	1,037,518	1,001,580	12,748,958
Right-of-use assets	8,312,812	132,702	115,827	170,109	331,328	570,883	420,763	461,030	445,061	5,665,109
Intangible assets	1,860,747	29,704	25,927	38,077	74,165	127,787	94,184	103,197	99,623	1,268,083
Assets held for sale	1,750,000	–	–	1,750,000	–	–	–	–	–	–
Deferred tax assets	8,065,412	4,919,901	–	–	321,551	322,284	922,486	1,579,190	–	–
Other assets	96,684,170	28,669,467	2,127,348	421,295	–	16,507,580	16,319,493	16,319,493	13,989,318	2,330,176
	2,125,773,035	640,816,420	438,390,309	365,345,164	116,310,834	117,369,042	123,718,595	132,337,816	141,548,082	49,936,773
Liabilities										
Bills payable	12,394,336	6,038,520	4,920,631	820,105	615,080	–	–	–	–	–
Borrowings	643,362,665	606,543,301	8,543,464	1,530,759	161,802	6,823,565	6,724,701	6,194,752	5,983,279	857,042
Deposits and other accounts	1,292,794,706	187,518,424	45,616,956	46,584,030	77,250,104	223,886,881	223,473,068	265,437,461	191,166,670	31,861,112
Lease Liabilities	9,699,474	5,334,711	–	–	–	1,091,191	1,091,191	1,091,191	1,091,191	
Sub-ordinated loans	12,000,000	–	–	–	–	–	–	–	6,000,000	6,000,000
Other liabilities	57,826,193	35,391,897	2,127,343	421,296	–	5,112,483	4,924,391	4,924,391	4,065,021	859,370
	2,028,077,374	840,826,853	61,208,394	49,356,190	78,026,986	236,914,120	236,213,351	277,647,795	208,306,161	39,577,524
Net assets	97,695,661	(200,010,433)	377,181,915	315,988,974	38,283,848	(119,545,078)	(112,494,756)	(145,309,979)	(66,758,079)	10,359,249
Share Capital	14,492,992									
Reserves	57,855,752									
Surplus on revaluation of assets	4,458,455									
Unappropriated profit	20,511,764									
Non-Controlling interest	376,698									
	97,695,661									

48.5 Derivative Risk

The Group at present does not offer structured derivative products such as interest rate swaps, forward rate swap, forward rate agreements or foreign exchange options nor does it deal in market making and foreign exchange hedging.

Group's derivative exposure is limited to hedging transactions undertaken by Treasury in instruments such as forward exchange contracts.

The Risk Management Group monitors the Group's overall derivative exposure in forward exchange contracts, which are marked to market and are included in the Group's overall portfolio measures of volatility including value at risk (VaR). Further, value at risk (VaR) is separately monitored for forward exchange contracts. Derivative exposures are also included in the Group's capital charge and risk weighted asset calculation in accordance with SBP regulations.

49. GENERAL

49.1 Non–adjusting events after the balance sheet date

The Board of Directors in its meeting held on 24 February 2025 has proposed the following appropriations, which will be approved in the forthcoming Annual General Meeting. The consolidated financial statements for the year ended December 31, 2024 do not include the effect of the appropriations which will be accounted for in the consolidated financial statements for the year ending December 31, 2025:

Rupees in '000	2024	2023
Proposed final cash dividend - Rs. 3 per share (2023: Rs. 2.5 per share)	4,347,898	3,623,248
Transfer to General Reserve	11,977,902	16,808,564

50 DATE OF AUTHORIZATION

These consolidated financial statements were authorized for issue on February 24, 2025 by the Board of Directors of the Group.

Chief Financial Officer	President & CEO	Director	Director	Chairman

PATTERN OF SHAREHOLDING
AS AT DECEMBER 31, 2024

Number of shareholders	Shareholding From	Shareholding To	Total shares held
1934	1	100	70,611
2566	101	500	689,310
1740	501	1,000	1,268,674
3799	1,001	5,000	9,408,223
1495	5,001	10,000	10,990,845
946	10,001	15,000	12,277,858
737	15,001	50,000	18,829,354
348	50,001	500,000	51,027,966
32	500,001	1,000,000	20,596,075
23	1,000,001	2,000,000	31,044,819
18	2,010,001	5,000,000	55,434,339
8	5,040,001	12,485,000	68,535,436
5	20,180,001	312,670,000	543,792,470
1	625,000,000	625,335,000	625,333,227
13652			**1,449,299,207**

Categories of Shareholders	Numbers of shareholders	Shares held	Percentage
Directors, CEO, Children	5	82,800	0.0057
Associated Companies & Related Parties	6	1,052,102,428	72.5939
Executives/Employees of the Bank	3	42,191	0.0029
Banks, DFI & NBFI, Insurance Companies, Takaful, modarabas, Pension Funds	28	79,705,992	5.4996
ICP	1	4,297	0.0003
Insurance Companies	9	2,082,027	0.1437
Mutual Funds & Mudarabas	29	84,476,271	5.8288
General Public (Local)	13,343	175,661,157	12.1204
General Public (Foreign)	34	275,799	0.0190
Others	190	51,408,137	3.5471
Foreign investors (Foreign Companies)	4	3,458,108	0.2386
Total	**13,652**	**1,449,299,207**	**100.0000**

Particulars	Numbers of shareholders	Shares held	Percentage
Associated Companies & Related Parties:	**6**	**1,052,602,428**	**72.6284**
Fauji Foundation Group			
Fauji Foundation	1	104,224,366	7.1914
Fauji Fertilizer Company Limited	1	625,333,227	43.1473
Fauji Fertilizer Bin Qasim Limited	1	312,666,610	21.5736
Related Parties			
Trustees of FFC Employees Gratuity Fund	1	5,044,175	0.3480
Trustees Of FFC Mgnt Staff Pension Fund	1	881,800	0.0608
Trustees of Askari Bank Limited Employees Provident Fund	1	3,952,250	0.2727
Modarabas & Mutual Funds	**29**	**84,476,271**	**5.8288**
First Tri-Star Modaraba Management	1	102	0.0000
First U.D.L. Modaraba	1	359	0.0000
CDC - Trustee Alfalah GHP Value Fund	1	110,000	0.0076
CDC - Trustee AKD Index Tracker Fund	1	143,024	0.0099
CDC - Trustee AKD Opportunity Fund	1	390,000	0.0269
Tri-Star Mutual Fund Limited	1	190	0.0000

Particulars	Numbers of shareholders	Shares held	Percentage
CDC - Trustee UBL Stock Advantage Fund	1	9,096,651	0.6277
CDC - Trustee NBP Stock Fund	1	34,754,473	2.3980
CDC - Trustee NBP Balanced Fund	1	1,029,975	0.0711
CDC - Trustee Alfalah GHP Stock Fund	1	1,874,866	0.1294
CDC - Trustee Alfalah GHP Alpha Fund	1	539,695	0.0372
CDC - Trustee NIT-Equity Market Opportunity Fund	1	7,540,558	0.5203
CDC - Trustee Al Habib Stock Fund	1	900,000	0.0621
CDC - Trustee Lakson Equity Fund	1	317,214	0.0219
CDC - Trustee NBP Sarmaya Izafa Fund	1	647,000	0.0446
CDC - Trustee Atlas Income Fund - MT	1	12,500	0.0009
CDC - Trustee UBL Asset Allocation Fund	1	229,500	0.0158
CDC - Trustee UBL Retirement Savings Fund - Equity Sub Fund	1	1,091,760	0.0753
CDC - Trustee National Investment (Unit) Trust	1	20,184,768	1.3927
CDC - Trustee NBP Financial Sector Fund	1	677,725	0.0468
CDC - Trustee UBL Financial Sector Fund	1	2,304,410	0.1590
CDC - Trustee Golden Arrow Stock Fund	1	350,000	0.0241
CDC - Trustee NIT Asset Allocation Fund	1	180,500	0.0125
CDC - Trustee NBP Financial Sector Income Fund - MT	1	1,999,534	0.1380
CDC - Trustee Alfalah GHP Dedicated Equity Fund	1	97,500	0.0067
Safeway Fund (Pvt) Limited	1	570	0.0000
Investec Mutual Fund Limited	1	70	0.0000
Asian Stocks Fund Limited	1	3,326	0.0002
Investec Mutual Fund Limited	1	1	0.0000
Board of Directors Shareholding			
Mr. Arif Ur Rehman	1	575	0.0000
Raja Muhammad Abbas	1	575	0.0000
Ms. Zoya Tazeen Mohsin Nathani	1	575	0.0000
Mr. Kamran Yousuf Mirza	1	80,500	0.0056
Ms. Samina Rizwan	1	575	0.0000
Shareholding Board of Directors	5	82,800	0.0057
Executives/Employees of the Bank	**3**	**42,191**	**0.0029**
ICP	**1**	**4,297**	**0.0003**
Banks, Development Financial Institutions, Non–Banking Financial Institutions, Insurance Companies,	**37**	**81,788,019**	**5.6433**
General Public (Local) - Individuals	**13,343**	**175,661,157**	**12.1204**
General Public (Foreign) - Individuals	**34**	**275,799**	**0.0190**
Foreign Companies	**4**	**3,458,108**	**0.2386**
Others	**190**	**51,408,137**	**3.5471**
Total	**13,571**	**230,803,201**	**15.9252**
G. Total	**13,652**	**1,449,299,207**	**100.0000**

Note 1: For the purpose of reporting trades in the shares of the Bank, as per requirement of 5.6.4 of Rule Book of Pakistan Stock Exchange Limited, Executive(s) mean person(s), who have access to price sensitive information.

Note 2: During the year. there have been no trades in the shares of the Bank by it's Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouses and minor children.

Note 3: Subsequent to year end, 312,666,610 Ordinary Shares of the Bank held by erstwhile M/s. Fauji Fertilizer Bin Qasim Limited (FFBL) have been transfered to M/s. Fauji Fertilizer Company Limited (FFCL) pursuant to merger of FFBL with and into FFCL.

AGM

Monday, March 24, 2025 at 10:00 am

at Shamadan Hall, Serena Hotel

Islamabad

FORM OF PROXY
ASKARI BANK LIMITED
33RD ANNUAL GENERAL MEETING

I/We ________________________ S/o/ D/o/ W/o________________ of ________________ being member(s) of Askari Bank Limited (the Bank), hold ________________ ordinary shares vide Folio/CDC Account No. ________________, do hereby appoint Mr./Mrs./Ms.________________ Folio/CDC Account No. ________________ of ________________ failing him/ her, Mr./Mrs./Ms.________________ Folio/CDC Account No. ________________ of ________________, as my/our proxy in my/our absence to attend and vote on my/our behalf at the 33rd Annual General Meeting of the Bank to be held on Monday, March 24, 2025 at 10:00 am at Shamadan Hall, Serena Hotel, Islamabad and through Zoom and at any adjournment thereof.

Signed this ________________________ day of March 2025.

(Please affix revenue stamp of Rs. 50)

____
Signature of Member
(The signature should agree with the specimen registered with the Bank)

Witnesses No. 1:	________________	Witnesses No. 2:	________________
Name:	________________	Name:	________________
C.N.I.C. No.:	________________	C.N.I.C. No.:	________________
Address:	________________	Address:	________________
	________________		________________

IMPORTANT NOTES:

A. General:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote for him/her. No person shall act as a proxy, who is not a member of the Bank. Corporate entity may appoint a person who is not a member.
2. The instrument appointing a proxy should be signed by the member or his/her attorney duly authorized in writing. If the member is a corporate entity, certified true copy of the instrument authorizing the person to act as proxy shall be provided.
3. The Proxy Form, duly completed and signed, must be received at the Company Secretary Office, Askari Bank Limited, 4th Floor, NPT Building, F-8 Markaz, Islamabad at least 48 hours before the time of holding the meeting.
4. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
5. If a member appoints more than one proxy, and more than one instrument of proxy is deposited by a member, all such instruments of proxy shall be rendered invalid.

B. For CDC Account Holders

1. Copies of the CNIC or passport of the beneficial owners shall be furnished with the proxy form.
2. The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
3. In case of Corporate entity, certified true copy of the instrument authorizing the person to act as proxy shall be provided/ submitted along with proxy form to the Bank.

The Company Secretary

ASKARI BANK LIMITED

4th Floor, NPT Building

F–8 Markaz

Islamabad – Pakistan

پراکسی کا فارم

عسکری بینک لمیٹڈ

33 ویں سالانہ اجلاس عام

میں ا ہم ______ ولدیت / زوجہ ______ شہر ______ بحیثیت ممبر عسکری بینک لمیٹڈ، حامل عام شیئرز بمطابق فولیو / سی ڈی سی اکاؤنٹ نمبر ______

بمسٹر / مسز / مس ______ فولیو / سی ڈی سی اکاؤنٹ نمبر ______ شہر ______ انکی ناکامی کی صورت میں بمسٹر / مسز / مس ______ فولیو / سی ڈی سی اکاؤنٹ

نمبر ______ شہر ______ کو اپنے / ہمارے ایماء پر بطور پراکسی مقرر کرتا ہوں / کرتے ہیں تاکہ وہ میری / ہماری طرف سے بینک کے 33 ویں سالانہ اجلاس عام جو بتاریخ 24 مارچ 2025 بروز

پیر صبح بوقت 10:00 بجے بمقام شمع ہال، سرینا ہوٹل، اسلام آباد، میں اور زوم کے ذریعے منعقد ہونے والے یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے، بات کرے اور حق رائے دہی استعمال کرے۔

آج بروز ______ بتاریخ ______ مارچ 2025 کو بطور گواہ دستخط کیے

______

دستخط ممبر

(پچاس روپے کا رسیدی ٹکٹ)

گواہ نمبر 1 ______	گواہ نمبر 2 ______
نام ______	نام ______
شناختی کارڈ نمبر ______	شناختی کارڈ نمبر ______
پتہ ______	پتہ ______

نوٹس:

الف۔ عام

۱۔ جو ممبر اجلاس میں شرکت اور ووٹ ڈالنے کا اہل ہے وہ اپنی جگہ اجلاس میں شرکت اور ووٹ ڈالنے کے لئے پراکسی مقرر کر سکتا ہے۔ کاروباری ادارے کے علاوہ کوئی ایسا شخص پراکسی کے طور پر کام نہیں کر سکتا اگر وہ بینک کا ممبر نہیں ہے۔

۲۔ پراکسی مقرر کرنے کی دستاویز ممبر یا اس کے تحریری طور پر با اختیار اٹارنی سے دستخط شدہ ہونی چاہیے۔ اگر ممبر ایک کاروباری ادارہ ہے تو تصدیق شدہ دستخط کی کاپی جس کے تحت متعلقہ شخص کو پراکسی مقرر کیا گیا ہے جمع کروانی ہوگی۔

۳۔ پراکسی مقرر کیے جانے سے متعلق دستاویزات کمپنی سیکریٹری عسکری بینک لمیٹڈ، فورتھ فلور، این پی ٹی بلڈنگ، ایف۔ 8 مرکز، اسلام آباد کو اجلاس سے کم از کم 48 گھنٹے قبل لازماً وصول ہو جانا چاہیئے۔

۴۔ پراکسی فارم دو گواہان سے تصدیق شدہ ہونا چاہیے۔ جن کے نام، پتے اور سی این آئی سی نمبرز فارم کے اوپر درج ہوں۔

۴۔ اگر کوئی ممبر ایک سے زیادہ پراکسی مقرر کرے گا اور ایک سے زیادہ پراکسی کے دستاویز جمع کروائے گا تو پراکسی کی تمام دستاویزات کالعدم قرار دی جائیں گی۔

ب۔ سی ڈی سی اکاؤنٹ رکھنے والوں کے لئے

۱۔ مستفید مالکان کے سی این آئی سی یا پاسپورٹ کی نقول پراکسی فارم کے ساتھ فراہم کی جانی چاہئیں۔

۲۔ پراکسی کو اجلاس کے وقت اپنا اصل سی این آئی سی یا اصل پاسپورٹ فراہم کرنا ہوگا۔

۳۔ کارپوریٹ ادارے کی صورت میں تصدیق شدہ دستخط کی کاپی جس کے تحت متعلقہ شخص کو مقرر کیا گیا ہے پراکسی فارم کے ساتھ جمع کروانی ہوگی۔

The Company Secretary
ASKARI BANK LIMITED
4th Floor, NPT Building
F–8 Markaz
Islamabad – Pakistan

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askaribank.com.pk