



Soneri Bank



**THE
GUIDING LIGHT**

ANNUAL REPORT 2022

ENDLESS BEGINNINGS

GEOGRAPHICAL PRESENCE

With 400+ branches and more in counting, Soneri Bank is ever-expanding its geographical reach in an effort to provide Pakistan's unbanked population with financial solutions that promise the possibility of a new dawn.





THE GUIDING LIGHT

ABOUT US

Changing hues from dawn to dusk and making it possible for life to exist, Soneri Bank like the sun, is ever-present and ever-evolving. We transform and keep up with time so you can grow. We evolve so you can progress. We provide life-giving essentials enabling you to grow under the sun.



GREATER SCHEME OF THINGS

Using innovation and technology to raise the standard of living for clients and communities alike, we continue to radiate effectively and efficiently through our ever expanding product portfolio and unmatched customer service.

VISION

To better serve the customers to help them and the society grow.

MISSION

To provide innovative and efficient financial solutions to our customers.



A TOUCH OF GOLD

Our principles are the gold we sow and reap. These characteristics are evident throughout every aspect of our business, illuminating our dynamic workplace culture and demonstrating our dedication to the Roshan Har Qadam philosophy.

CORE VALUES

We are customer-centric

We have high morals

We take ownership

We are proactive

We collaborate



SPARKING KNOWLEDGE

TECHNOLOGY

Soneri Bank has the power to fully transform organizations, industries, and lifestyles when combined with skillful expertise and modern technology. We aspire to reinvent the financial sector with our cutting-edge banking solutions.



HARNESSING HOPE

CORPORATE SOCIAL RESPONSIBILITY

We at the Bank are committed to preserving our resources and generating the most sustainable positive outcomes for a greener future for the benefit of our people and communities.



CORPORATE SOCIAL RESPONSIBILITY

(CSR) ACTIVITIES

Beach Cleanup Drive

Soneri Bank collaborated with Zapp Pakistan for a beach cleanup drive at Turtle Beach Karachi where employees from all departments participated to declutter the seashore and almost 1000kg of garbage was collected.

Solar Power System Installation

Soneri Bank sponsored Red Crescent Pakistan to power their emergency healthcare facility with a sustainable solar system.

Sponsorship of Deaf Students

Soneri Bank partnered with Family Education Services Foundation (FESF) for educating the disabled by sponsoring the tuition fee and course books of 5 deaf students.

Distribution of Ration-bags Amongst the Needy

Soneri Bank organized a donation drive with Robin Hood Army where 150 food and ration-bags were given out to the deserving during the month of Ramadan.

Sponsoring the Event “Pray for Pakistan”

Soneri Bank partnered with International Full Gospel Fellowship Church for their annual prayer for the betterment of the country to showcase unity and diversity.

Sponsorship of ASF Shuhada Day

Soneri Bank collaborated with ASF Unit Fund JIAP Karachi to fully sponsor their annual event on 8th June to pay tribute to the martyrs of Pakistan.

Sponsorship of Dunya Kisan Dost Mela

Soneri Bank partnered with National Communication Services to promote the agricultural sector by funding the annual agri and industrial expo in Multan.

Supporting Karachi Downs Syndrome Program

Soneri Bank provided financial assistance to KDSP to help children with disabilities and those with Downs Syndrome.

Associate Sponsorship of LRBT Golf Tournament

Soneri Bank partnered with LRBT (Layton Rehmatullah Benevolent Trust) and sponsored their 6th annual golf tournament to support the cause of treating curable blindness in Pakistan.

Helping the less-Privileged

Soneri Bank sponsored the Procurement of Ball Fiber Pillows, Bed Sheets and Pillow Cases for Dar ul Sukun NGO.



Initiatives of Green Banking Office

The Green Banking Office, under the ambit of the Risk Management Division, has been established in line with the State Bank of Pakistan's instructions and guidelines. The Green Banking Office has successfully developed a Green Banking Policy and taken many initiatives for the effective implementation of the guidelines which include:

Environmental Awareness to the Bank Staff

The Green Banking Office is circulating bank-wide emails concerning the Green Banking Guidelines and conducts Environmental Awareness Workshops to educate the Bank staff.

Green Advisory Services

We have incorporated details of the Green Banking Office and the green advisory services on Soneri Bank's official website, to create awareness amongst the visitors, of our ongoing green activities.

Green Business Facilitation

We have developed and launched a Green Business Facilitation product, i.e., Soneri Renewable Energy Financing.

Environmental Trainings

Green Banking Office has conducted classroom and online trainings to educate the Bank staff to apply own-impact reduction measures in their workplace as well as to encourage the customers to use more digital tools for saving papers.

Resource Consumption Targets

We have assigned resource consumption targets to our branches, under which electricity, water, fuel, and paper were covered. Furthermore, the Green Banking Office has prepared a Key Performance Indicators report for the branches, head offices, and regional offices for dissemination of the knowledge that is essential for the Bank's staff to comply with the allocated targets. Our Account Opening Form has been revised to minimise the number of annexures/forms that were used for account opening. Similarly, multiple Customer Request/Instructions Forms are merged into a single form to minimise the use of papers.

Environmental Risk Rating (ERR)

The Environmental Risk Rating (ERR) Model has been deployed and implemented on the Loan Originating System namely 'CAPS' for the assessment of the environmental risks associated with the client's business/industry.



THE BLOOMING PROSPECTS

PRODUCTS AND SERVICES

Soneri Bank's product offering is aimed to give ease and radiance through financial solutions that are most suited to your lifestyle and personal financial goals. We are constantly evolving and expanding our offers in order to increase the scope of our services and deliver an experience that leaves you feeling assured and safe.

PRODUCTS & SERVICES

At Soneri Bank, we strive to offer the most vibrant range of products and services to exceed our customers' expectations. Our commitment to the customers is to leverage our brand promise "Roshan Har Qadam" by constantly innovating our products suite to best match the personal and business needs of our customers, including Commercial, Retail & Corporate and Islamic segments. With our corporate vision "To better serve the customers to help them and the society grow", and our mission "To provide innovative and efficient financial solutions to our customers", we serve them with excellent solutions and constantly raise our performance standards.

Current Accounts

Customers can open any current account for their transactional needs and enjoy Banking convenience offered via over 400+ branches and ATMs across the country. Our current accounts include:



Soneri Ikhtiar Account

Soneri Ikhtiar is the flagship current account which is ideally suited for businesses in search of a convenient and feature-rich Bank account to fulfil their daily Banking needs. This account offers numerous free benefits, including Banker's Cheque Issuance, Online Banking, Cheque Books, Debit Cards, and much more. In addition, Soneri Ikhtiar Account offers free Worldwide Accidental Insurance and ATM Cash Withdrawal Insurance Coverage to help protect customers and their loved ones.

Soneri Current Account

Soneri Current Account lets the customers enjoy a host of free Banking services with no restriction on the number of transactions. It also provides complete peace of mind with free Worldwide Accidental Insurance and ATM Cash Withdrawal Insurance Coverage.

Soneri Ladies First Account

An exclusive Banking platform, Soneri Ladies First Account, is a current account targeted at females who are eligible to open a Bank account. As women comprise half of the adult population in Pakistan, it is imperative for Soneri Bank Limited, being an inclusive financial services provider to offer financial services and an exclusive Bank account truly accessible to all Pakistani Ladies.



Soneri Asaan Account

Soneri Asaan Account offers a simple and convenient way to fulfil all Banking needs with minimum documentation requirements. It is offered in both Current and PLS Savings Account types and is suitable for self-employed individuals, students, housewives, and daily wagers.

Soneri Pensioners Account

Soneri Bank branch network across Pakistan facilitates in the opening of Pensioners Account. Branches effectively coordinate with various pension disbursing departments to ensure hassle-free disbursement of pension in the respective pensioner's account.





Savings Accounts

Soneri Bank offers a complete range of savings products with attractive returns. These accounts are designed to cater to the specific needs of individuals, senior citizens and corporates. Our savings products suite includes:

PLS Savings Account

Basic deposit account with no minimum balance requirement. It can be opened with an initial deposit of just PKR 100/-. The complete range of ADC services is offered on this account, including Debit Cards, Digital Banking Services, Online Banking and SMS Alerts.

Soneri Savings Account

Flexible and fast-growing cumulative monthly profit account. Customers can enjoy high profits, while keeping their funds easily accessible at all times. The complete range of ADC services is offered on this account.

Soneri Sahara Account

A savings account for senior citizens to meet their Banking needs. The account can be opened singly or jointly (husband & wife) provided either of them is of 60 years or above. They can enjoy high returns on their savings every month with the flexibility of withdrawing profits anytime.



Soneri Youngsters Minor Savings Account

Every parent wants to teach their children the value of saving, sensible spending patterns and giving. Soneri Bank Ltd. is pleased to offer the children Soneri Youngsters Minor Savings Account, a savings account that enhances their financial outlook while teaching the basics of Banking. The account is available to young people from birth until their 18th birthday. Soneri Youngsters Minor Savings Account supports children to get off to a good start.

Soneri Rupee Term Deposits

Soneri Term Deposits are for customers who intend to retain their savings for a fixed period and earn a higher rate of profit. Term Deposits allow customers to save a fixed amount in Rupees for a set period ranging from 1 month to 3 years at attractive profit rates.



Soneri Nigehban Term Deposit

Soneri Nigehban Term Deposit is an “investment-for-profit” product for customers with a vision to provide free life insurance equivalent to their investments, up to PKR 5 million (subject to terms and conditions) along with a high return on their investment. Profit pay-out on this term deposit is made on monthly basis in a linked Current or Savings Account.

Soneri Ladies First Term Deposit (TDR)

Soneri Bank with its aim to empower the women of Pakistan now offers Ladies First Term Deposit (TDR). Any Ladies First Current Account customer can also opt for Soneri Ladies First Term Deposit and enjoy the benefit of free Pink Ribbon Insurance of upto PKR 500,000.



Soneri Foreign Currency Accounts

Dealing with foreign currencies is no more a hassle. Soneri Bank offers FCY Current, Savings and Term Deposit accounts to cater to the foreign currency transactional and saving needs of the customers, with a host of attractive features.

FCY Term Deposits

Soneri Bank's Foreign Currency Term Deposit offers competitive profit rates for any selected term of up to 1 year. It is an ideal investment to help customers save in a foreign currency and see their deposits grow over time.

Financing Products for Commercial & Retail Banking

Soneri Bank ensures meeting all the Banking needs of its customers by offering a variety of financing products to facilitate them to grow their businesses and also contribute their share towards the industrial growth of the country. The Bank is also committed to playing its role towards strengthening the SME sector by encouraging quality players to avail credit facilities through our nationwide branches, empowering them to grow beyond financial limitations. In addition to our conventional financing products including Running Finance, Cash Finance, Term/Demand Finance, Letter of Credits (LCs), Finance against Imported Merchandise (FIM), Finance against Trust Receipts (FATR), Export Finance and Letter of Guarantees (LGs), the Bank also offers the following specific financing products to help its customers to operate their businesses without worrying about funding requirements.

Soneri Speed Finance

Soneri Speed Finance is focused towards providing quick and flexible financing solutions to its customers while keeping their savings secure. This product is offered to Individuals, Small and Medium Enterprises, Commercial, and Corporate businesses for meeting their business needs. It has been designed to provide hassle-free and swift financing solutions to meet both the short- and long-term financing needs of the customers. It is primarily secured against liquid security including Soneri Bank's deposits (LCY and FCY Term Deposits, Cash Margin, Lien on Account), Naya Pakistan Certificates (PKR and USD denominated certificates), and Government Securities (DSC/SSC/RIC).



SBP's Incentive Schemes

In line with the initiatives of the State Bank of Pakistan to support exports and industrial growth with the ultimate objective of promoting the overall economic development of the country, Soneri Bank is offering a wide range of SBP's refinancing schemes through our designated branches:

- Refinance and Credit Guarantee Scheme for Women Entrepreneurs
- SE Financing and Credit Guarantee Scheme for Special Persons
- Credit Guarantee Scheme for Small and Rural Enterprises
- Refinancing Facility for Modernisation of SMEs
- Mark-up Subsidy and Guarantee Facility for the Rice Husking Mills in Sindh
- Financing Facility for Storage of Agricultural Produce
- Export Refinance Scheme
- SBP's Financing Scheme for Renewable Energy
- Refinancing Scheme for Working Capital Financing
- Long-Term Financing Facility for Plant and Machinery

Consumer Financing

Soneri Bank Limited offers various consumer financing options to its customers depending on their needs. Our range of consumer financing products includes Soneri Car Finance, Soneri Ghar Finance, Mera Pakistan Mera Ghar (Government Mark-up Subsidy Scheme for Low-Cost Housing Finance), Soneri Personal Finance, and Soneri Renewable Energy Financing.

Soneri Car Finance

Soneri Car Finance offers financing for locally assembled/manufactured vehicles, new or used, at competitive mark-up rates. The Car Finance facility is available for up to Rs. 3 million with a repayment plan of up to 3 years in equal monthly instalments for vehicles that are above 1000cc engine capacity. For locally assembled/manufactured vehicles that are 1000cc and below, the repayment plan of up to 5 years in equal monthly instalments is available. Processing of applications is fast and hassle-free. Partial payment and early settlement options are also available. Moreover, comprehensive insurance coverage along with tracker assures the vehicle's safety and facility's security. All these features provide the customers with an attractive product.



Soneri Ghar Finance

With comfort, peace and security, now the dream of owning a beautiful house can become a reality with Soneri Ghar Finance. Be it acquiring a new house or an apartment, building a house or redesigning/renovating an existing house, this facility is tailored to suit the customers' needs where a maximum financing limit of up to Rs. 75 million with flexible tenor for repayment of up to 20 years, can be taken.

Soneri Personal Finance

Soneri Personal Finance includes attractive plans, simple reimbursement alternatives, and market competitive rates. It is a hassle-free way for customers' monetary needs with a maximum limit of up to Rs. 2 million under unsecured lending and up to Rs. 5 million under secured lending against collateral such as locally manufactured motor vehicle, residential property, SSC/DSC and deposits. With flexible repayment tenors of up to 4 years. It is an easy solution to the customers' cash/liquid requirement for emergency funds, debt consolidation, to plan their children's higher education, make their children's wedding the talk of the town, or take that dream vacation.



Soneri Renewable Energy Finance



Soneri Bank offers a variety of financing options to help its customers hitch onto the solar bandwagon and start increasing the energy and value of their home through Renewable Energy Financing product. This product is specifically for domestic energy needs of an individual to combat the prevailing energy crisis and to optimize the increasing energy bills. Financing under this product is extended against solar system with a power generation capacity of maximum up to 1 megawatt and placed on the residential property of the customer. Maximum financing limit offered is up to Rs. 3 million without collateral and up to Rs. 5 million with tangible collateral. This product is an equal monthly instalment based term loan with financing options of 3, 5, 7, and 10 years, offered under SBP refinancing scheme (fixed rate) and on variable rate as well which is renewed annually. Further, quick processing, competitive rates and the option of partial prepayment and early settlement make this product a "go solar & go green" for customers.

Agriculture Financing

Agriculture Economy contributes a handsome share of the GDP of our country and the livelihood of a large number of rural populations is based on this. Soneri Bank's wide range of Agri Products is available to support the Agri Economy and to grow Agriculture Produce as well as the livelihood of the Farming Community. The Farming Community may avail any facility to fulfil their needs out of the below given Agriculture Financing Products:

- Farm Production Loans –Revolving Credit
- Farm Development Loans for Farm Machinery
 - Tractor and Implements Loans
- Non-Farm Working Capital Loan- Dairy Farming
 - Non-Farm Development Loan- Dairy Farming
- Non-Farm Working Capital Loan- Poultry Farming
 - Non-Farm Development Loan- Poultry Farming
- Non-Farm Working Capital Loan- Fish Farming
 - Non-Farm Development Loan- Fish Farming
- Non-Farm Working Capital Loan- Cattle Farming
 - Non-Farm Development Loan- Cattle Farming
 - Value Chain – Contract Farmer Financing
 - Financing against Warehouse Receipts



Home Remittance

Soneri Bank Limited (SBL) under the guidance of the Pakistan Remittance Initiative (PRI) (a joint venture of the State Bank of Pakistan, Ministry of Finance, and Ministry of Overseas Pakistanis) started the Home Remittance Payments' Disbursement Initiative in July 2012. With exceptional customer support and meeting the service delivery standards, the Bank managed to make a significant contribution towards the Home Remittance business. Soneri Bank recognised the potential in the Home Remittance business and thereby brands this business with the service name "Soneri Mehnat Wasool Remittance".



Soneri Mehnat Wasool Remittance rendered unmatched services for overseas Pakistanis, who are sending money to their family members across Pakistan, through their extensive network of over 360 plus branches in more than 170 plus cities. To facilitate overseas Pakistanis, Soneri Bank has tie-ups with renowned money service providers i.e., MoneyGram, RIA Money Transfer, IME, Al Ansari Exchange, Small World, Ebixcash, World Wide Cash Express, and Trans-Fast, covering GCC, UK and Europe, and North American regions including Canada. In a further step towards this initiative, the Bank has launched a deposit product titled "Soneri Asaan Remittance Account". The account can be opened with utmost ease through a simplified account opening process and is designed as a secure and reliable means for the purpose of receiving home remittance directly into the account.



Please find the features of the account.

- PayPak Debit Card for One Year
- First Cheque Book of 25 Leaves
- SMS Alerts and e-Statements for staying informed
- Soneri Digital (Internet and Mobile Banking)
- No Service Charges
- No Withholding Tax on Cash Withdrawal
- ATM Cash Withdrawal Insurance - Soneri Tahaffuz

Alternate Delivery Channel

ATMs

With the growing number of 370+ ATMs across the country, withdraw cash with convenience, transfer funds to a Bank account, pay your bills and much more.

Soneri Debit Card

With Soneri Bank Mastercard Debit Card, your Bank account is accessible at more than 3 million ATMs and 66 million Points of Sale around the world.

Soneri Bank PayPak Debit Card is accepted at all ATMs and Points of Sale across Pakistan.



Internet Banking

We offer a wide range of services including Account Balances, Debit Card Activation, Bill Payments, Mobile Top-Ups, Zakat, Donations, Fund Transfers to Soneri and other Bank account, Raast P2P funds transfer, QR based Funds transfers, Account Limit management, Account Statement, Account maintenance Certificate, Withholding Tax Certificate, SMS alert subscription, e-statement subscription, International transactions activation, Local payment channels activation, Debit Card PIN & Mini Statement and many more at your desktop.

Mobile Banking

Talk about convenience at your fingertips, Soneri Mobile App is the right choice. Manage your account, transfer funds to any domestic Bank account, Mobile Top-Ups, Bill Payment, School Fees, Govt. Payments, Zakat, Donations, Raast P2P funds transfer, QR based Funds transfers, Account Limit management, Account Statement, Account maintenance Certificate, Withholding Tax Certificate, SMS alert subscription, e-statement subscription, International transactions activation, Local payment channels activation, Debit Card PIN & Mini Statement and lot more.





SMS Alerts

Stay secure and keep up to date with your transactional activities by getting Free of Cost instant alerts on your registered cell phone.

Phone Banking

Customers can access their accounts 24/7 with distinctive services with Soneri Phone Banking, including ATM Debit Card Replacement, Stop Cheque Requests, Banker's Cheque, ATM Debit Card Account Linking/De-Linking, Cheque Book Requests and E-Statement Requests. Simply dial + 92-21-111-SONERI (766374) to avail easy access to your account-based services.

Wealth Management

Soneri Bank is constantly innovating its products suite to best match the personal and business needs of its customers. To ensure all the Banking needs are met, we offer a variety of investment products to facilitate our customers. The role of Wealth Management is to provide tailored investment solutions and help the client develop, implement, and monitor an entire investment portfolio which will enable the client to manage present and future financial needs.

Our product menu comprises a range of Mutual Funds, Voluntary Pension Schemes, and Separately Managed Accounts, available in Conventional as well as Shariah Compliant variants.

Benefits of Investing in Mutual Funds

- Tax Credit (Only in pension fund)
- Diversification
- Liquidity
- Transparent and Highly Regulated
- Small Investment Size
- Professional Management

Types of Funds Offered:

Equity Scheme

An equity scheme or equity fund is a fund that invests in equities more commonly known as stocks. The objective of an equity fund is long-term growth through capital appreciation, although dividends and capital gain realised are also sources of revenue.

Balanced Scheme

These funds provide investors with a single mutual fund that invests in both stocks and debt instruments and this diversification is aimed at providing investors with a balance of growth through investment in stocks and of income from investments in debt instruments.



Asset Allocation Scheme

These Funds may invest their assets in any type of securities at any time in order to diversify their assets across multiple types of securities and investment styles available in the market.

Fund of Funds Scheme

The Fund of Funds are those funds, which invest in other mutual funds. These funds operate a diverse portfolio of equity, balanced, fixed-income, and money market funds (both open- and closed-ended).

Shariah Compliant (Islamic) Scheme

Islamic funds are those funds which invest in Shariah-Compliant securities i.e., shares, Sukuk, Ijara Sukuks, etc., as may be approved by the Shariah Advisor of such funds. These funds can be offered under the same categories as those of conventional funds.

Money Market Scheme

Money Market Funds are among the safest and most stable of all the different types of mutual funds. These funds invest in short-term debt instruments such as treasury bills and Bank deposits.

Income Scheme

These funds focus on providing investors with a steady stream of fixed income. They invest in short-term and long-term debt instruments like TFCs, government securities like T-bills/PIBs, or preference shares.

Pension Fund

These funds focus on providing a secure source of savings and regular income after retirement to the investor.

Soneri Bank Wealth Management – Product Menu

In partnership with a reliable Asset Management Company, we offer you a range of Investments products

MCB Arif Habib Investment & Savings Mutual Funds

- MCB Cash Management Optimizer
- Pakistan Cash Management Fund
- Pakistan Income Fund
- MCB Pakistan Sovereign Fund
- MCB DCF Income Fund
- Pakistan Income Enhancement Fund
- MCB Pakistan Asset Allocation Fund
- MCB Pakistan Frequent Payout Fund
- Pakistan Capital Market Fund
- MCB Pakistan Stock Market Fund
- Alhamra Islamic Income Fund
- Alhamra Islamic Asset Allocation Fund

Voluntary Pension Schemes (VPS)

- Pakistan Pension Fund
- Alhamra Islamic Pension Fund

HBL Asset Management Company Mutual Funds

- HBL Money Market Fund
- HBL Income Fund
- HBL Government Securities Fund
- HBL Cash Fund
- HBL Multi Asset Fund
- HBL Equity Fund
- HBL Islamic Income Fund
- HBL Islamic Asset Allocation Fund
- HBL Islamic Money Market Fund

Voluntary Pension Schemes (VPS)

- HBL Pension Fund
- HBL Islamic Pension Fund

ABL Funds

- ABL Income Fund
- ABL Islamic Income Fund
- ABL Government Securities Fund
- ABL Cash Fund
- ABL Islamic Cash Fund
- ABL Stock Fund
- ABL Islamic Stock Fund
- Allied Finergy Fund
- ABL Islamic Asset Allocation Fund
- ABL Financial Planning Fund (all Plans under this umbrella Fund)
- ABL Islamic Financial Planning Fund (all Plans under this umbrella Fund)
- ABL Special Savings Fund (all Plans under this umbrella Fund)

Voluntary Pension Schemes (VPS)

- ABL Mustaqbil Pension Fund
- ABL Mustaqbil Islamic Pension Fund

Disclaimer: The returns of mutual funds are not guaranteed, mutual funds returns are subject to market risk and the price of units may go up and down based on market conditions, past performance should not be taken as a guarantee of future performance. as disclosed in the offering document available on AMC's website the fund manager and Soneri Bank Limited is only the Distributor of these funds in Pakistan.

Soneri Mustaqeem Islamic Banking

Soneri Mustaqeem Islamic Banking offers a broad range of 100% Shariah-compliant financial solutions for customers. Our Islamic Portfolio includes:

Deposit Products:

Current Accounts

Soneri Mustaqeem - Jari Account

Jari Account is a kind of Current Account (No profit and Loss account) that provides the convenience of putting your money in an account and accessing it without any restrictions on withdrawals, and at the same time enjoying a host of professional conveniences from our Bank. This account is based on the Islamic principle of Qard.





Soneri Mustaqeem - Rahat Account

Soneri Mustaqeem – Rahat Account is a flagship remunerative-current account on the basis of Mudarabah which is ideally suited for businesses in search of a convenient and feature-rich Bank account to fulfil their daily Banking needs. This account offers numerous free facilities.

Soneri Mustaqeem - Jari Foreign Currency Accounts

Soneri Mustaqeem Jari offers Foreign Currency Current account to cater to the foreign currency transactional and saving needs of the customers with a host of attractive features.

Savings Accounts

Soneri Mustaqeem - Bachat Account

Bachat Account is a kind of remunerative account offered to customers with small savings and looking for a halal return on their deposits. It is based on the concept of Mudarabah where the depositor acts as an Investor (Rab-ul-Maal) and the Bank acts as the Manager (Mudarib) of the funds deposited by the customer. It also offers a wide range of services to cater to Banking needs.

Soneri Mustaqeem - Munafa Account

Soneri Mustaqeem - Munafa Account provides a regular stream of monthly income with the same convenience and service as a regular Savings Account. Through this, our valued customers can manage their short-term as well as long-term savings without any transactional restrictions.

Soneri Mustaqeem - Meadi Account

Soneri Mustaqeem - Meadi Account is an alternative to TDR for those customers who intend to retain their savings for a fixed period and earn a higher rate of profit. Term Deposits allow customers to save a fixed amount in Rupees for a set period ranging from 1 month to 3 years at attractive profit rates. The depositor has the option to reinvest the deposit automatically with or without profit.

The product has been structured on the Islamic principles of Mudarabah.

Soneri Mustaqeem - Asaan Account

Soneri Asaan Account offers a simple and convenient way to fulfil all Banking needs with minimum documentation requirements. It is offered in both Current and Savings Account types and is suitable for self-employed individuals, students, housewives and daily wagers.



Consumer Products:



Soneri Mustaqeem - Car Ijarah

Soneri Mustaqeem Car Ijarah is an excellent auto financing facility that enables our valuable customers to get a car not only quickly and conveniently, but also in a Shariah-compliant manner.

Soneri Mustaqeem – Car Ijarah is an interest-free car financing product, which is based on the Islamic financing mode of Ijarah (leasing). This product is ideal for individuals who want to get interest-free financing for acquiring a car.

Soneri Mustaqeem - Ghar Finance

Soneri Mustaqeem – Ghar Finance is a Shariah-compliant home finance facility enabling our valuable customers to get the house of their dreams. Soneri Mustaqeem – Ghar Finance is based on the concept of Diminishing Musharakah where the customer participates with Soneri Bank in the joint ownership of the property. The Bank's ownership share of the house /flat /land is divided into a number of units. The Customer undertakes to purchase the Bank's share in the property periodically until the ownership of the property is completely transferred to the customer. Till the complete ownership is transferred, the customer is required to pay agreed rentals for using the Bank's share in the house /flat /land.



Corporate & Investment Banking

Soneri Bank's Corporate & Investment Banking is well equipped to meet the requirements of our Corporate clients. We have regional offices in Karachi, Lahore and Islamabad which offer extensive coverage.

Our team of Relationship Managers and Team Leaders is fully geared to establish meaningful relationships with our Corporate & Institutional clients including public sector entities to become partners in their growth by acting as financial advisors, effectively catering to their financial needs and offering financial solutions through the following suite of products:



Working Capital & Trade Finance Facilities

Our corporate Banking team is equipped with the required knowledge to contribute towards the sustainable growth of our clients by offering innovative, diverse and flexible solutions to meet their working capital needs, trade related solutions and expansion support.

Investment Banking

The Investment Banking Wing offers structured financial solutions and aims to establish strategic long term relationships with our clients. This segment is well equipped to offer Advisory services catering to various requirements such as Financial, M&A, Equity / Debt Capital Markets, Project Financing and Debt Syndication. Building upon Soneri Bank's established relationships within the local market, the Investment Banking Wing identifies and helps unlock greater value for the Bank's customers.



Supply Chain Management

Being a provider of financial services, we offer end-to-end supply chain financing solutions to dealers & vendors of our corporate customers to meet their business requirements.

Cash Management

SBL's Cash Management services coupled with our web-based Cash Management System 'Soneri Trans@ct', provides our valued customers with comprehensive, one stop solution for cash flow management, i.e. Receivables and Payables Management, in the most effective and efficient manner.

Our Cash Management services, comprise of a full array of products & services, designed and tailored to enable our Corporate, Commercial and SE / ME customers to securely exchange funds and financial information in real-time with their trading partners, for optimal management of working capital



China Desk



China-Pakistan Economic Corridor (CPEC) is a framework of regional connectivity and a journey towards economic regionalisation in the globalised world. CPEC has generated a new frame of cooperation based on economic connectivity. Within the framework of CPEC, infrastructure development projects are being built and power plants to address energy shortages are being constructed. Solar as well as renewable energy generation plants are also being set up. With enhanced energy flows and adequate infrastructure, industrialisation will progress. The industrial collaboration, particularly, the Pakistani workforce's interaction with entrepreneurs of diverse backgrounds will help develop the technical expertise needed for the successful execution of CPEC. The enhancement of geographical linkages having improved road, rail, and air transportation systems with frequent and free exchanges of growth and people-to-people contact, will enhance understanding through academic, cultural, and regional knowledge; the activity of higher volume of trade and business flow, producing and moving energy to have more optimal businesses and enhancement of co-operation by the win-win model will result in a well-connected and an integrated region of shared destiny, harmony, and development.

The Bank has been successful in bringing new business relationships and is well-placed to cater to the needs of Chinese customers. The Bank's Chinese Business Units in Islamabad and Lahore have witnessed progressive growth over the years in order to facilitate Chinese customers working on various projects in Pakistan.



THE PINNACLE OF SUCCESS

CUSTOMER EXPERIENCE

Being a premium solution provider, Soneri Bank's success is determined through a positive customer experience. We seek to reach the highest level of customer satisfaction by providing industry-leading solutions through client comprehension and clear market knowledge.



CUSTOMER EXPERIENCE

In 2022, we continued to enhance the ways we interact with customers, working on improving their experience and operational excellence. New possibilities are on the horizon for financial services providers rapidly enhancing digital customer experiences. The goal is to build close, personal relationships with digital-savvy customers that can stand the test of time in an increasingly competitive market.

Soneri Bank is also on the way to digitising and automating its customer experience mandate. The Bank is pushing to use digital and self-service solutions to create an easier, low-or-no-friction process for its customers. Further to this, with reference to CPD Circular No. 4 of 2014 on Conduct Assessment Framework, an external Customer Satisfaction Survey (CSS) will be commencing in 2023 through an independent research agency to probe the customers' perception of the Bank. The results driven from this survey will be used to reinvent our Service Standards. These results will also help us to work on the irregularities or defects in the system, identify weaknesses and evaluate possible improvements.

In the year 2022, the Customer Experience Department has devised and initiated various programs:

INAUGURATION - LAHORE CONTACT CENTRE: Modern customers' demands soar sky-high and they need appropriate, prompt, and quick support through every digital channel. This customer-centric approach elevates the overall brand image and customer loyalty. With this operational mindset to provide uninterrupted and unstoppable services, on the 27th of July 2022, Soneri Bank officially launched the Lahore Contact Centre. The inauguration was performed by our distinguished President and CEO, Mr. Muhtashim Ahmed Ashai. At the event, he addressed the audience regarding the advantages of alternative locations, particularly in light of the economic, current social climate, and political realities.

LAUNCH – Live Web Chat: Soneri Bank has launched a 24/7 Live Web Chat for Its customers. Live chat stretches far beyond than just giving the customers a faster and more convenient way to get in touch with our service team; it also helps us to know our customers better and improve our product decisions. All website visitors may avail of this service by clicking the live chat option mentioned on our official website.

APPLICATION SEEDING – ACCOUNT OPENING – SNBL Vs COMPETITION: An industry-wide competitive scan was conducted in 2022. The objective was to gauge Soneri Bank's end-to-end onboarding experience viz-a-viz competitors. Overall account opening end-to-end TAT at competitor Banks averaged at 2.48 WDs vs. SNBL 2.21 WDs. SNBL's average account opening TAT came at par with the industry.

VOICE OF EMPLOYEE SURVEY (VoE): It is essential for any organisation to ensure that their employees have the affirmation that their opinions and voices are being heard. This pushes employees to become more connected with the organisation, contributes to a more positive workplace culture and also provides the management with a better insight into how they can improve systems and processes that are in place. In accordance with this, the Customer Experience research team has conducted different employee opinion surveys in 2022. Feedback was gathered regarding the Trainings, Learning Needs, Support Units Service Recovery, performance, and effectiveness.

RELATIONSHIP MANAGEMENT - VALIDATION & NET PROMOTERS' SCORES (NPS): Relationship building is a customer engagement tool that aims to re-enforce overall customer-Bank relationships. In this exercise, our Business team establishes contact with the respective tagged customer portfolio in every quarter. It also has a great impact on the overall Net Promoter Score (NPS), which measures the customer experience of our brand and provides the best metric to anchor our customer experience management program. The activity has a direct impact on the customers' perception of the Bank. The objectives of this exercise are to strengthen the SNBL brand, to generate positive word of mouth and to maintain a strong employee and customer relationship bonding. To assess the frequency of employee-customer interaction, a countrywide survey is conducted for the tagged portfolio by our in-house research team. Overall countrywide validation logged at 74% and NPS logged at 77% for the year 2022.

CONDUCT ASSESSMENT FRAMEWORK (CAF): In line with the SBP Circular No. 4 of 2014; requisite deliverables related to the Financial Consumer Protection (FCP) and Prohibited Banking Conduct (PBC) Frameworks were further strengthened. FCP and PBC frameworks' trainings were conducted for all front-end and relevant support functions across the country, the objective was to ensure that the staff is conversant with the fundamentals of customer handling, fair treatment of customers, and customer retention skills. A robust financial literacy program is running through our social media and the Bank's website for customers' awareness. As an attestation of the FCP & PBC Frameworks, an annual self-assessment (CAF) is conducted and submitted to the regulator. SNBL attained an overall rating of 1.90 (Cautious/Average Zone) in 2022. Furthermore, in order to gauge staff satisfaction towards their work environment and awareness regarding fair treatment of customers an online employee opinion survey has been conducted. This helped us to gauge the gaps and devise a strategy to improve key aspects that affects the overall employee satisfaction. The overall employee satisfaction score in 2022 logged at 87%.



Below are the key complaint statistics of Soneri Bank for the year:

Total Complaints Received:
44,601

Total Complaints Resolved:
43,362
(As of December 31, 2022)

Problem Incident Ratio (PIR):
6.90%
(Total Book)

Average within TAT Resolution:
87%

Average Complaint Resolution
Satisfaction Ratio (CRS):
82%

Average Complaint Resolution
Time:
5.8
(working days)

CONTACT CENTRE:

As per the consolidated regulatory instructions issued on call centre management via BC&CPD Circular No. 03 of 2021. The key features attributed to the circular were; Policy & Standard Operating Procedures (SOPs) on call centre management, Ease of Lodgement/Convenience/Fairness, Integration with complaint management, Confidentiality of Customers' Data, Call Centre Resources and Performance Review/Management of Call Centre. Soneri Bank has complied all the requisite components including system based activity logs, automated digital channel blocking, auto awareness messages during queue waiting time, position in queue (PIQ), Call Back option, and Debit Card masking.

Below are the key statistics of the Contact Centre for the year 2022:

Service Level:
55.04%*

Total Calls Landed:
699,208

Total Calls Answered:
481,635

Abandoned Calls' Ratio:
5.58%

Average Call Handling Time:
0:04:17
(HH:MM:SS)

Customer Satisfaction Score
via IVR:
96%

Average Speed of Call Answering:
72.94%

Average Queue Wait Time
(Card Blocking and Cheque Stop):
0:00:05
(HH:MM:SS)

*Note: Service level could not meet the desired benchmark as call volume increased due to the re-carding exercise in 2022, Alternate Delivery Channels services down/slowness/timeout/customer complaints related to amount disputes and multiple ATM related issues.



ILLUMINATING THE PATH

JOURNEY THROUGH THE YEAR

Soneri Bank has pushed the boundaries of success, expanding its geographical reach to over 400 branches nationally. We are illuminating the path for all those who walk with us by offering a large, comprehensive, and highly complementary product portfolio.

JOURNEY THROUGH THE YEAR 2022



Soneri Bank Publishes New Year Calendars

Soneri Bank once again published annual calendars for its employees, customers and all stakeholders. Separate versions of the calendars were published for conventional and Islamic Banking and both were liked and applauded by all. On completing 30 years of Banking, the calendar themes revolved around Soneri Bank's journey and depicted its various products and offerings. The Mustaqeem version presented beautiful mosques from around the world. To mark its journey, the annual report showcases the brilliance of Pakistan through mesmerizing imagery that highlights the golden sun promising a Roshan future for us all.



Mera Pakistan Mera Ghar

As a strong advocate of facilitating affordable housing for the people of Pakistan, Soneri Bank, in accordance with the Government of Pakistan's directions, wholeheartedly supported and promoted the Mera Pakistan Mera Ghar Scheme and processed several applications from its branches across Pakistan.

Soneri Bank also participated in the MPMG roadshows organized all across the country. One such was the Faisalabad MPMG Mela where all Banks took part and provided customers with the opportunity to learn about the subsidized markup housing initiative and apply for the facility. Several awards were also presented to top performing Banks in various categories during the Mela.

Soneri Bank has also collaborated with SBP to engage several social media influencers to speak about the Mera Pakistan Mera Ghar initiative and educate the audiences on housing finance and how to avail it.



Partnership with Quetta Gladiators

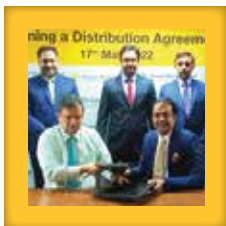
Soneri Bank has always promoted nationalism and supported sports as it brings people together. PSL is undoubtedly the biggest sporting event of Pakistan and this year too Soneri Bank continued its partnership with Quetta Gladiators for to officially support the team during the much-anticipated Pakistan Super League (PSL) 2022. Soneri Bank has been the official Banking partner for Quetta Gladiators since the beginning of PSL and this is the 7th year where this partnership continued. The collaboration with Quetta Gladiators is yet another evidence of SNBL's undeterred resolve to go beyond any intersectional boundaries for the elevation of cricket in the country.



Debit Card Alliances on all Special occasions

Soneri Bank partnered with several food and lifestyle brands throughout the year to offer huge deals and discounts on brands like Dominos, Burger Lab, Broadway, OMG and California Pizza for its users to enjoy.

The discounts were valid on Soneri Bank debit cards and a phenomenal response was received on POS sales. We have also collaborated with Health brands like Dvago to provide our customers with discounts on medication so that they stay health and lead a Roshan life. We hope to continue alliances and offer bigger discounts for all employees and customers.



Agreement Between SNBL and ABL

Soneri Bank Limited and ABL Asset Management Company Limited have signed a landmark agreement for distributing investment products through Soneri Bank's branch network.

The signing ceremony was held in Soneri Bank Head Office, Karachi. Under the said agreement Soneri Bank will distribute Mutual Funds and Investment Plans of ABL Asset Management Company Limited for individuals and institutions through its widely expanding branch network across Pakistan. The signing ceremony was attended by the CEOs of both organizations along with Senior Executives.



Women's Day Celebrations

Soneri Bank celebrated Women's Day with great enthusiasm and marked the day with a promise to commit to gender equality. A cake cutting ceremony was organized and Soneri Bank committed to create a safe working environment for all genders. Female employee testimonials were also shared on social media throughout the month where Sonerians talked about what gender equality meant to them and the challenges they faced as females in workplaces. The testimonials shared over social media received enormous acclamation to the extent that viewers also started sharing their own views on gender equality and their commitment to the cause. Soneri Bank believes in promoting and appreciating women at work and highlighting their contributions to society. Gender equality remains a priority for us to ensure that we live in an environment free of discrimination.



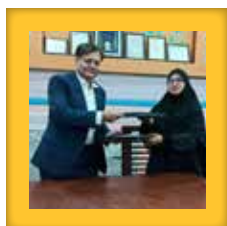
Indus Hospital Blood Donation Drive

An employee blood drive was organized in collaboration with Indus Hospital at the Central Office Karachi in which several staff members participated and donated blood to give back to the country by helping those in need.



Soneri Bank Employees Participated in a Tree Plantation Drive at Turtle Beach

Marketing and Green Banking Departments organised a plantation drive for Soneri Bank employees in collaboration with WWF Pakistan. 130 employees participated in a Green Banking workshop and a mangrove plantation drive at Turtle Beach Karachi followed by lunch and a group activity session.



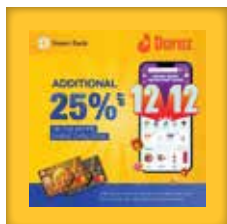
Soneri Bank signed MoU with DWA

By signing a Memorandum of Understanding, Soneri Bank Ltd. has partnered with Disability Welfare Association (DWA) to increase employment opportunities for differently-abled individuals. The main purpose of this MoU is to facilitate Persons with Disabilities (PWDs) and to remove barriers to the financial inclusion of PWDs in our society. The MoU was signed by Muhammad Merajuddin Ahmed, Head of HR, Legal & General Services, Soneri Bank Ltd. and Saima Ali, President, Disability Welfare Association.



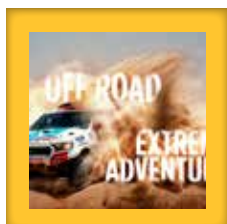
Soneri Bank Celebrated Breast Cancer Awareness Month

Soneri Bank joined the cause to fight Breast Cancer by illuminating its Head Office in pink. The Bank also organised a Breast Cancer Awareness session for all employees, in collaboration with Shaukat Khanum Memorial Hospital and Ms Azra Maqsood at its Central Office, Karachi. The session was aimed at educating women about the causes, symptoms and treatment of Breast Cancer in Pakistan and for sharing success stories of cancer survivors and the role of care-givers



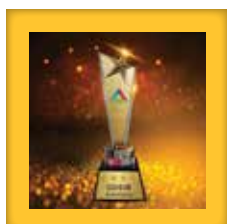
Daraz Alliance

Soneri Bank joined the cause to fight Breast Cancer by illuminating its Head Office in pink. The Bank also organised a Breast Cancer Awareness session for all employees, in collaboration with Shaukat Khanum Memorial Hospital and Ms Azra Maqsood at its Central Office, Karachi. The session was aimed at educating women about the causes, symptoms and treatment of Breast Cancer in Pakistan and for sharing success stories of cancer survivors and the role of care-givers



Sponsorship of Sarfaranga Rally

To promote tourism and support regional sporting events in the country, Soneri Bank sponsored the three-day Sarfaranga rally held in District Shigar. This event featured Pakistan's top rally drivers including women who participated in various categories of the jeep rally, on a 75-km long track.



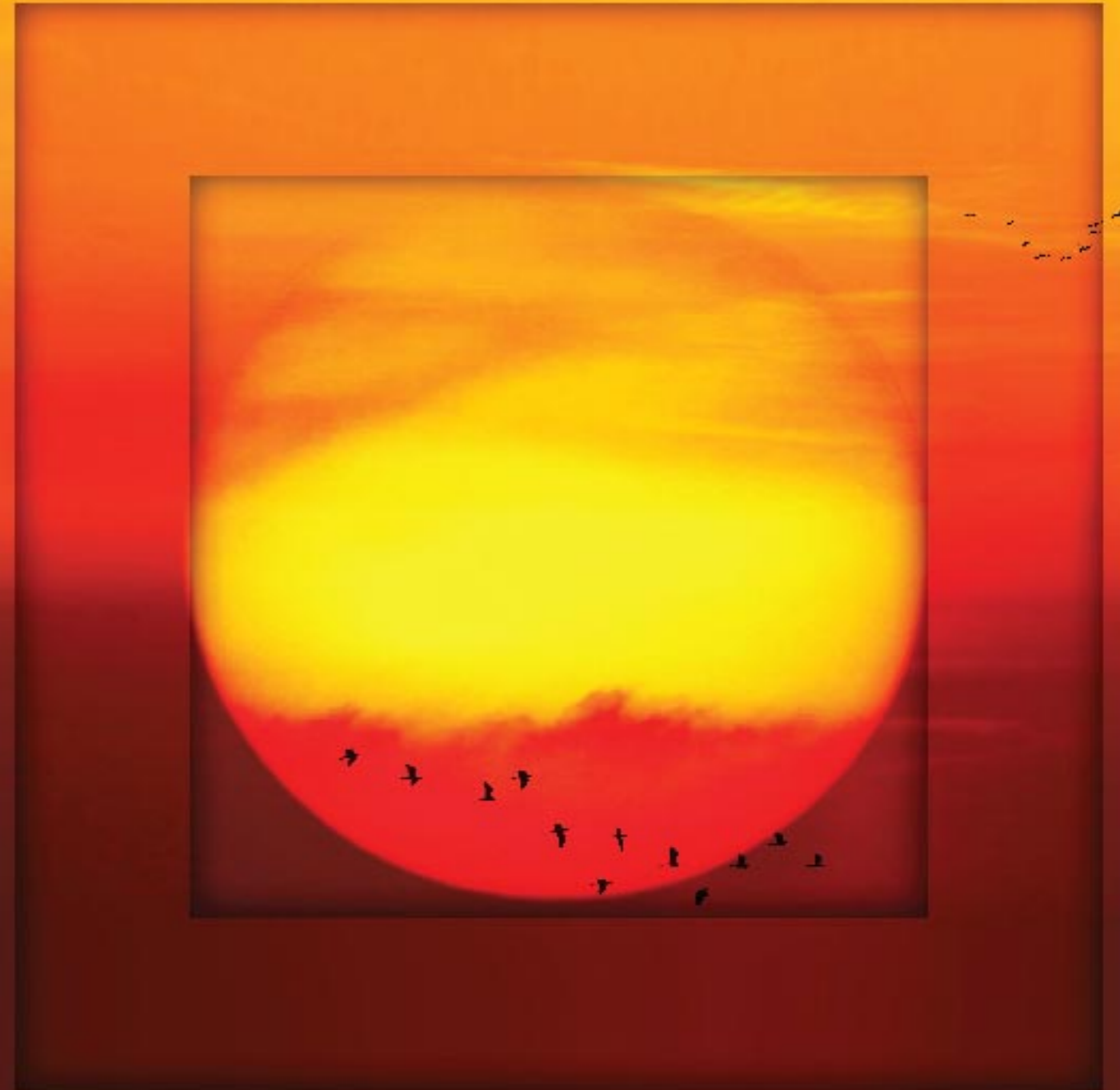
GDEIB Awards Win

Global Diversity, Equity & Inclusion Benchmarks (GDEIB) are the standards for organizations around the world. The GDEIB helps organizations determine strategy and measure progress in managing diversity and fostering inclusion. Soneri Bank won 5 GDEIB (Global Diversity, Equity & Inclusion Benchmark) Awards 2022 in 5 categories:

SOARING HIGH

BOARD OF DIRECTORS

Responsible for leading and directing the business, our Board of Directors create a responsible framework that promotes transparency, since reaching new heights requires accountability so as to elevate the Bank to the position of a leading financial institution.



BOARD OF DIRECTORS



Mr. Alauddin J. Feerasta
Chairman/Non-Executive Director

Mr. Alauddin Feerasta is the Chairman and Sponsor Director of Soneri Bank Limited. He is also the Chairman of Spintex Limited and Rupali Foods (Pvt.) Limited. He is a renowned industrialist having diverse experience of over 40 years in manufacturing and marketing of Polyester Staple Fibre, Polyester Yarn, Trading of Cotton Yarn, and Commercial Banking. His expertise includes setting up of large-scale industrial plants, evaluating project feasibilities, bid evaluations, and contract negotiations. Rupali Foods (Pvt) Limited, a state-of-the-art confectionary manufacturing unit was set up to meet the ever-growing demand for confectionary in the country. He has attended various international and local seminars and training courses conducted by professional institutions, regulatory bodies from time to time. He is also a certified Director from the Pakistan Institute of Corporate Governance.



Mr. Muhtashim Ahmad Ashai
President & Chief Executive Officer

Mr. Muhtashim Ahmad Ashai joined Soneri Bank Limited on 01 April 2020, as President & Chief Executive Officer. Before joining Soneri Bank, he was the President & Chief Executive Officer of MCB Islamic Bank Limited. He is a seasoned Banker with an overall experience of more than 29 years in the financial industry, both local and international. He started his career with Fidelity Investment Bank International and later joined ABN AMRO Bank, where he was associated with their operations in Pakistan, Japan and China. Subsequently, Mr. Ashai joined MCB Bank Limited, where he served in the capacity of Group Head Corporate Finance and International Banking for more than 11 years. He has vast experience in the field of Corporate Banking, Transaction, and Investment Banking.

He graduated with a BSc degree from the University of Engineering & Technology and completed his MBA from LUMS. He has also attended Directors' training program conducted by Institute of Chartered Accountants of Pakistan.



Mr. Muhammad Rashid Zahir
Non-Executive Director

Mr. Muhammad Rashid Zahir is a Non-Executive Director of the Bank and is also a Member of the Board's Audit and Credit Committees. His Banking career started in 1968. He was GM/Chief Executive of Saudi Pak Industrial and Agricultural Investment Company Limited during the period 1991-2011. He remained Chairman of the Board of Saudi Pak Commercial Bank Ltd. (now Silk Bank Limited), Saudi Pak Real Estate Ltd., Saudi Pak Insurance Company Ltd., Saudi Pak Leasing Company Ltd., Islamabad Stock Exchange (Guarantee) Limited, and the Association of Development Finance Institutions in member countries of the Islamic Development Bank, Jeddah (ADFIM). He had also assisted the Implementation Committee appointed by the President of Pakistan for the re-organisation of Public Sector Enterprises in 1978. Mr. Zahir is an Advisor at JCR-VIS Credit Rating Company Limited, as well as a Director on the Board of Rupali Polyester Limited. He is the author of the book, Legacy of a Manager. He did his MBA from the Institute of Business Administration, Karachi in 1968. He has also participated in various international and local seminars on Islamisation of Economy, Advanced Management for Senior Executives, Lease Financing, and Industrial Projects.



Mr. Manzoor Ahmed
Non-Executive Director (NIT Nominee)

Mr. Manzoor Ahmed represents the interest of the National Investment Trust ("NIT") as its nominee on the Board of the Bank. He is Chief Operating Officer (COO) of National Investment Trust Limited (NIT). As COO, he has been successfully managing the operations and investment portfolio worth over Rs. 150bn. He has experience of over 30 years of the Mutual Fund industry and has been placed at many key positions within NIT that include capital market operations, investment management, 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 the Chartered Financial Analyst (CFA) qualification - Level III.

Mr. Manzoor Ahmed has vast experience of serving on the Boards of various top-ranking companies of Pakistan, belonging to the diverse sectors of the economy.

Mr. Ahmed has also attended various training courses organised by institutions of international repute, like the London Business School (LBS), UK, Institute of Directors, London and Financial Markets World, New York (USA).

Represents NIT as Nominee Director on the Board of Directors of many leading national and multinational companies of Pakistan. Mr. Ahmed is also a Certified Director from the Pakistan Institute of Corporate Governance, and a member of the Defence Authority Country and Golf Club - Karachi.

At Soneri, he chairs the Board's Human Resource and Remuneration Committee and the Board's Risk & Compliance Committee. He is also a member of the Board's Credit, IT and Cost Rationalization Committees.



Mr. Nooruddin Feerasta

Non-Executive Director

Mr. Nooruddin Feerasta is the Sponsor Director of the Bank. He is also managing Rupali Polyester Limited, Rupafil Limited, Rupali Nylon (Pvt.) Limited and Rupafil PowerGen (Pvt.) Limited as the Chairman and Chief Executive Officer. He obtained his MBA degree from the USA in 1986. He has also participated in various international and local seminars on industrial developments, marketing strategies, laws, and taxation. He is a reputable industrialist with diversified experience of more than 30 years in managing the industry's operational activities, such as marketing, finance, manufacturing, plant operations, and legal and corporate management. He is the Chairman of the Board's Credit Committee and a member of the Audit and Cost Rationalization Committees.



Mr. Ahmed A. Feerasta

Non-Executive Director

A young, energetic entrepreneur with a lot of ambition and sound business acumen, Mr. Ahmed A. Feerasta is the driving force behind Rupali Foods' business setup. After completion of his graduation in the Bachelors of Arts from the University of Texas at Austin, USA, he joined Rupali Polyester Limited in 2006, where he looked after corporate procurement and planning. Before being appointed as the Chief Executive Officer of Rupali Foods, Mr. Ahmed was engaged in the business of manufacturing and the sale of Polyester Yarn with an annual turnover of about Rs. 5 billion. Apart from his rich experience in corporate operations, including procurement, finance, imports, and marketing, he also has extensive exposure in dealing with commercial Banks/DFIs.

Under his dynamic leadership, Rupali Foods sets its eye on becoming one of the leading food brands in the country. He has attended various courses conducted by professional intuitions. He is also a certified Director from the Pakistan Institute of Corporate Governance.



Mr. Jamil Hassan Hamdani

Independent Director

Mr. Hamdani is an Independent Director of the Bank. He has vast Banking experience that dates back to 1973 and had worked with various foreign Banks. He received his Bachelor's degree in Economics from Government College University, Lahore. In 2016, he retired as Managing Director of Credit Agricole Indosuez (Suisse) SA, where he was responsible for overseeing functions pertaining to Pakistan, Bangladesh, Sri Lanka, and Nepal. Presently, he is the Chairman/CEO of Pakistan France Business Alliance. He is currently a Member of the Board's IT Committee and Human Resource and Remuneration Committee. He is also the Chairman of the Board's Audit Committee, Committee of Independent Directors of the Board and Cost Rationalization Committee of the Board.

He has attended various international and local seminars and training courses conducted by professional institutions, regulatory bodies from time to time. He is also a certified Director from the Pakistan Institute of Corporate Governance.



Ms. Navin Salim Merchant

Independent Director

Ms. Navin Salim Merchant is an Advocate at the Supreme Court of Pakistan and has been working as a Senior Partner at Merchant Law Associates with over twenty-five years of experience in the practice of law. She has also worked internationally for 7 years as an ADR Expert with as International Finance Corporation (Member of the World Bank Group) and successfully undertook the task of establishing effective dispute resolutions systems in the Middle East and North Africa (MENA). She received her Bachelors of Law and Bachelors of Art from S.M. Law College and the University of Karachi, a Diploma in Mediation from York University, Toronto, and Accreditation of Mediation and Master Trainer from the Centre of Effective Dispute Resolution, UK. Currently, she holds Directorships in Soneri Bank Limited, Otsuka Pakistan Limited, and Exide Pakistan Limited, as an Independent Director and is a Certified Director from IBA. She keenly participates in promoting social activities of the community, particularly the Alternative Dispute Resolution (ADR), and serves as the head of the IBA Dispute Resolution Forum and the Chair of the ADR Commission of the International Chamber of Commerce (ICC), Pakistan. She has previous experience of working as an Honorary Secretary of the Board of Governors of the Aga Khan Hospital and Medical College Foundation, Member of the Aga Khan International Conciliation and Arbitration Board, Member of the Aga Khan Foundation, Legal Portfolio Member of the Aga Khan Council, Pakistan, Director of the Aga Khan Education Service, Pakistan, and Director of the Aga Khan Planning and Building Services.

ABOVE AND BEYOND

SENIOR MANAGEMENT

Steering us through challenging circumstances and materializing growth, our Senior Management goes above and beyond for the Bank to prosper. Easing out complicated situations, fostering connections and ensuring stability, the team strives for continuous progress.



SENIOR MANAGEMENT



From left to right

1. Ali Hassan Shah
Head of Operations

2. Mohammad Amin Tejani
Head of Islamic Banking

3. Aamir Nawaz Karim
Head of Audit

4. Muhtashim Ahmad Ashai
President & Chief Executive Officer

8. Mirza Zafar Baig
Chief Financial Officer

9. Memoona Afridi
Head - Customer Experience, Marketing,
Communications & Brand Management

10. Abdul Aleem Qureshi
Head of Commercial &
Retail Banking Group

11. Amin A. Feerasta
Deputy Chief
Executive Officer

5. Tariq Yar Khan
Chief Compliance Officer

6. Muhammad Merajuddin Ahmed
Head of HR, Legal & General Services

7. Muhammad Salman Ali
Chief Information Officer

12. Muhammad Qaisar
Head of Corporate &
Investment Banking Group

13. Mubarik Ali
Chief Risk Officer

14. Shahid Abdullah
Head of Treasury, Capital
Markets, FI & PRI



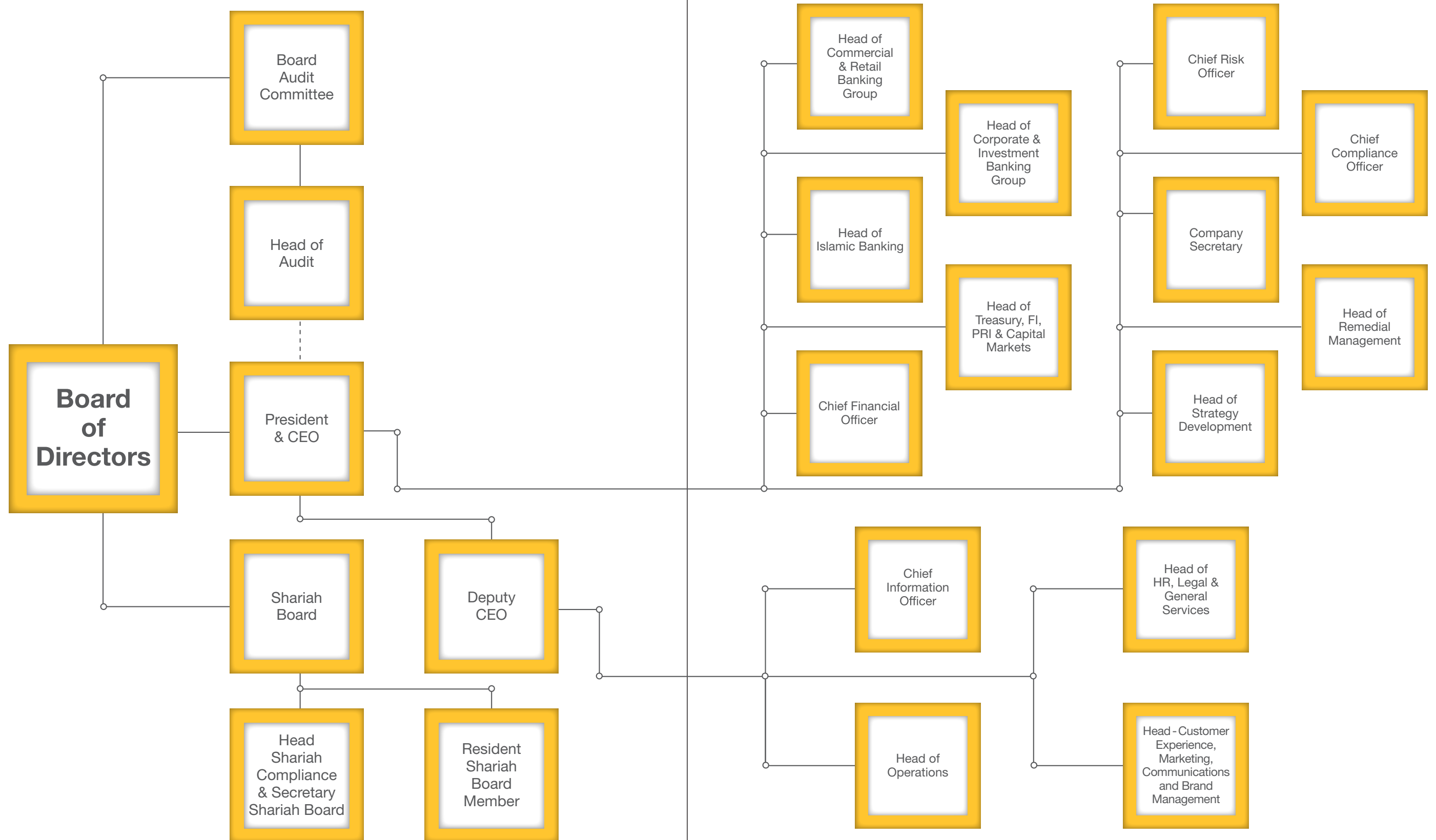
LIMITLESS POTENTIAL

ORGANISATIONAL CHART

Our hierarchical structure influences the Bank's overall financial services operations. Responsible for directing our long-term growth and development, the team stimulates confidence and predictability by providing the liquidity that enables our success.



ORGANISATIONAL STRUCTURE



IN FULL GLORY

ORGANISATIONAL OVERVIEW

Providing unmatched convenience through an array of financial and digital solutions for individuals, SMEs and large corporations, Soneri Bank has a growth mindset that embraces diversity and inclusion as part of our corporate culture for a prosperous Pakistan.



CORPORATE INFORMATION



CHAIRMAN

MR. ALAUDDIN FEERASTA

PRESIDENT & CHIEF EXECUTIVE OFFICER

MR. MUHTASHIM AHMAD ASHAI

DIRECTORS

MR. NOORUDDIN FEERASTA

MR. AHMED A. FEERASTA

MR. MUHAMMAD RASHID ZAHIR

MR. MANZOOR AHMED (NIT NOMINEE)

MR. JAMIL HASSAN HAMDANI

MS. NAVIN SALIM MERCHANT

CHIEF FINANCIAL OFFICER

MR. MIRZA ZAFAR BAIG

COMPANY SECRETARY

MR. MUHAMMAD ALTAF BUTT

AUDITORS

KPMG TASEER HADI & CO.

CHARTERED ACCOUNTANTS

SHARIAH BOARD

MUFTI EHSAN WAQUAR AHMAD - CHAIRMAN

MUFTI MUHAMMAD ZAHID - RSBM

MUFTI BILAL AHMED QAZI

MUFTI SYED ABID SHAH

MUFTI SAMI ULLAH

LEGAL ADVISORS

M/S MANNAN LAW ASSOCIATES

REGISTERED OFFICE

2ND FLOOR, 307 – UPPER MALL SCHEME,
LAHORE, PUNJAB – 54000

CENTRAL OFFICE

10TH FLOOR, PNSC BUILDING,
M.T. KHAN ROAD, KARACHI-74000

SHARES REGISTRAR AND TRANSFER AGENT

THK ASSOCIATES (PRIVATE) LTD.,
PLOT NO. 32-C, JAMI COMMERCIAL
STREET 2, DHA PHASE 7,
KARACHI-75500

UAN: (021) 111-000-322

FAX: (021) 35310191

LIST OF COMMITTEES

OF THE BOARD OF DIRECTORS



Audit Committee of the Board

1.	Mr. Jamil Hassan Hamdani	Chairman
2.	Mr. Nooruddin Feerasta	Member
3.	Mr. Muhammad Rashid Zahir	Member
4.	Ms. Navin Salim Merchant	Member
	Mr. Muhammad Altaf Butt	Secretary

Credit Committee of the Board

1.	Mr. Nooruddin Feerasta	Chairman
2.	Mr. Alauddin J. Feerasta	Member
3.	Mr. Muhtashim Ahmad Ashai	Member
4.	Mr. Muhammad Rashid Zahir	Member
5.	Mr. Manzoor Ahmed	Member
	Mr. Muhammad Altaf Butt	Secretary

Human Resource and Remuneration Committee of the Board

1.	Mr. Manzoor Ahmed	Chairman
2.	Mr. Jamil Hassan Hamdani	Member
3.	Ms. Navin Salim Merchant	Member
	Mr. Muhammad Altaf Butt	Secretary

Risk & Compliance Committee of the Board

1.	Mr. Manzoor Ahmed	Chairman
2.	Mr. Muhtashim Ahmad Ashai	Member
3.	Mr. Jamil Hassan Hamdani	Member
4.	Mr. Ahmed A. Feerasta	Member
	Mr. Muhammad Altaf Butt	Secretary

Committee of Independent Directors of the Board

1.	Mr. Jamil Hassan Hamdani	Chairman
2.	Ms. Navin Salim Merchant	Member
	Mr. Muhammad Altaf Butt	Secretary

I.T. Committee of the Board

1.	Mr. Ahmed A. Feerasta	Chairman
2.	Mr. Manzoor Ahmed	Member
3.	Mr. Jamil Hassan Hamdani	Member
4.	Mr. Muhtashim Ahmad Ashai	Member
	Mr. Muhammad Salman Ali	Secretary

Cost Rationalization Committee of the Board

1.	Mr. Jamil Hassan Hamdani	Chairman
2.	Mr. Nooruddin Feerasta	Member
3.	Mr. Manzoor Ahmed	Member
4.	Mr. Ahmed A. Feerasta	Member
	Mr. Muhammad Altaf Butt	Secretary

BOARD SUB-COMMITTEES

Audit Committee

Constitution:
Mr. Jamil Hassan Hamdani
Chairman

Mr. Nooruddin Feerasta
Member

Mr. Muhammad Rashid Zahir
Member

Ms. Navin Salim Merchant
Member

Terms of Reference

Audit Committee has been mandated with the responsibilities to determine the appropriateness of measures taken by the management to safeguard the Bank's assets, ensure consistency of accounting policies, review financial statements, and recommend the appointment of the external auditors, as well as to have close coordination with them so as to comply with the statutory and CCG requirements. The Committee is inter-alia also responsible to ascertain the effectiveness of the Internal Control Systems including financial and operational controls, ensuring adequate and effective accounting and reporting structure and monitoring compliance with the best practices of corporate governance. The other functions of the Committee include consideration of major findings of internal investigations and the management's response thereto, as well as ensuring that effective internal audit functions are in place.

Credit Committee

Constitution:
Mr. Nooruddin Feerasta
Chairman

Mr. Alauddin J. Feerasta
Member

Mr. Muhtashim Ahmad Ashai
Member

Mr. Muhammad Rashid Zahir
Member

Mr. Manzoor Ahmed
Member

Terms of Reference

The primary functions of the Credit Committee of the Board are to ensure adherence to the lending policies, review the credit policies, systems, and controlling strategies for their further strengthening and monitoring the loan portfolios regularly on an overall basis including a periodical review of problem loans, including classified and stuck-up cases. The Committee is also required to ensure that there are adequate systems, procedures, and controls in the Bank for all the significant areas related to credit and that the laid down procedures/guidelines are effectively communicated down the line and put in place a reasonable setup to implement the same. The Committee is also assigned the responsibility to review the credit-related activities of the Executive Credit Committee (ECC) on a quarterly basis for threshold; fund-based Rs.200.00 million and above, non-fund based Rs.400.00 million and above, and total exposure Rs.400.00 million and above.

Risk & Compliance Committee

Constitution:
Mr. Manzoor Ahmed
Chairman

Mr. Muhtashim Ahmad Ashai
Member

Mr. Jamil Hassan Hamdani
Member

Mr. Ahmed A. Feerasta
Member

Terms of Reference

The Board Risk & Compliance Committee is primarily accountable to provide oversight and advice to the BoD of Soneri Bank Limited in relation to current and potential future risk exposures of the Bank and future risk strategy, including approval of risk appetite and tolerance. The Committee maintains an oversight about the implementation of IFRS-9, as per the regulatory requirement. The Committee also ensures that an organisational culture that places a high priority required for effective risk management is established, by promoting a risk awareness culture within the Bank. It also validates that resources allocated to risk management are adequate, given the size, nature, and volume of the business and managers and staff that take, monitor, and control risk possess sufficient knowledge and expertise. The Committee also monitors the development of appropriate financial models and the system used to calculate each category of risk; ensuring that the Bank has clear, comprehensive, and well-documented policies and procedural guidelines relating to risk management, available at all times, and the relevant staff fully understands those policies. The Committee also ensures that the Bank's overall exposure to Credit, Market, Liquidity, and Operational Risk is maintained at prudent levels and it is consistent with the available capital under rigorous stress tests. The Committee ensures adequate coverage of information security and cyber security. The Committee also ensures the establishment of a robust Compliance Function 'CF' compatible with the Bank's overall risk management strategy, risk profile, and complexity of operations, with the required authority, independence, financial resources, and quality human resources. The Committee reviews and recommends the compliance-related policies (including any updates) for approval by the Board on an annual basis or more frequently, as the circumstances dictate. In addition, the Committee also reviews reports from the regulatory authorities, and the audit and risk management departments related to risk issues, and monitor the management's responses and implementation of corrective measures (including on AML/CFT/CPF). The Committee also confirms to the Board, at least annually, the adequacy of the management's resources, infrastructure, and internal control framework to implement the compliance-related policies and procedures including AML/TBML/CFT/CPF. The Committee at least annually evaluates the effectiveness of the Bank's overall management of compliance risk, keeping in view the regulatory observations in onsite examinations, regulatory enforcement actions, and internal assessments/feedback (including Internal audit reports) from internal audit, compliance reviews, as well as interactions with the Chief Compliance Officer (CCO). The committee also engage CCO on half yearly basis to provide him the opportunity to discuss issues faced by the compliance function in implementation of board approved compliance program.

Human Resource and Remuneration Committee

Constitution:
Mr. Manzoor Ahmed
Chairman

Mr. Jamil Hassan Hamdani
Member

Ms. Navin Salim Merchant
Member

Terms of Reference

The Board's Human Resource and Remuneration Committee is responsible for overseeing the Human Resources functions of the Bank by ensuring the development and implementation of HR strategies that include recruiting, retaining, and inspiring professional excellence in the employees of the Bank. It recommends human resource management policies to the Board that ensure equal opportunity, gender balance, and transparency. It also reviews the significant HR policies of the Bank and ensures that they are well-aligned with the market. The Committee also spearheads the Bank-wide programme for implementation of Guidelines on Remuneration Practices, including necessary awareness, and change management initiatives, reviews, and progress against the roadmap for implementation of the policy.



Committee of Independent Directors

Constitution:
Mr. Jamil Hassan Hamdani
Chairman

Ms. Navin Salim Merchant
Member

Terms of Reference

The Committee of Independent Directors is responsible for providing an independent opinion on the state of affairs of the Bank and giving recommendations, if any, to the Board.

I.T. Committee

Constitution:
Mr. Ahmed A. Feerasta
Chairman

Mr. Manzoor Ahmed
Member

Mr. Jamil Hassan Hamdani
Member

Mr. Muhtashim Ahmad Ashai
Member

Terms of Reference

The I.T. Committee is responsible for reviewing and overseeing the I.T. projects and for the development and implementation of I.T. policies. The Committee shall carry out its responsibilities by:

- Reviewing the I.T. and digital strategies and policies before submission to the Board;
- Ensuring that the risk management strategies are designed and implemented to achieve resilience;
- Acquiring regular updates from the I.T. Steering Committee, to monitor all the Board approved technology related projects;
- Ensuring that technology-related procurements are aligned with the I.T. Strategy as approved by the Board.

Cost Rationalization Committee

Constitution:
Mr. Jamil Hassan Hamdani
Chairman

Mr. Nooruddin Feerasta
Member

Mr. Ahmed A. Feerasta
Member

Mr. Manzoor Ahmed
Member

Terms of Reference

The Cost Rationalization Committee is responsible for reviewing the following:

- To review administrative cost lines in comparison with the Bank's budget, industry, and prior period numbers and recommend measures to the Board for the purposes of having operational efficiency that may lead to an improved bottom line.
- To review cost-saving initiatives presented by the management and recommend them to the Board for adoption.
- To review various cost analyses and recommend measures for rationalization.
- To review and recommend specific and distinct strategies for controllable and non-controllable costs with the objective of cost optimisations.

BOARD AND COMMITTEES' MEETINGS



Details of the meetings of the Board of Directors and its Committees held during the year 2022 and the attendance by each Director/Committee member is given as under:-

Sr. No.	Name of Director	Board of Directors Meetings		Board Audit Committee Meetings		Board Credit Committee Meetings		Board Human Resource and Remuneration Committee Meetings		Board Risk Management Committee Meetings		Board Risk and Compliance Committee Meetings		Board Independent Directors' Committee Meetings		Board I.T Committee Meetings		Board Cost Rationalization Committee Meetings		
		Held during the year	Attended**	Held during the year	Attended**	Held during the year	Attended**	Held before assigning compliance functions	Attended**	Held during the year	Attended**	Held after assigning compliance functions	Attended**	Held during the year	Attended**	Held during the year	Attended**	Held during the year	Attended**	Held during the year
1	Mr. Alauddin Feerasta	6	6	*	*	4	4	*	*	*	*	*	*	*	*	*	*	*	*	*
2	Mr. Muhtashim Ahmad Ashai	6	6	*	*	4	4	*	*	2	2	3	3	*	*	3	3	*	*	*
3	Mr. Nooruddin Feerasta	6	5	4	4	4	4	*	*	*	*	*	*	*	*	*	*	*	*	*
4	Mr. Ahmed A. Feerasta	6	6	*	*	*	*	*	*	2	2	3	3	*	*	3	3	*	*	*
5	Mr. Muhammad Rashid Zahir	6	6	4	4	4	4	*	*	*	*	*	*	*	*	*	*	*	*	*
6	Mr. Manzoor Ahmed (NIT Nominee)	6	6	*	*	4	4	4	4	2	2	3	3	*	*	3	3	*	*	*
7	Mr. Jamil Hassan Hamdani	6	6	4	4	*	*	4	4	2	2	3	3	2	2	3	3	*	*	*
8	Ms. Navin Salim Merchant	6	6	4	4	*	*	4	3	*	*	*	*	2	2	*	*	*	*	*
Total Number of meetings held during the year		6	4	4	4	4	4	4	4	5	5	5	5	2	2	3	3	2	0	0

*Represents not a member of the Committee

**Leave of absence was granted to those Directors/members, by the Board/Committee, who could not attend some of the meetings.

Note:

- Additional responsibility of over-seeing the compliance function was assigned to the Board Risk Management Committee and accordingly its name was changed to Board Risk & Compliance Committee by the Board in its 192nd meeting convened on 26 April 2022.
- A special committee "Cost Rationalization Committee" was formed by the Board in its 194th meeting convened on 27 October 2022 with the mandate to rationalize cost lines. The Committee may meet as often as deemed necessary by the Chair in consultation with the Committee members. However, no meeting was scheduled during the year 2022.
- The profiles of the Board Members and the composition of the Board/Committees alongwith their TORs form part of this Annual Report.

ROLES AND RESPONSIBILITIES



Board and its Committees

The Board has retained ultimate responsibility for the Strategic Direction and Control of the Bank. The Board has delegated the Senior Management team under the leadership of the Chief Executive Officer, to deliver the Strategic Direction and Goals determined by the Board. A key function of the Board is to monitor the performance of Senior Management in this function.

The Board from time-to-time establishes specialised Committees to share the load of activities and streamline the discharge of its responsibilities except for Policy making. For each Board Committee, the Board adopts a formal Terms of Reference (ToRs) setting out the matters relevant to the objectives, composition, roles, functions, responsibilities, authorities, and administration of such Committees. The Board has currently established the following specialised Committees:

1. Board Audit Committee
2. Board Credit Committee
3. Board Human Resource and Remuneration Committee
4. Board Risk & Compliance Committee
5. Board Information Technology Committee
6. Board Committee of Independent Directors
7. Board Cost Rationalization Committee

The Committees' ToRs are reviewed as per their defined frequency or if any regulatory change occurs whichever is earlier. As a matter of principle, Committee Members have access to the appropriate external and professional advice needed to assist the Committee in fulfilling its role. The Board reviews performance of these specialised Committees on a quarterly basis where respective Committees' Chairmen brief the Board about their activities, achievements as well as the decisions taken, in compliance with the regulatory requirements.

Chairman and the Chief Executive Officer (CEO)

The Chairman and the Chief Executive Officer have separate and distinct roles.

The Chairman has all the powers vested under the Banking Laws, Companies Act and Listed Companies (Code of Corporate Governance) Regulations and presides over the Board meetings. The principal role of the Chairman is to manage and provide leadership to the Board of Directors of the Bank. He acts as a leading figure for both the Board of Directors as well as the management and is entrusted with numerous roles and responsibilities ranging from monitoring Board level decision-making activities to safeguarding the Bank's commercial interests.

Other responsibilities include:

- Serving as a leader and a driving agent of the Board of Directors (BOD), monitoring and managing all of its activities, aligning the Board's goals and decisions with that of the management. The Chairman also ensures that the Board stays in the right direction with respect to achieving its objectives;
- Presiding over the Board meetings and General meetings, ensuring that these meetings are executed productively and the key agenda is discussed along with a valuable conclusion/ decision. The Chairman also oversees the Board's key decision-making activities; and
- Exercising the powers and authorities that are vested in and conferred to him under enabling laws and promoting the highest standards of corporate governance.

The Chief Executive Officer at Soneri Bank Limited also plays a critical and significant role and is entrusted with numerous responsibilities, subject to the control and supervision of the Board of Directors.

Key responsibilities include:

- Managing and administrating the affairs of the Bank in accordance with the laws, rules, and regulations and the Memorandum and Articles of Association of the Bank;
- Complying with and arranging for implementation and compliance within the Bank, of all policies, procedures, and manuals approved by the Board of Directors and any directives given by the Board of Directors or Board Committee(s);
- Preparation of corporate strategy for growth and expansion of the Bank's operations and submitting the same for consideration and approval of the Board of Directors;
- To appoint, promote, transfer, suspend or dismiss employees of the Bank, and fix their remuneration and other entitlements in accordance with the policies and procedures approved by the Board of Directors; and
- To deal with, represent, and act on behalf of the Bank before the State Bank of Pakistan, Securities and Exchange Commission of Pakistan, Federal and Provincial Ministries, Government Departments, Courts, Stock Exchange, and any other competent authority.
- To evaluate asset utilisation and deployment in a prudent manner in line with the Board's approved strategy.
- To make sure strong compliance culture and internal control within the organisation.

MECHANISM ADOPTED FOR THE BOARD'S PERFORMANCE EVALUATION



Soneri Bank Limited (the Bank) has put in place a mechanism whereby the performance of the overall Board is evaluated annually. A quantitative technique is used where a scaled questionnaire is provided to each Director to obtain feedback. Assessment is carried out for the following categories:

- Overall Board
- Chairman of the Bank
- CEO of the Bank
- Sponsor Directors
- Independent Directors
- Individual Directors
- Board Committees

A scale from 1 to 5 (1 being "Strongly Disagree" and 5 being "Strongly Agree") is used to rate the assessment criteria given under each section. Accordingly, the Bank prepares an internal questionnaire also covering the challenging areas that attained lower ratings in the last assessment by the Directors. Feedback, so received, from each Director, is then collated and analysed to denote the performance in percentage terms against each of the abovementioned sections.

The final result of the Annual Evaluation of the Board's Performance is then presented to the Board of Directors which accordingly reviews and identifies any issues, weaknesses or challenges along with how these can be adequately addressed. Accordingly, the Board has reviewed its Performance Evaluation for the year 2022 in its 196th meeting convened on 22 February 2023 and the challenges identified by them have been duly noted to be addressed.

This mechanism disclosure on the evaluation process adopted by the Bank, is being published for all the stakeholders in compliance with the BPRD Circular No. 11, dated 22 August 2016 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 and shall form part of the Director's Report to the Shareholders.

MANAGING CONFLICT OF INTEREST



The Board of Directors recognise that they have been entrusted with fiduciary duties of loyalty towards the Bank and its shareholders, accordingly, they demonstrate due care and skill while performing in their capacity as Directors of the Bank. One of the key aspects of their responsibilities includes managing potential or actual conflicts of interest arising from personal relationships, external associations and interest in material matters, which may have a bearing on their independent judgement. In order to effectively manage conflict of interest, the Board regularly monitors whether or not they are placed in positions of actual or potential conflicts through the following:

Disclosure of Interest by Director:

- Every Director (including spouse and minor children) of the Bank who is in any way, whether directly or indirectly, concerned or interested in any contract or arrangement entered into, or to be entered into, by or on behalf of the Bank shall disclose the nature of his concern or interest at a meeting of the Directors.
- The Directors are required to disclose existing or perceived conflicts of interest at the Board Meeting as per the requirements of prevailing law. Where a conflict of interest or potential conflict of interest has been disclosed, the concerned Board member shall not take part in the Board discussion on that agenda item. The Member who has disclosed the conflict cannot vote on that agenda item.

Insider Trading:

- Board has approved the Insider Trading Policy, where the Directors are required not to deal directly or indirectly in the securities of the Bank; whether on their own account or their relative's account, if they are in possession of any unpublished price-sensitive information concerning the Bank. The Directors who are in possession of any unpublished price-sensitive information shall not communicate directly or indirectly the said information to others who trade on such information.
- Where any Director or his spouse sells, buys or takes any beneficial position, whether directly or indirectly, in the shares of the Bank, he shall immediately notify the Company Secretary in writing. Such Director shall also deliver a written record of the price, number of shares, the form of share certificates (i.e., whether physical or electronic within the Central Depository System) and nature of the transaction to the Company Secretary. Further, no Director shall, directly or indirectly, deal in the shares of the Bank, in any manner, during the closed period as determined by the Board of Directors.

Related Party Transaction:

- The Board has approved the Related Party Transaction Policy, where the Bank has devised a mechanism for the identification of related parties and execution of related party transactions at arm's length, which are executed in the normal course of business. Based on the statutory requirements, complete transactional details of the related parties are presented before the Audit Committee for review and deliberations. The Audit Committee reviews and recommends the related party transactions to the Board and AGM, where required, for its approval.
- Moreover, as a statutory requirement, a comprehensively prepared return is submitted at a half-yearly interval to the State Bank of Pakistan that primarily covers every related party transaction executed during the said period.

Confidentiality:

- The Directors shall maintain the privacy and confidentiality of all the information acquired being a Member of the Board of Directors of the Bank or which has come into their knowledge and refrain from disclosing the same unless otherwise required by statutory authorities/law and the Bank's own policies. All such information will remain with them as a trust and will only be used for the purpose for which it is intended and will not be used for personal benefits. Inside information about the affairs of the Bank shall not be used for their own gains or for that of others, either directly or indirectly.
- Directors of the Bank are strictly prohibited to disclose the fact (that comes into their knowledge) to the customer or any other quarter that a suspicious transaction or related information is being or has been reported to any authority, except if required under the law.

Conflict of Interest:

- Avoid all such circumstances in which there is a personal conflict of interest, or which may appear to be in conflict with any of the stakeholders as prescribed by the statutes and in the probable case where their interest conflicts with any of the stakeholders, he would immediately declare such interest before the Board of Directors.
- No Director shall exploit for their own personal gain, opportunities that are discovered through the use of corporate property, information or position unless the opportunity is disclosed completely in writing to the Board of Directors of the Bank and the Board allows him to avail such opportunity.
- No interested person shall participate in the discussion or vote in the Board's proceedings or participate in any other manner in the conduct or supervision of such dealings.
- Avoid any dealing with contractors or suppliers of the Bank that compromises the ability to transact business on a professional, impartial and competitive basis or that may influence the discretionary decision to be made by the Board Members/Bank.
- No Director shall hold any position or job or engage in outside business or other interest that is prejudicial to the interests of the Bank.
- No Director shall make any statement, which has the effect of adverse criticism of any policy or action of the Bank or which is capable of embarrassing the relation between the Bank and the public including all the stakeholders; provided that nothing in this clause shall apply to any statement made or views expressed by a Board Member, which are purely factual in nature and are not considered as confidential, in his official capacity or in the due performance of the duties assigned to him.
- All Directors shall refrain from accepting gifts, personal favours or preferential treatment, that could, in any way, influence or appear to influence, business decisions in favour of any person or organisation with whom or with which the Bank has or is likely to have business dealings.



Steps to Encourage Minority Shareholders' Participation in AGMs

Apart from being an event for decision-making on important matters, Annual General Meeting also provides a forum for two-way engagement with the shareholders, particularly the minority shareholders. Therefore, the Bank takes the following measures to ensure the meaningful participation of minority shareholders in the AGM:

- We encouraged our minority shareholders who qualify for election to the office of a Director to file nomination papers. Minority shareholders shall be facilitated in terms of the requirements of Regulation 5 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.
- Minority shareholders are facilitated and apprised about the details of the documents required to be submitted vide our Notice of AGM.
- Notice of AGM is sent to every member of the Bank at least 21 days before the meeting. The notice is also published in newspapers (both English and Urdu) having nationwide circulation. Moreover, the notice is also circulated from the forum of Pakistan Stock Exchange Ltd.
- Annual Report of the Bank is sent to each member of the Bank before the AGM in electronic (CD/DVD) or hard copy form (on request).
- The Shareholders are facilitated to additional a proxy, if they are unable to attend the AGM in person.
- The shareholders are also provided with the Zoom facility to attend the meeting virtually from their laptops, cell phones, etc.
- During the AGM, a detailed briefing on the Bank's performance and future plans is given to the shareholders both in English and Urdu.
- The shareholders are encouraged to raise queries and give suggestions relating to the Bank's operations.

Summary of the Corporate Briefing Sessions (CBS)

Corporate briefing sessions are interactive sessions between the management of the Bank and the investor community, whereby the Bank takes the opportunity to apprise the investors about the business environment and economic indicators of the country, explain its financial performance, the competitive environment in which the Bank operates, investment decisions, challenges faced as well as business outlook.

The idea behind the Bank's investor engagement through these briefings is to give the right perspective of the business affairs of the Bank to the investors (both existing and potential), which helps them in making their investment decisions.

Accordingly, the Bank's CBS for the year 2022 was arranged on 23 December 2022 in compliance with the PSX Regulation 5.7.3 read with the updated "Guidelines/Procedures for CBS" communicated vide their Notice No. PSX/N-1160 dated 18 November 2022.

Issues Raised in the last Annual General Meeting (AGM)

No significant issue was raised in the last Annual General Meeting of the Bank, held on 25 March 2022. General clarification or information sought by the shareholders including minority shareholders was duly provided by the Chief Financial Officer and Chief Executive Officer during the AGM.

I.T. GOVERNANCE



Soneri Bank's Technology Governance Framework has been developed as a guide, model and decision-making reference for the Bank's I.T. Division to accomplish all level(s) of regulatory compliance. Our Technology Governance Framework is an integral part of enterprise governance and consists of leadership and organisational structure and processes that ensure that the Bank's I.T. Division sustains and extends the organisation's strategies and objectives. This Technology Governance Framework provides a platform for the attainment of the strategic objectives of the core business streams and to align I.T. with the Business Strategy.

The management of I.T. Division and Digital Banking is commanded by the Chief Information Officer of the Bank who reports directly to the Deputy CEO and works in close coordination with other Business Groups, I.T. Steering Committee, Board I.T. Committee, and the Management Committee of the Bank.

The CIO and his team are responsible for the implementation of the entire Enterprise Technology Governance Framework and ensure providing valuable strategic insights to keep the Bank abreast with new technological enhancements and systems. The Technology Governance Framework also ensures that the Bank is equipped with innovative, world-class robust I.T. Infrastructure with adequate hardware and high availability of the network to enable a connected workforce for timely servicing its worthy customers. The Technology Governance Framework and Information Security Policy ensure cyber security on the topmost level.

Bank's I.T. Services are designed to benefit the Bank with major or complex software and hardware deployments, diverse system requirements, dynamic configuration changes, high uptime requirements, and to meet user expectations by ensuring that technology governance, information security, and risk management are fully-equipped and up-to-date.

On the other side, an independent I.T. audit of I.T. infrastructure services, policies, and operations is being conducted to evaluate that all I.T. controls are in place protecting the Bank's assets while ensuring the integrity of the data and service delivery are in line with the goals and objectives of the Bank.

In these emerging technological trends, our I.T. people are equipped with the necessary skillset and tools and regularly go through trainings to stay abreast of existing and new technologies in relation with their job requirements and their impact on the Bank's business. Our people are the real key to the successful implementation of information and technology. They create, use, and interpret data. They manage information systems and administer access rights and pre-emptively identify risks to prevent incidents and crises from occurring.

At the simplest level, our Technology Governance Framework outlines how Soneri Bank meet a designed set of objectives and focuses on how Soneri Bank intends to use and organise technology to meet its business objectives.

SHARIAH BOARD PROFILE

The Shariah Board is comprised of Five qualified Shariah Scholars namely Mufti Ehsan Waqar Ahmad (Chairman Shariah Board), Mufti Bilal Ahmed Qazi (Shariah Board Member), Mufti Syed Abid Shah (Shariah Board Member), Mufti Sami Ullah (Shariah Board Member), and Mufti Muhammad Zahid (Resident Shariah Board Member-RSBM).

Mufti Ehsan Waqar Ahmad (Chairman Shariah Board)

Mufti Ehsan has diversified cross-functional management experience in Islamic Finance, Business Management and Operation, Project Management, and Administration for more than two decades. He has hands-on experience in people and projects management, with a rich experience of working with the board of directors and senior management of banks, regulators, auditors, and legal counsels.

Alhamdulillah, Mufti Ehsan has exclusively served Islamic Financial Industry with institutions like World Bank-IFC, National Bank of Pakistan, ABL, Soneri Bank, NAFA, Askari General Insurance Company Takaful Window (AGICO), Emirates Global Islamic Bank, now Al Baraka Bank Pakistan, UBL, Yasaar Ltd.-UAE and UK, Minhaj Advisory-UAE, Arif Habib, for more than a decade now. He has structured several Sukuk including the largest Sukuk in Pakistan; a hundred billion Sukuk for Neelum Jhelum Hydro Power, Fatima Fertilizer, Fauji Fertilizer, Sitara Energy, Sitara Peroxide, and IBL.

He also served as a member of the Technical Committee for Developing Accounting and Auditing Standard for Islamic Financial Institution at the Institute of Chartered Accountants of Pakistan (ICAP). As a member of SAF at the State Bank of Pakistan (SBP), he worked actively with SBP in matters pertaining to Islamic Banks, including drafting of Shariah Standard on Shirkat-ul-Milk usually used for Housing Finance, Tawarruq, Commodity Murabaha, Treasury, Trade Finance, and Agricultural Financing Products.

At ESAAC, he has the privilege to work on a project of World Bank-IFC for developing Islamic Re-Mortgage Finance. He has also worked with the SECP team on Takaful Rules 2012 with its insurance division.

He possesses a unique combination of religious and contemporary education that is very relevant to Islamic Banking. He has strong communication skills combined with knowledge of several languages. He graduated and accomplished Masters in Business Administration (MBA) with specialisation in Finance and Masters in Economics (MA) from IoBM and Karachi University respectively. He also completed traditional Islamic studies and graduated as a Mufti, achieving Masters in Islamic Studies (MA) and specialising in Islamic Jurisprudence (PGD-Mufti) from a leading Islamic School in Pakistan, Jamia-tur-Rasheed. He has also accomplished Bachelors in Law and Legislation (LLB). This unique blend of educational combination gives him an edge over many others to understand, correlate and align modern-day banking practices with Shariah principles.

Besides this, he conducts courses and sessions on Islamic Banking, Capital Markets, Derivatives, Takaful, and Risk Management in renowned Business schools like CBM, IBA, and KUBS.

Mufti Bilal Ahmed Qazi (Shariah Board Member)

Mufti Bilal Ahmed Qazi has done his Al-Aalamiyyah (a degree recognised by the Higher Education Commission Pakistan, as a Masters in Arabic and Islamic Studies) in 2003 from Jamia-tul-Uloom-ul-Islamiyah Banori Town. Then he completed his specialisation in Islamic Jurisprudence from Jamia Darul-Uloom, Karachi. He has also completed his MBA from IBA (Institute of Business Administration) in Karachi, Pakistan. Prior to joining SNBL Islamic Banking, he used to work for Meezan Bank Ltd as Shariah Scholar. He was the Shariah Advisor of NAFA Islamic Mutual Funds and the Shariah Board Member at Albaraka Bank. He is currently Shariah Board Member of Soneri Bank Islamic Banking and Summit Bank. He is also associated as Shariah Advisor with Shaheen and TPL Life Window Takaful Operations.

Mufti Muhammad Zahid (Resident Shariah Board Member-RSBM)

Mufti Muhammad Zahid completed his dissertation in Islamic Jurisprudence with an outstanding record throughout his academic career, winning numerous awards. Well-versed in the sciences of Islamic Jurisprudence. He has done his Al-Aalamiyyah (a degree recognised by the Higher Education Commission Pakistan as a Masters in Arabic and Islamic Studies) in 2005 from Jamia Darul-Uloom, Karachi. Then he completed his specialisation in Islamic Jurisprudence (Al-Takhassus fi al-Iftaa) in 2008 from the same institution i.e., Jamia Darul-Uloom, Karachi. Currently, He is pursuing his M.Phil. degree in Islamic Studies from the Quran-o-Sunnah Department at Karachi University.

Prior to joining Soneri Bank Limited Islamic Banking, he used to work for Pak-Qatar Family Takaful Ltd. as a Head of Shariah Compliance from 2008 till Oct-2016. He has been the Shariah Board Member of Pak-Qatar Family Takaful Ltd. till September 2018.

Mufti Muhammad Zahid is a visiting faculty at the Institution of Business Administration-IBA and Al-Emaan and Al-Hikmah Institute, Karachi. he focuses on presenting Islamic solutions to problems related to modern existence, thereby applying his acumen in bringing the modern world abreast with the Shariah. He provides Islamic Finance, Takaful, and Risk Management trainings at different forums. At the same time, he is responsible as Resident Shariah Board Member (RSBM) at Soneri Bank, Islamic Banking, as well as serves as Shariah Board Member at TPL Life and Shaheen, Window Takaful Operations.



Mufti Syed Abid Shah (Shariah Board Member)

Mufti Syed Abid Shah is a recognised Shariah Scholar and researcher having a strong comprehension of all aspects of Islamic Law, specialised in Islamic Jurisprudence and Islamic Finance. He has done his Al-Aalamiyyah (a degree recognised by the Higher Education Commission Pakistan as a Masters in Arabic and Islamic Studies) and Al-Takhassus fi al-Iftaa (specialisation in Islamic Jurisprudence) from Jamia Darul-Uloom, Karachi. Further, he is currently pursuing his M.Phil. degree from Karachi University.

He is associated with Jamia-tur-Rasheed, Karachi as a senior Mufti in Darul Iftaa and lecturer in the Department of Fiqh ul Muamlat. He has been teaching Islamic studies including Fiqh and Fatwa for years. He has undertaken research work in various topics, including economic thoughts in Islam, modern economics, Islamic banking and finance, and Halal Food Standards. His research works includes Islamic Laws of Trade and Business in the light of Majallatul Ahkam Al-Adaliya (The Ottoman Law of Economics), Sale and Purchase of Money in Islam” under the supervision of Mufti Muhammad Taqi Usmani, and Basic Islamic Laws/Principles regarding Halal and Haram.

Mufti Sami Ullah (Shariah Board Member)

Sami Ullah graduated from Jamia Darul-Uloom, Karachi. He obtained Shahadat-ul-Aalamia (Masters in Arabic and Islamic Studies) from Jamia Darul-Uloom, Karachi, and Takhassus Fil Fiqh il Muamlat (Specialisation in Islamic Commercial Law from Jamia-tur-Rasheed, Karachi. He has also completed his MBA (Finance) from the University of Karachi and currently pursuing his MS in Islamic Banking and Finance from the Institute of Business Administration (IBA), Karachi.

He has about five years’ experience of working in the Islamic Banking Industry, along with approximately eight years’ experience in research and issuing Fatawa. He has drafted more than a hundred fatawa regarding trade, banking, finance, inheritance, etc. He has also conducted in depth research of several practical issues in Islamic Banking from the Shariah aspect.

HUMAN RESOURCE PRACTICES



We, at SNBL continuously strive to attract, develop, and retain top quality human capital that continues our legacy of encouraging a healthy and productive work environment; conducive for growth and development of our biggest assets – Our People!

Our Talent Acquisition & Talent Management team designs and implements thorough strategies which enable us in hiring the right person for the right job. We feel delighted to welcome fresh as well as experienced resources and further develop, motivate, and encourage them in attaining their career aspirations.

To ensure that our workforce has access to high-quality learning interventions that help them advance their knowledge and abilities, HR Learning & Development has developed and launched a number of initiatives this year. The Bank's very own Learning Management System (LMS), "Soneri Enable", was launched in April 2022. Soneri Enable allows the staff to easily access a variety of interactive e-learning modules, assessments, e-books, and various other learning interventions from their desks or from the comfort of their homes.

To make learning more reachable, HR Learning & Development has further developed and launched the Soneri Enable Mobile Application which is an application for the Learning Management System (LMS) of Soneri Bank Limited. This app allows the staff to access their LMS and enjoy access to learning interventions from the mobile app as well. The app is now live on both platforms the Apple Appstore and the Google Playstore and the staff can download and get ready access to learning anywhere on their phone.

In addition to the technology advancement in HR Learning & Development, we also launched Parvaaz Women Development Program for Soneri Bank's female employees. The project is being run in collaboration with a renowned external consultant. A number of workshops have been conducted across Pakistan, with outreach to female employees from more than 40 cities. Designed to assist our female workforce, advance toward leadership roles, Parvaaz aims to uncover outstanding female talent within the Bank and provide them with sponsorship and ongoing support as they advance up the career ladder. It also allows the opportunity to comprehend issues and barriers they could be dealing with and support them as they work around them.

After the Parvaaz sessions, the second stage is a Mentorship Program that was launched after Parvaaz workshops and is running in full swing. Through this program, the female staff gets the opportunity to receive continuous mentorship from senior leaders in order to build strong leadership competency, enhance the capability to deliver on the future strategy, enable accelerated career progression of female rising talent (High Potentials) and provide guidance and support that shall lead to women in senior management roles. 40+ high potential females were selected from across Pakistan for the mentorship program and the selection was made in consultation with the GMs, respective group heads, and department heads based on performance and potential.

HR Learning & Development is constantly working on Diversity, Equity, and Inclusion (DEI), we have arranged various workshops on gender sensitivity and workplace harassment. This aims to assist our workers in learning how to ensure the inclusion of all genders at work by building an empowering, encouraging, and enabling work environment. The target audience for this program is mainly frontline, e.g. Area and Branch Managers, Branch Operation Managers and other senior staff who are being trained and become gender champions in the branches and departments.

When we talk about diversity and inclusion, Persons with Disabilities (PWDs) have always been our top priority. In February 2022 an MoU was signed with ConnectHear for the implementation of PWD awareness training for our team, as part of our DEI Diversity, Equity and Inclusion Initiative. We arranged sessions on PWD inclusion and sensitisation. The primary goal of these sessions was to make sure that both our PWD customers and colleagues feel connected and that our team is capable of offering the highest level of assistance to enable the seamless facilitation of Banking services to our customers with disabilities. Furthermore, a thirty-hour Sign Language program has been arranged for the staff of PWD model branches who shall facilitate customers who require sign language interpretation.

We take pride in a workforce that brings in rich cultural experiences and technical expertise which contributes in creative ideas and efficient solutions. Moreover, to further strengthen and promote diversity within teams, we hired female trainee officer batches and provided them the learning opportunity that would facilitate them towards attaining financial independence.

We are not only committed to recruiting and onboarding top talent, but also focused on retaining our top performers. To boost staff engagement, we launched a campaign by the name of "We Value You". This campaign gives recognition and cash awards to the staff who are nominated by their colleagues for demonstrating extraordinary behaviour, which also exemplifies Soneri Bank's core values. The aim of this initiative is to align the staff's behaviour with Soneri Bank's Values, promote engagement, and enhance psychological inclusion and connectivity.

Moreover, SNBL believes in treating each and every staff member with respect and has a zero tolerance policy in matters pertaining to discrimination and harassment which enables the staff to co-exist in harmony and be fearless in raising their voices.

We emphasise strongly on staff motivation and satisfaction. Hence, we conduct staff engagement survey annually to gauge how our staff feels and analyse how we can improve for the betterment of both our staff and the organisation.

With an utmost priority to create a high-performance culture, we create reward differentiation and also provide career development opportunities to consistent performers.

With a family of over 4,000 staff, each one of us in our capacity is contributing for the collective growth of the organisation and society in general.

We aspire to be responsible social citizens. **Roshan Har Qadam**

Headcount status

Permanent Headcount

Permanent	3,518
On Bank's Contract	557
Bank's Own Staff Strength at the end of the year	4,075

Outsourced Headcount

Outsourced Officers	70
Outsourced NCS	753
Total Outsourced	823

As of 31 December 2022

SUCCESSION PLANNING POLICY



Policy Statement

To provide continuity in the smooth functioning of business, Soneri Bank Limited has put in place a Succession Planning Policy, which identifies successors for senior roles within the organisation, thus encouraging the movement of internal resources to fill in high-level management positions that become vacant due to retirement, resignation, or new business opportunities.

Frequency/Applicability

The succession plan will be reviewed annually and shall be put in place for the positions of Mancom level and their one-down.

Approving Authority

The Succession Plan Document shall be approved as under:

Nomination	Co - Nomination	Recommendation	Approval
Group Head	Head of HR	President	Human Resource and Remuneration Committee

Annual Succession Plan Document

The annual succession plan document shall comprise the following details for each job role:

Position/Incumbent	Successor Details
<ul style="list-style-type: none">• Name of Current Incumbent• Job Title• Grade• SNBL Experience• Overall Experience• Education• Date of Joining• Date of Birth	<ul style="list-style-type: none">• Name of Successor• Name of Current Incumbent• Grade• Overall Experience• Education• Readiness of Successor

GOVERNANCE TRAININGS



Having good Governance practices in place is a key focus area for the Bank. Apart from the policies and control procedures in place, the Bank also invests in employee development and ensures that the importance of good Governance is understood by Senior Management and staff alike.

As part of Governance training initiatives, senior officials from IT and Security Departments attended the trainings on Enterprise Technology Governance and Fraud Examination, Risk Management and Governance Trainings. The Head of Risk and Head of Operational Risk also attended the Enterprise Risk Management Trainings that were offered by NIBAF.

The Bank also scheduled in-house trainings on Environmental Risk Rating (ERR).

WHISTLE-BLOWING



Overview

Soneri Bank Limited (SNBL) believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity, and ethical behaviour.

Whistle-blowing Policy (WBP) provides a framework enabling the Bank's staff and outside parties such as shareholders, vendors, customers, etc., to report their concerns against irregularities, financial malpractices, frauds, and forgeries, harassment, improper conduct, or wrongdoing without any fear, reprisal, or adverse consequences.

Scope

The scope of the WBP mainly covers the cases that escape the existing normal procedures and systems. WBP is additional to the existing systems of complaint and dispute resolutions. It is part of an effort to further improve governance and accountability at SNBL. The employees and outside parties are encouraged to use the guidance provided by this program for reporting wrongdoing/improper conduct.

Independence of Whistle-Blowing (WB) Unit

To ensure independence, WB Unit has been established at the Internal Audit and RAR Group of the Bank under the ambit of the Board Audit Committee (BAC) of the Bank.

Protection for Whistle-Blowers

The Bank shall protect the identity of whistle-blower. For whistle-blowing and complaint handling mechanisms to be effective, the concerned parties must be adequately assured that the information given will be treated in a confidential manner and above all that they will be protected against retaliation from within or outside the Bank.

Rewards for Whistle-Blowers

Anyone providing information leading to investigation or detection of frauds/forgeries or incidents which may have impacted the Bank's reputation will be suitably rewarded, at the discretion of the management, considering all facts and circumstances.

Communication Channel for Lodging Complaint

- Post/Courier addressed to WB Unit on the prescribed form and address available on the Bank's website.
- Dedicated email ID whistleblowing.unit@soneribank.com accessible to WB Unit Head.

INVESTORS' GRIEVANCE



The Bank believes that its association with its investors should be given utmost priority and continuously strives to strengthen its relationship with them, which is also reflected in the mechanism deployed for addressing investor grievances. Moreover, it also promotes equitable treatment of every shareholder, whether they are major or minority shareholders, institutional investors, or foreign shareholders.

The Bank has dedicated a section of its website solely for the provision of significant information and various documents to the investors. Accordingly, the Bank has posted essential information on its website about the Bank, Board of Directors, Management Team, External Auditors, past and current financial data, shareholding details, investor relations/grievances, as well as such other information as stipulated under the Securities and Exchange Commission of Pakistan's S.R.O.1196(1)/2019 dated 03 October 2019.

Further, in order to facilitate our shareholders, the following information has been prominently displayed on the Bank's corporate website:

- Contact details of our Share Registrar.
- Contact information of the focal person of the Bank for dealing with investors' grievances.
- Designated email address of the Bank for addressing the queries/complaints relating to the shares/dividends.
- Various documents, such as Notice of AGM, Proxy Form, Dividend Mandate Form, List of unclaimed dividends/shares and Transfer Deed, etc. for easy access of the investors.
- The Bank endeavours to investigate and resolve all the complaints and queries of the investors to their maximum satisfaction. However, in case an investor remains unsatisfied, the Bank has also shared the contact details of the SECP along with the website link of its complaint cell, providing investors with an alternative course for the resolution of their complaints.

MANAGEMENT COMMITTEES

1. Management Committee

1. Mr. Muhtashim Ahmad Ashai, Chairman
2. Mr. Amin A. Feerasta
3. Mr. Abdul Aleem Qureshi
4. Mr. Muhammad Qaisar
5. Mr. Shahid Abdullah
6. Mr. Mirza Zafar Baig
7. Mr. Tariq Yar Khan
8. Mr. Muhammad Merajuddin Ahmed
9. Mr. Ali Hassan Shah
10. Mr. Mubarik Ali
11. Mr. Muhammad Salman Ali
12. Mr. Muhammad Amin Tejani
13. Ms. Memoona Afridi
14. Mr. Hyder Rahi
15. Syed Adeel Ehtesham, Secretary

2. Executive Credit Committee

1. Mr. Muhtashim Ahmad Ashai, Chairman
2. Mr. Amin A. Feerasta
3. Mr. Abdul Aleem Qureshi
4. Mr. Muhammad Qaisar
5. Mr. Muhammad Amin Tejani
6. Mr. Mubarik Ali, Secretary

3. Compliance Committee

1. Mr. Muhtashim Ahmad Ashai, Chairman
2. Mr. Amin A. Feerasta
3. Mr. Abdul Aleem Qureshi
4. Mr. Ali Hassan Shah
5. Mr. Mubarik Ali
6. Mr. Muhammad Merajuddin Ahmed
7. Mr. Muhammad Qaisar
8. Mr. Muhammad Salman Ali
9. Mr. Mohammad Amin Tejani
10. Mr. Rizwan Zafar
11. Mr. Tariq Yar Khan, Secretary

4. Assets and liability Committee

1. Mr. Muhtashim Ahmad Ashai, Chairman
2. Mr. Amin A. Feerasta
3. Mr. Abdul Aleem Qureshi
4. Mr. Muhammad Qaisar
5. Mr. Mubarik Ali
6. Mr. Mirza Zafar Baig
7. Mr. Mohammad Amin Tejani
8. Syed Roohullah Kazim
9. Ms. Maimoona Raffat
10. Mr. Shahid Abdullah, Secretary

5. Investment Committee

1. Mr. Muhtashim Ahmad Ashai, Chairman
2. Mr. Amin A. Feerasta
3. Mr. Shahid Abdullah
4. Mr. Mirza Zafar Baig
5. Mr. Mubarik Ali
6. Mr. Muhammad Rehan Khan, Secretary



6. I.T. Steering Committee
1. Mr. Muhtashim Ahmad Ashai, Chairman
 2. Mr. Amin A. Feerasta
 3. Mr. Mirza Zafar Baig
 4. Mr. Ali Hassan Shah
 5. Mr. Muhammad Salman Ali
 6. Mr. Abdul Aleem Qureshi
 7. Mr. Tariq Yar Khan
 8. Mr. Mubarak Ali
 9. Mr. Muhammad Qaisar
 10. Mr. Mohammad Amin Tejani
 11. Mr. Akber Sultan
 12. Mr. Qurban R. Punjwani
 13. Syed Hammad Hasan, Secretary
7. Credit Risk Management Committee
1. Mr. Muhtashim Ahmad Ashai, Chairman
 2. Mr. Amin A. Feerasta
 3. Mr. Muhammad Qaisar
 4. Mr. Abdul Aleem Qureshi
 5. Mr. Mirza Zafar Baig
 6. Mr. Shahid Abdullah
 7. Mr. Mohammad Amin Tejani
 8. Mr. Mubarak Ali, Secretary
8. Operational Risk Management Committee
1. Mr. Muhtashim Ahmad Ashai, Chairman
 2. Mr. Amin A. Feerasta
 3. Mr. Muhammad Salman Ali
 4. Mr. Mirza Zafar Baig
 5. Mr. Tariq Yar Khan
 6. Mr. Muhammad Qaisar
 7. Mr. Ali Hassan Shah
 8. Mr. Abdul Aleem Qureshi
 9. Mr. Mohammad Amin Tejani
 10. Mr. Mubarak Ali, Secretary
9. Business Continuity Plan Steering Committee
1. Mr. Muhtashim Ahmad Ashai, Chairman
 2. Mr. Amin A. Feerasta
 3. Mr. Mirza Zafar Baig
 4. Mr. Muhammad Salman Ali
 5. Mr. Tariq Yar Khan
 6. Mr. Ali Hassan Shah
 7. Mr. Shahid Abdullah
 8. Mr. Abdul Aleem Qureshi
 9. Mr. Muhammad Qaisar
 10. Ms. Muhammad Merajuddin Ahmad
 11. Mr. Mohammad Amin Tejani
 12. Mr. Major (Rtd.) Farhan Mufti
 13. Mr. Rizwan Zafar
 14. Mr. Bahadur Sher
 15. Syed Mohammed Abbas
 16. Mr. Sohail Mussarrat Siddiqui
 17. Mr. Muhammad Azizullah Abid
 18. Mr. Sajjad Butt
 19. Mr. Mian Asif Iqbal
 20. Mr. Azhar Sajjad Siddiqui
 21. Mr. Mubarak Ali, Secretary

CHAIRMAN'S REVIEW

Dear Stakeholders,

On behalf of the Board of Directors, it is my privilege to present the Annual Report of Soneri Bank Limited for the financial year ended 31 December 2022.

The year 2022 was a turbulent and challenging year for the global economy. The world struggled to deal with inflation, fiscal, and monetary tightening, the war in Europe, global energy crises and the resultant economic issues. Locally, we had to deal with the tail-end of the Covid-19 pandemic, an unprecedented flood, political changes, high inflation, higher and retrospective taxation, and an acute external financing crisis

Despite the overall challenges, the entire staff and management at Soneri Bank continued to exhibit utmost dedication and commitment at the workplace. During the year 2022, our current deposits posted strong growth over the last year, both in terms of absolute numbers as well as average volumes. I appreciate the efforts put in by the Business teams, who have worked hard to maintain a good momentum duly assisted by the Support functions. While pressure remained on margins, I am pleased to note that our fee income lines reflect consistent growth, recoveries remained strong, administrative expenses were contained despite inflationary pressures; while higher taxation numbers nonetheless impacted the bottom line.

We maintained a firm focus on improvements to our enhanced digital Banking platform, which aims at providing our customers with a hassle-free Banking experience. Our Digital Banking App, with approximately more than 185,000 installations, has been well received by our customers. I am confident that the Bank would be able to use this platform to bring in new customers and channel more of the transactional work of our customers to the Soneri Digital Banking App. Apart from the efforts on the digital front, Soneri successfully launched 2 new lending products (i) Solar Financing and (ii) Secured Personal Finance. Many other exciting products and digital additions are in the pipeline for 2023.

On the Human Resources front, our focus remained on continuous learning and development. The new Learning Management System (LMS), Soneri Enable aims to address the learning needs of the Bank's staff, to help them acquire the knowledge and skills required for their current roles and to help them achieve their aspirations. With an enhanced focus on gender diversity, we initiated 'Parvaaz'- a campaign aimed at developing our female staff through a structured career development plan. I am proud to share that Soneri Bank made its first submission to Global Diversity, Equity, and Inclusion Benchmark (GDEIB) awards in 2022, and ended up winning 5 GDEIB Awards for our Diversity and Inclusion initiatives this year.

Our branch outreach now extends to over 400 branches across the country. This was an important milestone for the Bank, and we remain committed to enhancing our presence further, to continue reaching out to the unbanked. As we head into 2023, we remain committed to bringing in more zeal and energy to the workplace to better serve our customers. Our focus would be on making our operations and processes digital, thereby offering more convenience to our customers. We remain committed to growing our business to provide better returns to our employees and stakeholders. I am proud of the fact that we conduct our business in a manner which complies with the best regulatory practices and enhances our reputation in the market.

I would like to place on record, my appreciation for our Board of Directors. Their rich and diversified experience is instrumental in helping set the direction for the Bank. The Board has remained compliant with the provision regarding their training program. Also, as required under the regulations, the Board's Performance Evaluation is conducted regularly, and the challenges identified, as a result, are targeted to be addressed.

While there are challenging times ahead, at Soneri Bank, we remain confident about achieving our targets both in numbers and customer satisfaction ratings. We remain committed to serving our customers to the fullest, and to achieving the roadmap that the regulator has set for the Banking industry for CY2023.



I would like to thank the Bank's shareholders and our valued customers for their continued trust in the Bank. I am also grateful to the State Bank of Pakistan, and the Securities and Exchange Commission of Pakistan and other regulatory authorities for their support and guidance. Also, I would like to express my appreciation to the members of the Bank's Board of Directors, and the Shari'ah Board, the Management team and employees of the Bank, especially our frontline staff for their hard work and contributions towards achieving the objectives of the Bank.



Alauddin J. Feerasta

Chairman

Lahore: 22 February 2023

DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, we are pleased to present the Directors' Report of Soneri Bank Limited ("the Bank") along with the audited financial statements and Auditors' report thereon for the year ended 31 December 2022.

Economic Review:

During the course of the year, Pakistan's economy continued to remain stressed. Macroeconomic risks continued to remain high, as the country faced challenges associated with a large current account deficit, high public debt, and lower demand from its traditional export markets amid subdued global growth.

Despite registering ~ 6 per cent GDP growth in FY22 at the back of accommodative macroeconomic policies, growing economic imbalances hampered fiscal consolidation at the onset of FY23. As per the recent economic surveys, the economy is expected to grow by less than 2 per cent in the current fiscal year FY23 (ending June 2023), which is reflective of the damages and disruptions as a result of catastrophic floods witnessed during 2022, a tightening monetary stance, inflation expectations, and a less conducive global environment. Recovery is expected to be gradual, with real GDP growth projected to reach 3.2 per cent in the fiscal year 2024.

For FY22, agricultural output registered significant growth due to increased crop production, resulting from better weather conditions and stronger livestock output. Growth in the industry and services sectors also remained strong, although some industries, including food and textiles, weakened in line with the deteriorating macro conditions. However, during H1-FY23, the growth rate of large industries contracted by 3.58 per cent. Statistical data suggests broad-based and sustained moderation in economic activity in response to policy tightening and exogenous shocks. Sales volume of automobiles, POL, and cement have all declined significantly in December both on a year-on-year as well as a month-on-month basis.

Going forward, production cuts by firms and supply constraints could pull the LSM growth further down. Recent data also reflects lower crop production than that anticipated earlier. This potentially weakens the agriculture sector outlook despite satisfactory reports about sugarcane production and progress on sowing of wheat crop for the current season.

On the external front, strong domestic demand and high global commodity prices led to the current account deficit (CAD) of \$17.41 billion or 4.6 per cent of GDP in FY22, the largest in the last 4 years. The large CAD and higher debt service, together with the ongoing political and economic uncertainty, weakened investor confidence and the Rupee continued to depreciate against the U.S. Dollar.

CAD, however, narrowed by around 60 per cent to \$3.7 billion in H1-FY23 as compared to \$9.1 billion in H1-FY22. This substantial reduction arose through a sharp contraction in imports, reflecting the impact of policy tightening and administrative measures. The contraction in imports was broad-based, with all the major groups, except food and petroleum groups, recording a decline. The share of petroleum imports in total imports rose to 34.1 per cent in H1-FY23 from 23.7 per cent in H1-FY22. Effective implementation of energy conservation measures and appropriate pricing of petroleum products, therefore, remains critical for the much-needed reduction in energy imports. The benefit of 18.2 per cent fall in imports was partially offset by the decline in export receipts and remittances.

Despite the impact of flood-related factors, the CAD is expected to narrow down to 4.3 per cent of GDP in FY23, mainly due to import curtailment and is projected to shrink further in FY24 as exports start to recover. Notwithstanding the reduction in the current account deficit, the external sector remains under stress due to delays in the realisation of official financial inflows, debt repayments and ongoing political uncertainty.

Pakistan's FX reserves, which amounted to \$11.42 billion on 30 December 2022, dropped to \$10.19 billion in the first week of January 2023 and were recorded at \$3.68 billion on 20 January 2023. The completion of the pending 9th review under the IMF's EFF is critical for reducing uncertainty and unlocking multilateral and bilateral inflows.

As mentioned above, the weakening Rupee, high commodity prices, and the overheating economy pushed up inflation, which reached an average of 12.2 per cent in FY22, an 11-year high level. The State Bank of Pakistan (SBP) accordingly tightened its monetary policy and raised the policy rate gradually from 7.0 per cent in September 2021 to 17.0 per cent in January 2023. National CPI inflation generally remained at elevated levels with some moderation in recent months. Compared to 26.6 per cent (YoY) in October, the headline inflation slightly eased to 23.8 per cent in November and 24.5 per cent in December 2022.

The Fiscal deficit is projected to contract by one percentage point to 6.9 per cent of the GDP in FY23 and is expected to gradually narrow over the medium-term as revenue mobilisation measures, particularly GST harmonisation and personal income tax reforms take hold. With rapid nominal GDP growth, public debt as a share of GDP is projected to decline gradually, despite continued primary deficits.



In February 2023, the Fitch Ratings Agency downgraded Pakistan's long-term foreign currency issuer default rating (IDR) to 'CCC-' from 'CCC+' sighting liquidity concerns, political volatility and a decline in reserves. The ratings reflect that Pakistan will remain highly reliant on financing from multilateral partners and other creditors to meet its debt payments, in the absence of access to market-term-based financing at affordable costs.

In the context of high macroeconomic risks and large financing needs, the outlook is sensitive to market perceptions and sentiment. Foreign currency reserves held by the State Bank of Pakistan are currently at an alarmingly low level, suggesting an import cover of just three weeks. The current regime has taken steps to cut down on non-essential imports and placed a stranglehold on imports through delays in LC clearance in the interim. At the same time, the government needs to raise the incentives for the production of essential food items and productivity in the manufacturing industries. Financial inflow materialisation remains paramount, as expected gross financing requirements far exceed the current reserve capacity.

The Bank's Performance and Operating Results: The summarised financial position and operating results of the Bank for the year ended 31 December 2022 are as follows:

	2022	2021
	---(Rupees in millions)---	
FINANCIAL POSITION AS OF 31 DECEMBER		
Advances – Net	208,434	165,495
Investments – Net	258,007	327,425
Total Assets	579,760	579,489
Deposits and Other Accounts	409,643	403,037
Shareholders' Equity	21,146	21,636
	2022	2021
	---(Rupees in millions)---	
FINANCIAL PERFORMANCE FOR THE YEAR		
Net Mark-up Income	11,267	10,938
Non Mark-up Income	5,157	4,290
Total Revenue	16,424	15,228
Non-Mark-up Expenses	12,245	10,191
Profit before Provisions and Taxation	4,179	5,037
(Reversals) / Provisions and Impairment	(375)	(112)
Profit before Taxation	4,554	5,149
Profit after Taxation	1,884	2,854
Earnings per Share (Rupees)	1.7082	2.5889

Overview of the Business:

Amidst challenging times, the Bank posted Profit before tax (PBT) of Rs. 4,554.021 million and Profit after tax (PAT) of Rs. 1,883.243 million for the year ended 31 December 2022, as compared to Rs. 5,149.219 million and Rs. 2,854.147 million respectively for the prior year. Earnings per share (EPS) was recorded at Rs. 1.71 per share for the year 2022, as compared to Rs. 2.59 per share for the year 2021.

The Bank's net interest income (NII) for the year ended 31 December 2022 stood at Rs. 11,266.756 million as against Rs. 10,937.534 million for the preceding year, indicating an increase of 3.01 per cent year-on-year. For a major part of the year 2022 however, the Bank's NII remained stressed, mainly on account of the continued timing differences that arose on repricing of the Bank's balance sheet, resulting from frequent changes in the policy rate during the year. As the year progressed, this lagged impact gradually reduced as expected, with the reversal of timing differences taking due effect. Amidst this evolving interest rate regime, the Bank's investment portfolio was also gradually recycled over the course of the year so as to optimise returns on investments.

Non-interest income for the year 2022 increased impressively to end at Rs. 5,157.452 million as against Rs. 4,290.235 million for the last year. With the exception of gains and dividends on securities, all non-fund-based income lines indicate positive year-on-year variances. This was primarily due to enhanced customer flows, improved volumes, and proactive balance sheet positioning. The absence of the opportunity to tap capital gains in the current period, coupled with realised capital losses due to downward trends in the PSX index, led to income from securities ending lower than the prior year's levels.

On an overall basis, the total revenue of the Bank indicated an increase of Rs. 1,196.439 million, or 7.86 per cent, year-on-year.

Period-end Deposits were reported at Rs. 409.642 billion as of 31 December 2022, increasing by Rs. 6.606 billion or 1.64 per cent against the position last year. In terms of averages, the portfolio grew by Rs. 51.262 billion, or 14.90 per cent year-on-year. Amidst stiff competition for rates, the Bank's focus remained on CASA mix improvement and retention of current accounts, whilst ensuring service levels of the highest quality. As of 31 December 2022, the Bank's CASA percentage has improved to 79.19 per cent (December 2021: 69.80 per cent). For Current Accounts, the mix improved to 32.73 per cent on 31 December 2022 from 27.17 per cent in December 2021, and CA volumes grew by Rs. 24.586 billion or 22.45 per cent from the year-end levels. In terms of averages, the CA volumes grew by Rs. 16.890 billion or 17.65 per cent year-on-year, with average CA volumes at Rs. 112.636 billion for the year 2022.

With the gradual increase in policy rate over the course of the year, the Bank's cost of deposits increased to 8.85 per cent for the year 2022 as against 4.86 per cent for the year 2021. As a result, the Bank's deposit cost increased to Rs. 34.963 billion for the current year as against Rs. 16.719 billion for the year 2021, indicating an overall increase of 109.12 per cent. With mix improvement and CA retention in mind, the Bank continues to aim for rationalising the funding costs, thereby improving overall margins.

Period-end investments were reported at Rs. 258.007 billion as of 31 December 2022, reducing from Rs. 327.425 billion reported last year, down by 21.20 per cent. The Bank's average net investments, however, improved to Rs. 305.092 billion for the year 2022 as against Rs. 276.334 billion maintained last year. Through this volumetric increase, as well as gradual improvement in yields, the Bank's income from investments increased to Rs. 37.005 billion for the current year, as against Rs. 22.619 billion last year. Despite an average fixed-rate PIB portfolio of Rs. 64.600 billion yielding ~ 8.87 per cent, overall investment yields improved to 12.13 per cent for the year 2022 as against 8.19 per cent for the year 2021. The Bank's IDR on 31 December 2022 stood at 62.98 per cent, as against 81.24 per cent on the year-end 2021.

On a year-on-year comparison, net yields on advances also improved, ending at 12.44 per cent for 2022 as against 7.63 per cent for the year 2021, reflecting the repricing effect of the gradual increase in policy rates by the State Bank of Pakistan over the course of the year. The Bank's average net advances book increased to Rs. 193.590 billion for the year 2022, as against Rs. 175.221 billion for the last year, while income from advances ended higher at Rs. 24.076 billion for the current year as against Rs. 13.374 billion for the year 2021. Year-end advances amounted to Rs. 208.434 billion as against Rs. 165.495 billion at the last year-end, indicating year-on-year growth of 25.95 percent. On 31 December 2022, the Bank's Gross ADR was 52.67 per cent as against 43.03 per cent on 31 December 2021.

Borrowings amounted to Rs. 115.728 billion on 31 December 2022, as against Rs. 124.585 billion in the last year, indicating a decrease of Rs. 8.857 billion, while overall cost increased to 10.95 per cent for the year 2022 as against 6.22 per cent for the prior year.

Non-Mark-up expenses were reported at Rs. 12,244.756 million for the year ended 31 December 2022 as against Rs. 10,190.506 million in the last year, indicating an increase of 20.16 per cent. This increase appears relatively contained given the fact that inflationary trends were significant during the year. The Bank remained committed to pursuing stringent cost discipline measures going forward as well, to keep costs in check. The Board has also constituted its Cost Rationalization Committee, for the purposes of monitoring and tracking cost control initiatives across the Bank advising the management on their cost control priorities.

Net reversals of provisions for the current year amounted to Rs. 374.569 million, as against a net reversal of Rs. 111.956 million in the prior year. During the course of the year, the Bank continued to target a strong recovery pipeline so as to further augment profitability. At the same time, the Bank continued to carefully and prudently monitor the overall portfolio, so as to avoid additional infection and maintain coverage at reasonable levels. With targeted efforts, and despite tough economic conditions for borrowers in general, the overall reversals for the year improved by 27.40 per cent to Rs. 1,096.157 million, from Rs. 860.410 million last year. As of 31 December 2022, the Bank's Non-performing loans to total Advances ratio decreased to 4.71 per cent (December 2021: 5.95 per cent), with specific coverage at 71.61 per cent (December 2021: 76.51 per cent).

As a result of the changes introduced by the Finance Act 2022, the overall effective tax rate for the Bank for the year ended 31 December 2022 stood at 58.65 per cent (2021: 44.57 per cent).

Capital Structure of the Bank:

The Bank remains adequately capitalised, with a capital base above the regulatory limits and Basel capital requirements. As part of its regulatory relief measures post the COVID-19 outbreak, the State Bank of Pakistan has relaxed the regulatory requirements for Capital Adequacy for Banks in general. These relaxations continued throughout the course of the year 2022.



Over the course of the year, elevated market rates driven by inflation and economic stresses impacted the revaluation deficit on the Bank's fixed-rate investments. However, the Bank has been allowed a relaxation by the SBP to stagger the unrealised revaluation deficit on certain fixed-rate government securities on a quarterly basis up to 30 June 2023 while arriving at Capital Ratios. The Bank's Capital Adequacy Ratio as of 31 December 2022 after accounting for the SBP relaxation stood at 15.19 per cent, while the Leverage Ratio stands at 3.81 per cent. The Bank's Liquidity Coverage Ratio and Net Stable Funding Ratios currently stand at 186.16 per cent and 164.46 per cent respectively, which are comfortably above the regulatory requirements.

During the year, in order to further augment capital adequacy, the Bank, after due approval of the Board and the State Bank of Pakistan, has successfully raised fresh Tier II Capital amounting to PKR 4 Billion, in replacement of the existing Tier II instrument of PKR 3 billion which was otherwise due to mature in the year 2023. The instrument has been privately placed and the Bank has initiated the process for listing of the issue in accordance with the requirements for listing of privately placed debt securities. The instrument has an issue date of 26 December 2022, and further details have been disclosed as part of the annual report. In accordance with the requirements of the State Bank, the Bank is required to seek approval from the Shareholders on specific matters for regulatory compliance, which will be tabled at the upcoming Annual General Meeting.

Furthermore, as directed by the State Bank of Pakistan, via BPRD Circular No 3 of 2022 dated 5 July 2022, IFRS 9 Financial Instruments, is effective for periods beginning on or after 1 January 2023 for Banks having asset base of Rs. 500 billion or more as of 31 December 2021. The said circular also provides detailed instructions on implementation of IFRS 9 for ensuring smooth and consistent implementation of the standard across Banks. The estimated impact on initial application of the said standard has been disclosed as part of the financial statements, the effect of which will be reflected as part of adjustments to opening retained earnings for reporting periods beginning 1 January 2023. More recently, the State Bank, vide BPRD Circular No. 02 of 2023 dated 9 February 2023 issued revised formats for annual and interim financial statements effective from the upcoming interim and annual reporting periods, mainly in lieu of the additional disclosure requirements arising out of adopting the new standard.

Human Resource:

At Soneri Bank, we value our staff for their experience and strive to take steps that improve their satisfaction. We provide our employees with a work environment that fosters customer centricity and ownership in a proactive manner whilst maintaining high moral standards. Our HR policies aim at promoting a culture where the staff feels respected, valued, driven, and fairly treated. Our leaders are the role models, showcasing the right behaviour to create that enabling climate.

Our human resource selection process is merit-based and non-discriminatory. We believe that employees who are committed deliver better results. Through our policy on succession planning, we identify successors for senior roles within the organisation, thus allowing upward career mobility to the right talent, and help them in fulfilling their career growth aspirations. Organisational excellence is only achievable if we have the right people for each job. We are not only committed to recruiting and onboarding top talent, but also focused on retaining our top performers. Our focus is on maintaining constructive employee relations, and fostering a culture of transparency and good behaviour.

The Bank's Remuneration Framework, developed in line with the SBP's guidelines, promotes an effective risk management culture, and ensures that the remuneration practice at the Bank is in line with the Bank's objectives. As a result, a fair, objective, transparent, and sound remuneration policy, aligned with the risks and responsibilities of financial intermediation has been put in place. The disclosures required under the SBP's Guidelines on Remuneration Practices are given in notes 28.1 and 41 to the financial statements and are also included as part of the Governance Section of this Annual Report.

The Bank has a well-defined and structured Code of Conduct in place. The Bank's Disciplinary Action policy provides an expertly designed corrective action process and a formal framework for issues to be dealt with fairly and swiftly. The policy ensures that HR affairs are managed in a transparent manner and it addresses the instances where the performance or conduct of an employee fails to meet the standards laid down by the Bank.

Post Coronavirus outbreak, all organisations were tested to challenge the way they work. Significant challenges arose as a result, and the role of HR increased significantly. With a focus on virtual and digital conferencing tools, HR processes have continued to evolve at the Bank.

During the year, the Bank launched its own Learning Management System – SoneriEnable. The online solution aims to address the learning needs of the Bank's staff, to help them acquire the knowledge and skills required for their current roles and to help them achieve their aspirations. The employees can access various learning-related activities in the LMS. As an ongoing continuous improvement process, our learning team continues to add modules and activities for the staff to enhance their learning journey. The feature is also available and accessible for employees through the SoneriEnable online app. Besides standard e-Learning modules on Orientation, AML/CFT, Code of Conduct, Fair Treatment of Customers (FTC), Operational Risk Management, and Fraud Risk, Islamic Banking, Products, Information Security Awareness, the Bank also introduced a tailored module for performance management. The objective was to assist line managers on how to document and evaluate the job performance of their respective staff in accordance with the organisation's evaluation standards, for conducting effective job performance reviews of their team members.

Our Banking on Equality policy aims to improve the representation of women as part of the management, with merit-based criteria developed for women’s career growth paths. As a first step, a women’s development workshop program “Parvaaz” was launched. The objective was to inspire the women workforce to have career aspirations, to infuse confidence in them, and to enable them to strategize their network. The other objectives, through the workshop, aimed to identify high-potential talent, candidly discuss issues facing women in the workplace, identify candidates for mentorship, and facilitate the creation of female resource groups.

The management is well aware of the regulatory targets on gender diversity, and during the year, our target was to encourage teams to onboard females for filling the vacancies. We also introduced the concept of an all-female Batch Hiring for Trainee Officers on pan Pakistan basis. Department and gender-wise splits for staffing are regularly reviewed and assessed by the Management Committee as part of their regular sessions.

Our Whistleblower’s Policy corroborates our promise to give people (internal and external) a chance to voice their concerns, exposing irregularities/wrongdoings/AML/CFT/corruption related issues, helping uncover financial malpractices, preventing frauds, etc. to appropriate pre-identified authority without any fear, reprisal or adverse consequences.

Corporate Governance:

Corporate Governance at Soneri Bank refers to the rights and responsibilities of different stakeholders of the Bank through a defined set of rules, policies, and practices keeping focus on proper delegation, transparency, and accountability in the organisation as a whole. The Board of Directors is committed to ensuring that the requirements of Corporate Governance set by the Securities and Exchange Commission of Pakistan are fully met. The Board of Directors is entrusted to provide strategic leadership to the management of the Bank. The Bank has fully complied with all the mandatory regulations of the Code of Corporate Governance, and the Bank’s Statement of Compliance with the Code to this effect forms part of this Annual Report.

Composition of the Bank’s Board of Directors:

The Bank has complied with the regulatory requirements of the SECP and SBP for the appointment of Directors (including the Executive Director) starting from the nomination of Directors to their appointment by the shareholders in the Annual General Meeting and the Fit and Proper Test clearance by SBP to these appointments. The Bank is also compliant with the Listed Companies (Code of Corporate Governance) Regulations, 2019, which require companies to have at least one female Director represented on the Board.

Since the Election of Directors convened on March 26, 2020, no changes were made to the composition of the Board. Accordingly, no casual vacancies have occurred during the current year. The present composition of the Board of Directors is as under:

Total number of Directors: 08 including the President and Chief Executive Officer

Male 07
Female 01

Category	Names
Independent Directors	Mr. Jamil Hassan Hamdani Ms. Navin Salim Merchant
Non-Executive Directors	Mr. Alauddin J. Feerasta Mr. Nooruddin Feerasta Mr. Ahmed A. Feerasta Mr. Muhammad Rashid Zahir Mr. Manzoor Ahmed (NIT Nominee)
Executive Director	Mr. Muhtashim Ahmad Ashai*

* Deemed Director as per clause 3 of Section 188 of the Companies Act, 2017.

**Foreign Directors:**

There is no representation of a foreign Director on the Board of the Bank.

Other Directorships of the Executive Director:

Mr. Muhtashim Ahmad Ashai does not serve as a Director in any other organisation.

Board Meeting Outside Pakistan:

During the year, no Board Meeting was held outside Pakistan.

Directors' Training and Orientation:

The Board has remained fully compliant with the provision with regard to their training program. Four Directors have received a "Certificate of Director Education" from the Pakistan Institute of Corporate Governance ("PICG") and one Director has completed the Directors' Training Program conducted by the Institute of Business Administration ("IBA").

Further, both Directors Mr. Nooruddin Feerasta and Mr. Muhammad Rashid Zahir are exempted from training as per the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 provided under clause 2 of Regulation 19.

Additionally, our Directors have also attended various workshops, seminars and courses. Mr. Alauddin Feerasta, Chairman and Mr. Nooruddin Feerasta, Director had participated in a three-full-day workshop on "Corporate Governance & Duties Excellence" held in Malaysia. Mr. Muhammad Rashid Zahir had also attended a week long course of the Institute of Directors, UK held by PICG.

Board's Performance Evaluation:

For the year 2022, an in-house evaluation of the Board/Committees was carried out. Quantitative techniques were used where scaled questionnaires were provided to each Director to obtain their feedback. Feedback so received was collated and analysed and results were prepared in accordance with the requirements of the BPRD Circular No. 11 dated 22 August 2016 and Listed Companies (Code of Corporate Governance) Regulations, 2019.

Final result of the Annual Evaluation of the Board's Performance was presented to the Board of Directors for their review. Accordingly, the Board has reviewed its Performance Evaluation for the year 2022 in its 196th meeting convened on 22 February 2023 and the challenges identified by them have been duly noted to be addressed.

Board and Committees' Meetings:

Details of the meetings of the Board of Directors and its Committees held during 2022 and the attendance by each Director/committee member are given as under:

Sr. No.	Name of Director	Board of Directors Meetings		Board Audit Committee Meetings		Board Credit Committee Meetings		Board Human Resource and Remuneration Committee Meetings		Board Risk Management Committee Meetings		Board Risk and Compliance Committee Meetings		Board Independent Directors' Committee Meetings		Board I.T Committee Meetings		Board Cost Rationalization Committee Meetings	
		Held during the year	Attended**	Held during the year	Attended**	Held during the year	Attended**	Held before assigning compliance functions	Attended**	Held during the year	Attended**	Held after assigning compliance functions	Attended**	Held during the year	Attended**	Held during the year	Held during the year	Attended**	
1	Mr. Alauddin Feerasta	6	6	*	4	4	*	*	*	*	*	*	*	*	*	*	*	*	*
2	Mr. Muhtashim Ahmad Ashai	6	6	*	4	4	*	*	*	2	3	3	*	*	3	3	*	*	*
3	Mr. Nooruddin Feerasta	6	5	4	4	4	*	*	*	*	*	*	*	*	*	*	*	*	*
4	Mr. Ahmed A. Feerasta	6	6	*	*	*	2	*	*	2	3	3	*	*	3	3	*	*	*
5	Mr. Muhammad Rashid Zahir	6	6	4	4	4	*	*	*	*	*	*	*	*	*	*	*	*	*
6	Mr. Manzoor Ahmed (NIT Nominee)	6	6	*	4	4	2	4	4	2	3	3	*	*	3	3	*	*	*
7	Mr. Jamil Hassan Hamdani	6	6	4	4	*	2	4	4	2	3	3	2	2	3	3	*	*	*
8	Ms. Navin Salim Merchant	6	6	4	4	*	*	3	4	*	*	*	2	2	*	*	*	*	*
Total Number of meetings held during the year		6	4	4	4	4	5	2	2	3	3	2	2	3	3	3	0		

*Represents not a member of the Committee

**Leave of absence was granted to those Directors/members, by the Board/Committee, who could not attend some of the meetings.

Note:

- Additional responsibility of over-seeing the compliance function was assigned to the Board Risk Management Committee and accordingly its name was changed to Board Risk & Compliance Committee by the Board in its 192nd meeting convened on 26 April 2022.
- A special committee "Cost Rationalization Committee" was formed by the Board in its 194th meeting convened on 27 October 2022 with the mandate to rationalize cost lines. The Committee may meet as often as deemed necessary by the Chair in consultation with the Committee members. However, no meeting was scheduled during the year 2022.
- The profiles of the Board Members and the composition of the Board/Committees alongwith their TORs form part of this Annual Report.



Director's Remuneration:

In compliance with the requirements of BPRD Circular No. 3 dated 17 August 2019 (now superseded by Corporate Governance Regulatory Framework) issued by the State Bank of Pakistan, the Bank had formed the "Remuneration Policy for Non – Executive Directors" which was approved by the Shareholders in their 28th AGM convened on 26 March 2020, which was subsequently amended in the 30th AGM held on 25 March 2022.

In the current Policy, the Board in its 191st meeting convened on 24 March 2022 has recommended to amend clause 3.1 by upward revising the scale of remuneration for attending the Board and Board Committee Meetings, keeping in view the precious time the Non-Executive Directors give to the Bank as well as the rising trend of inflation. In this respect, shareholders have also entrusted authority to the Board to determine, alter or revise the scale of remuneration approved by them by abiding by the maximum thresholds prescribed by the State Bank of Pakistan in their 28th AGM convened on 26 March 2020. Followings are the amendments being recommended by the Directors in the subject Policy:

Clause 3.1

- a) Meeting Fee for Non-Executive Directors including Independent Directors other than the Chairman of the Bank and Committees' Chairmen.
- From existing Rs. 150,000/- to Rs. 250,000/- per meeting (gross).
- b) Meeting Fee for the Chairman of the Bank and the Committees' Chairmen.
- 20% additional Meeting Fee i.e. (Rs. 250,000/- + Rs. 50,000/-) Rs. 300,000/- per meeting.
- c) Effective from 24 March 2022.

Considering the current hyperinflation, Board in its 196th meeting convened on 22 February 2023 has further increased the scale of remuneration for attending the Board and Board Committee Meetings, as per below:-

Clause 3.1

- a) Meeting Fee for Non-Executive Directors including Independent Directors other than the Chairman of the Bank and Committees' Chairmen.
- From existing Rs 250,000/- to Rs 300,000/- per meeting (gross).
- b) Meeting Fee for Chairman of the Bank and Committees' Chairmen.
- 20% additional Meeting Fee i.e. (Rs 300,000 + Rs 60,000) Rs. 360,000/- per meeting.
- c) Effective from 21 February 2023.

Revised Policy is being presented before the Shareholders for their approval in compliance of the Corporate Governance Regulatory Framework issued by the State Bank of Pakistan vide BPRD Circular No. 05 dated 22 November 2021.

Statement of Investments of Provident and Gratuity Funds:

The Bank operates approved funded provident and gratuity fund schemes covering all its permanent employees. The investment balances (excluding deposits with Banks) based on the latest audited Financial Statements of the funds are as follows:

	(Rupees in '000)
Investments of the Provident Fund	384,312
Investments of the Gratuity Fund	157,505

Statement on Risk Management Framework:


Risk Management is an integral component of Soneri Bank's overall strategy. Our Risk Management Framework aims at optimising the value for all stakeholders via identifying, measuring, monitoring, and reporting the multitudes of risky exposures. The risk management policies and practices adopted by the Bank are in line with the procedures required by the State Bank of Pakistan and advised by the Board of Directors. The feedback of the latter is crucial in terms of risk appetite. The Risk Management function in the Bank is equipped with the latest models, tools, and systems which are regularly reviewed/updated to strengthen the Risk Management framework in the Bank.

Our risk management strategy aims to put in place integrated risk and economic capital management capabilities that will enable the Bank to achieve an integrated view of risks across its various business operations and to gain strategic advantage from its risk management capabilities. The diversity of our business model requires us to identify, assess, measure, aggregate, and manage our risks, and to allocate our capital among our businesses. Our aim is to help reinforce our resilience by encouraging a holistic approach to the management of risk and return throughout our organisation as well as the effective management of our risk, capital and reputational profile. We actively take risks in connection with our business and as such the following principles underpin our risk management framework:

- Risk is taken within a defined risk appetite;
- Every risk taken needs to be approved within the risk management framework;
- Risk taken needs to be adequately compensated; and
- Risk should be continuously monitored and managed.

The Board keeps oversight of the Bank-wide risk management framework and approves the risk management strategy and policies of the Bank.

The Board Risk and Compliance Committee (BRCC), ensures that the Bank maintains a complete and prudent integrated risk management framework at all times and ensures that the risk exposures are maintained within acceptable levels. Moreover, the Credit Risk Management Committee (CRMC) and all other senior management Committees are mainly responsible for ensuring compliance with the BOD-approved risk management policy and for monitoring and managing risk levels in the relevant areas of the Bank.



The risk strategy is approved by the Board on an annual basis and is defined based on the Risk Appetite and the Strategic and Capital Plans in order to align risk, capital, and performance targets. Cross-risk analysis reviews are conducted across the Group to validate that there exist sound risk management practices and a holistic awareness of risk.

All material risk types, including credit risk, market risk, operational risk, liquidity risk, business risk, IT security risk, and reputational risk, are managed via risk management processes. Modelling and measurement approaches for quantifying risk and capital demand are implemented across the material risk types.

Systems, processes, and policies are critical components of our risk management capability. Recovery and contingency planning provides the escalation path for crisis management and supplies the senior management with a set of actions designed to improve the capital and liquidity positions in a stress event.

During the year, the Bank successfully developed and implemented an Automated CAR Calculator. The solution not only aims to facilitate the preparation of our regulatory CAR returns but also serves as an effective tool for the Bank's capital management process. Furthermore, as part of its guidance on the implementation of IFRS 9 – Financial Instruments, the State Bank of Pakistan had instructed the Banks to develop models for PDs, LGDs, and CCFs internally. During the course of the extensive parallel run exercise, the Bank's Risk Management team worked diligently to develop these models which would facilitate the Bank for implementation of the said standard as per the defined timelines. Segment-wise PDs are estimated through statistical methodologies including ORR Matrix transition based on the Markov chain stochastic process and Logistic Regression followed by calibration. The calculated TTC PDs are aggregated with macroeconomic factors to arrive at PiT PDs. The Bank has also developed in-house economical LGD and CCF models for each segment on the historical data available with the Bank.

Our overall ECL calculation engine, which was initially developed with the help of our consultants, M/s. KPMG and Co., was gradually refined and upgraded by our internal team at the Risk Management Department. As the instructions on the same continued to evolve, our team continued to make further refinements from time to time. As a next step, we would aim at integrating this engine with our source systems so as to have an end-to-end automated process for ECL calculations.

We promote a healthy risk culture where employees at all levels are responsible for the management and escalation of risks. We expect employees to exhibit behaviour that supports a strong risk culture in line with our Code of Business Conduct and Ethics. Our policies require that risk-related behaviour is taken into account during our performance assessment and compensation processes. In addition, our Board members and senior management frequently communicate about the importance of the subject to support a consistent tone from the top.

Statement of Internal Controls:

The Management of the Bank is responsible for maintaining a sound system of internal controls to ensure the efficiency and effectiveness of operations, compliance with legal requirements and reliability of financial reporting.

Adequate systems, processes, and controls have been put in place to identify and mitigate the risk of failure to achieve the overall objectives of the Bank. These controls encompass the policies and procedures approved by the Board of Directors. Their compliance and effectiveness are verified by an independent Internal Audit Division reporting directly to the Board Audit Committee.

Existing policies and procedures are reviewed on a regular basis and improved from time to time. The Board has constituted its Committees for oversight of the overall Risk Management framework, Finance and Strategy. The Committees meet at regular intervals to ensure the adequacy of governance.

The Board of Directors ensures that an adequate and effective internal control system covering various aspects of our Banking operations is in place and vigorously followed by the senior management.

Based on the reviews of the internal control system by the Internal Audit Division, Compliance Control & Investigation Group, and Statutory Auditors as well as various policies and procedures, we believe that the Bank's existing system of Internal Control is reasonable in design and is being effectively implemented and monitored.

The Board endorses the management's evaluation of the effectiveness of the overall internal controls, including ICFR, as detailed in the Statement of Internal Controls, presented as part of this Annual Report.

Trends and factors that could affect the Bank's future development, performance, and business position:

The Board is cognisant of its responsibilities in setting the overall direction of the Bank. It oversees the progress of the Bank against the defined KPIs. The Bank's financial and operational soundness, governance structure, and the effectiveness of internal controls, audit functions, and risk management framework are monitored regularly. The Board also regularly reviews all significant policies as per the regulatory requirements.



The factors that may potentially affect the Bank's resources, revenues and operations are regularly focused and prioritised by the Board in setting the overall strategic direction. The following factors are considered for sensitivity analysis at the time of setting of business targets and revisions to short-term forecasts. These include:

- Decisions on Discount Rate/Monetary Policy;
- Revisions to the rate of returns on deposits;
- Repricing on loans and advances;
- Investment strategy and time horizon;
- Geo-Political risks and uncertainties, including law and order situation;
- Impacts of natural calamities on businesses and overall economy and businesses in general, and regulatory relief measures (if any);
- Government rules and regulations;
- Inflation, fuel, and commodity prices;
- Corporate taxation measures;
- Technological advancements leading to competitive advantage;
- Dividend decisions and capital adequacy;
- The potential impacts of changes in accounting and regulatory framework.

The Bank continues to regularly review potential impact assessments of changes to financial reporting standards and the adoption of new standards on its financial position. The above factors are regularly reviewed and monitored for any potential impacts, risks, and uncertainties. The Bank's Risk Management Division also performs stress testing against various pre-determined scenarios to analyse the Bank's ability to withstand potential shocks from adverse developments.

Based on the Board's current assessment, there are no significant doubts about the Bank's ability to continue as a going concern.

External Auditors:

The financial statements of the Bank for the year ended 31 December 2022 have been audited without qualification by the auditors of the Bank, M/s. KPMG Taseer Hadi & Co., Chartered Accountants.

M/s. KPMG Taseer Hadi and Co, Chartered Accountants, the existing auditors, have given their consent to continue to act as auditors of the Bank for the year 2023, if so appointed. The Board Audit Committee has recommended the re-appointment of the existing auditors as statutory external auditors of the Bank for the next year. The appointment shall be subject to approval in the forthcoming Annual General Meeting of the Bank's shareholders.

The firm of auditors has confirmed that they have been given a 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 Accountants' (IFAC) Guidelines on Code of Ethics, as adopted by the Institute of Chartered Accountants of Pakistan, and meet the requirements for appointment under the applicable laws.

On behalf of the management of the Bank and the Board, we would like to thank and appreciate the auditors for the services and support extended throughout the period of the audit.

Subsequent Events:

No material changes and commitments affecting the financial position of the Bank have occurred between the end of the financial year to which these financial statements relate and the date of the Directors' report.

Corporate Social Responsibility:

Soneri Bank remains firm in its commitment to actively contribute to socio-economic development. During the year, the Bank actively and regularly participated in several CSR activities and philanthropic efforts in the field of healthcare, education, and women empowerment along with other areas of community development, sports, and rehabilitation. Keeping the 'Roshan Har Qadam' spirit intact, the Bank ensured that it fulfilled its social responsibility towards the country and its people. A summary of the Bank's key CSR activities during the year forms part of the Annual Report.

Six Years' Operating and Financial Data:

Six years' financial performance of the Bank is presented on page no. 111 of this Annual Report.

Credit Rating:

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term credit rating of 'AA-' (Double A Minus) and short-term rating of 'A1+' (A One Plus) with Stable Outlook of the Bank through its notification dated 25 June 2022 [2021: long-term 'AA-' (Double A Minus); short-term 'A1+' (A One Plus)].



Furthermore, the Bank's unsecured, subordinated, rated, listed, perpetual, and non-cumulative Term Finance Certificates of Rs 4,000 million have been assigned the rating of 'A' with Stable Outlook by PACRA through their notification dated 25 June 2022.

PACRA had also maintained the credit rating of the Bank's unsecured, subordinated, and listed Term Finance Certificates (TFC – 2) issue of Rs 3,000 million at 'A+' (Single A plus) with Stable Outlook through its notification dated 25 June 2022. During the year 2022, the said instrument was successfully called back through exercise of a call option on 20 December 2022.

Following the exercise of the call option, the Bank issued fresh unsecured, subordinated, rated, privately placed Term Finance Certificates of Rs 4,000 million. PACRA assigned a rating of 'A+' with Stable Outlook to this instrument through its notification dated 14 November 2022. The instrument is in the process of being subsequently listed under Debt Security Listing Regulations.

The above ratings reflect the Bank's sustained and stable positions in the market with strong risk profiling and lending capacity. These ratings denote a low expectation of credit risk, and adequate capacity for timely payment of financial commitments.

Pattern of Shareholding:

The ownership structure along with the pattern of shareholding and categories of shareholders as required under section 227(2)(f) of the Companies Act, 2017 forms part of this Director's Report which has been placed at page no. 224 of the Annual Report.

Related Party Transactions:

Transactions with related parties were carried out in the ordinary course of the Bank's business and were conducted at arm's length basis. Details of these transactions are disclosed in note 45 to the financial statements.

Looking ahead:

The economy of Pakistan faces real and unprecedented challenges. It is very likely that inflation expectations are going to go up for consumers and business owners in the coming months. Despite the policy-induced decline in the CAD, numerous challenges for the external sector remain. Lack of recent financial inflows and current debt repayments have led to a depletion in official reserves.

With an effective risk management framework in place, the Bank remains committed to facilitating the rebound of the economy in the medium-term, whilst maintaining regulatory compliance with all the applicable laws and best practices.

We remain committed to expanding our footprint further as we continue to invest in our branch network, our technology infrastructure, our human capital, whilst strengthening our overall control environment. Going forward, our focus remains on building a stable deposit base, improving customer experience, and optimising returns through growth strategies and by enforcing a strong cost discipline across the Bank. Our focus is on facilitating and enhancing our customer experience through the use of technology.

We remain cognisant of the challenges facing businesses and the economy in general, and shall continue to work with our customers and partner with them amidst these challenging times.

Dividend:

The Board of Directors of the Bank, in their meeting held on 22 February 2023, has recommended a final cash dividend (D-14) of Re. 1.00 per share (i.e. 10.00 percent) for the year ended 31 December 2022 to be approved in the 31st Annual General Meeting of the Shareholders.

Acknowledgment:

On behalf of the Board, we thank the State Bank of Pakistan, the Ministry of Finance, the Securities and Exchange Commission of Pakistan, and other regulatory authorities for their continued guidance. We would also like to express our gratitude to our valued customers for their patronage, and our shareholders for their continued trust and support, and our staff for their continued commitment and dedication.

While there are challenging times ahead, we remain optimistic and confident about the future, and assure our stakeholders that the Bank shall continue with its efforts aimed at ceaselessly serving the growing needs of our society.

For and on behalf of the Board of Directors,

MUHTASHIM AHMAD ASHAI
President & Chief Executive Officer

ALAUDDIN J. FEERASTA
Chairman

Lahore: 22 February 2023



ساٹھکی اور بھٹی (کریٹڈ ریٹنگ):

پاکستان کریٹڈ ریٹنگ ایجنسی (پاکرا) نے اپنے نوٹیفکیشن تاریخ 25 جن 2022 کے ذریعے ویک کی طویل البعاد کریٹڈ ریٹنگ کو 'AA' (ڈبل اے پلس) اور قلیل البعاد ریٹنگ کو 'A1+' (اے ون پلس) پر محکم اعزازے کے ساتھ برقرار رکھا ہے۔ (2021: طویل البعاد 'AA' (ڈبل اے پلس)؛ قلیل البعاد 'A1+' (اے ون پلس)۔)

مزید برآں پاکرا نے بذریعہ نوٹیفکیشن 25 جن 2022 ویک کے 4,000 ملین روپے کے غیر محفوظ، ذیلی 'BBB' بندہ، داخلی اور غیر مجموعی ٹرانس سرٹیفکیٹ کے اجراء کو محکم نظرناے کے ساتھ 'A' ریٹنگ تو بیس کی ہے۔

پاکرا نے 25 جن 2022 کے نوٹیفکیشن کے ذریعے ویک کے غیر محفوظ، ذیلی اور سڈ ٹرانس سرٹیفکیٹ (TFC-2) کے 3,000 ملین روپے مالیت کے اجراء کی کریٹڈ ریٹنگ بھی 'A+' (سنگل اے پلس) محکم نظرناے کے ساتھ برقرار رکھی ہے۔ 2022 کے دوران 20 دسمبر 2022 کو ال اپائن کا استعمال کرتے ہوئے اس انٹرومنٹ کو کامیابی سے واپس لے لیا گیا۔

کال اپائن کی مشق کے بعد، ویک نے 4,000 ملین روپے کے غیر محفوظ، ذیلی 'BBB' بندہ، پانچ طرح کے ٹرانس سرٹیفکیٹ جاری کئے ہیں۔ PACRA نے 14 نومبر 2022 کو اپنے نوٹیفکیشن کے ذریعے اس انٹرومنٹ کو محکم اعزازے کے ساتھ 'A+' ریٹنگ تو بیس کی ہے۔ یہ انٹرومنٹ ڈیٹ سکیورٹی اسٹاک ریگولیشنز کے تحت درج ہونے کے عمل میں ہے۔

متحدہ بالا ویک بھٹی مشیور سڈ ریسک پروفائلنگ اور قرض دینے کی صلاحیت کے ساتھ ڈیٹ میں ویک کی پائیدار اور محکم پوزیشن کی عکاسی کرتی ہے۔ یہ ویک بھٹی کریٹڈ ریسک کی کم توقع اور مالی امداد کی بروقت ادائیگی کی کافی صلاحیت کی نشاندہی کرتی ہے۔

حصص کی ملکیت کی ترتیب:

یکٹیو ایکٹ 2017 کے سیکشن (1)(2) 227 کے تحت دیگر ملکیت کا ذخیرہ بیع حصص کی ملکیت کی ترتیب اور شیئر ہولڈرز کی تکلیف دہ اس ڈائریکٹرز رپورٹ کا حصہ ہیں جو سالانہ رپورٹ کے صفحہ نمبر 224 پر موجود ہیں۔

حلقہ فریق کے ساتھ لین دین:

حلقہ فریقین کے ساتھ لین دین ویک کی معمول کی سرگرمیوں کے مطابق Arm's Length Basis پر انجام دیا گیا۔ اس لین دین کی تفصیلات مالیاتی گوشواروں کے نوٹ 45 میں دی گئی ہیں۔

مشغلی کا خطرناہ:

پاکستان کی معیشت کو تقویت اور مشکل چیلنجز کا سامنا ہے۔ یہ بہت امکان ہے کہ آنے والے مہینوں میں صارفین اور کاروباری مالکان کیلئے انفرادی توقعات بڑھ جائیں گی۔ پالیسی کی وجہ سے CAD میں کمی کے باوجود روپے کیلئے بے شمار چیلنجز بدستور موجود ہیں۔ حالیہ مالی رقوم کی کمی اور قرضوں کی موجودگی ادائیگی سرکاری ذخائر میں کمی کا باعث بنی ہے۔

مؤثر ریسک منجھت فریم ورک کے ساتھ، ویک تمام عملی اطلاق قوانین اور بہترین طریقوں کے ساتھ ریگولیریٹی کیل کو برقرار رکھے ہوئے اور مالیاتی مدت میں معیشت کی بحالی میں سہولت فراہم کرنے کیلئے پرعزم ہے۔

ہم اپنے مجموعی کنٹرول ماحول کو مضبوط بناتے ہوئے اپنے پانچ صیغہ دارک، ٹیکنالوجی کے بنیادی ڈھانچے، اپنے انسانی سرمائے میں سرمایہ کاری جاری رکھ کر اپنے مقصد کو مزید بڑھانے کیلئے پرعزم ہیں۔ آگے بڑھتے ہوئے، ہماری توجہ ایک محکم ڈیپازٹ میں بنانے، صارفین کو بہتر خدمات فراہم کرنے، ترقی کی حکمت عملیوں کے ذریعے نتائج کو بہتر بنانے اور ویک میں ڈیٹ کے مضبوط نظم و ضبط کے نفاذ پر مرکوز ہے۔ ہماری توجہ ٹیکنالوجی کے استعمال سے اپنے صارفین کے تجربے کو آسان بنانے اور اس میں اضافہ کرنے پر ہے۔

ہم کاروبار اور معیشت کو درپیش عمومی چیلنجز سے آگاہ ہیں اور ان مشکل وقتوں میں اپنے صارفین کے ساتھ کام اور شراکت جاری رکھیں گے۔

ذریعہ نفاذ:

ویک کے بورڈ آف ڈائریکٹرز نے 22 فروری 2023 کو متحدہ اپنے اجلاس میں 31 دسمبر 2022 کو ختم ہونے والے سال کیلئے 1 روپیہ فی حصص (یعنی 10 فیصد) کے حتمی پیش ذریعہ نفاذ (D-14) کی سفارش کی ہے جس کی منظوری شیئر ہولڈرز کی طرف سے 31 دسمبر سالانہ اجلاس عام میں متوقع ہے۔

حتمی نکات:

بورڈ کی جانب سے ہم اٹیٹیٹ ویک آف پاکستان، وزارت خزانہ، سیکرٹری ایڈمنسٹریشن آف پاکستان اور دیگر ریگولیریٹی اتھارٹیز کی مسلسل رضامندی اور سرپرستی کیلئے ان کے شکر گزار ہیں۔ ہم سرپرستی کیلئے اپنے قابل قدر صارفین، مسلسل امداد اور حمایت کیلئے اپنے شیئر ہولڈرز اور مسلسل ادائیگی اور محنت کیلئے اپنے ملازمین کا بھی شکریہ ادا کرتے ہیں۔

اگرچہ آنے والی مدت مشکل ہے مگر ہم مستقبل کے بارے میں پرامید اور پراعتماد ہیں اور اپنے اسٹیٹ ہولڈرز کو یقین دلاتے ہیں کہ ویک معاشرے کی بڑھتی ہوئی ضروریات پوری کرنے کیلئے اپنی کوششیں جاری رکھے گا۔

منجانب بورڈ آف ڈائریکٹرز۔

علامہ خالد بن نیر اسد
چئیرمین

محکم اعزاز کی
پریزنٹ اور چیف ایگزیکٹو آفیسر

لاہور، 22 فروری 2023



دور مقامات اور مجال جو بینک کی مستحکم کی پیش رفت، کارکردگی اور کاروباری حیثیت پر اثر انداز ہو سکتے ہیں:

بورڈ بینک کی مجموعی سمت کا تعین کرنے میں اپنی ذمہ داریوں سے واقف ہے۔ بورڈ جان کر وہ KPIs کیلئے بینک کی پیش رفت کی مستعدی سے گہرائی کرتا ہے۔ بینک کی مالیاتی اور آپریشنل بہتری، گورننس کے ڈھانچے، اندرونی کنٹرولز کے موثر ہونے اور آڈٹ کے شعبے اور خطرات کے انتظام کے دائرہ عمل کی باقاعدگی سے گہرائی کرتا ہے۔ بورڈ تمام اہم پالیسیوں کا ریگولیٹری شرٹنگ کے مطابق باقاعدگی سے جائزہ لے لے رہا ہے۔

دو مجال جو نکتہ طور پر بینک کے وسائل، محصولات اور کاموں کو متاثر کر سکتے ہیں، بورڈ کی مرکزی توجہ کے حامل اور اس کی ترجیح ہیں تاکہ مجموعی اسٹریٹجک سمت کا تعین کیا جاسکے۔ حمایت کے تجربے اور اہداف کا تعین کرنے اور مختصر مدت کی پیش گوئی پر نظر ثانی کے وقت ان تمام مجال پر غور کیا جاتا ہے۔ ان میں درج ذیل شامل ہیں:

- رعایتی شرح / مائیکرو پالیسی پر فیصلہ سازی؛
- ڈپازٹ پر منافع کی شرح پر نظر ثانی؛
- قرضوں اور ادائیگیوں پر مرکز نرخ بندی اور تبدیلی؛
- سرمایہ کاری کی حکمت عملی اور نام پار بنان؛
- حیرت انگیز عمل خطرات اور غیر معمولی صورتحال بشمول امن و امان کی صورتحال؛
- کاروبار، مجموعی حیثیت، عملی کاروبار اور ریگولیٹری ریلیف اقدامات پر قدرتی آفات کے اثرات (اگر کوئی ہوں)؛
- حکومت کے قواعد و ضوابط؛
- افراز، رجسٹر، نیول اور عام اجناس کی قیمتیں؛
- کارپوریٹ گیس کے اقدامات؛
- مسابقتی فائدے کے حصول کیلئے جدید ٹیکنالوجی؛
- ذریعہ کاروبار کے فیصلے اور سرمائے کی سوز و گداز؛
- اکاؤنٹنگ اور ریگولیٹری دائرہ عمل پر امکانی اثرات؛

بینک مالیاتی پورٹفولیو کے معیارات میں ہونے والی تبدیلیوں اور مالی حیثیت سے متعلق نئے معیارات کو اپنانے کے امکانی اثرات کا باقاعدگی سے جائزہ لیتا رہتا ہے۔ مذکورہ مجال کا باقاعدگی سے جائزہ لیا جاتا ہے اور کسی بھی نکتہ اثرات، خطرات اور غیر معمولی صورتحال کیلئے ان کی گہرائی کی جاتی ہے۔ بینک کارکن، مینجمنٹ اور جنرل منیجمنٹ سے نکتہ چینیوں کو برداشت کرنے کی بینک کی مصلحت کا تجربہ کرنے کیلئے پہلے سے طے شدہ مختلف مہرہ سوس کے خلاف تباہی کی جانچ بھی کرتا ہے۔

بورڈ کے حالیہ تجربے کی بنیاد پر جاری مسائل پر بینک کی پلٹنے رہنے کی مصلحت کے بارے میں کوئی شک و شبہات نہیں پائے جاتے۔

ہر دوئی آڈیٹرز:

31 دسمبر 2022 کو ختم ہونے والے سال کیلئے بینک کے مالیاتی گوشواروں کا آڈٹ کسی اعتراض کے بغیر بینک کے آڈیٹرز میسرز کے پی ایم بی ڈاٹھیرا دی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی طرف سے کیا گیا ہے۔

موجودہ آڈیٹرز میسرز کے پی ایم بی ڈاٹھیرا دی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے سال 2023 کیلئے منظوری سے مشروط بینک آڈیٹرز کے طور پر کام جاری رکھنے کیلئے اپنی رضامندی دی ہے۔ بورڈ آڈٹ کمیٹی نے موجودہ آڈیٹرز کو اگلے سال کیلئے بینک کے قانونی ہر دوئی آڈیٹرز کے طور پر دوبارہ تعینات کرنے کی سفارش کی ہے۔ تقرری بینک کے شیئر ہولڈرز کے آئندہ سالانہ اجلاس عام میں منظوری سے مشروط ہوگی۔

آڈیٹرز کی فرم نے انٹیلیٹیٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے کوآپریٹو کنٹرول کے جائزہ پر ڈراما کے تحت قابل اطمینان رینٹنگ کی تصدیق کی ہے اور فرم اور اس کے تمام پارٹنرز انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ضابطہ اخلاق کی پابندی کی تعمیل کر رہے ہیں، جو انٹیلیٹیٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان نے اپنائی ہیں اور تمام لاگو قوانین کے تحت تقرری کی شرٹنگ پر پورا اترتے ہیں۔

بینک مینجمنٹ اور بورڈ کی جانب سے پورے آڈٹ کی مدت میں ہم آڈیٹرز کی خدمات اور تعاون کیلئے ان کے شکور ہیں۔

بعد کے واقعات:

آپ کے بینک کی مالی حالت کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے مالی سال کے اختتام اور دائرہ کنٹرول کی رپورٹ کی تاریخ کے درمیان نہیں ہوئے ہیں۔

کارپوریٹ گورننس اور مصلحتی ذمہ داری:

بینک ملکی اور اقتصادی ترقی میں فعال کردار ادا کرنے کے سچے سچے مہم سے مشغول ہے۔ دیرینہ سال، بینک نے صحت، تعلیم اور نوجوانوں کو بااختیار بنانے کے ساتھ ساتھ کمیونٹی ڈویلپمنٹ، بچوں اور معالی کے دیگر شعبوں میں کئی ای ایس آر ایچس اور خیراتی کاموں میں فعال انداز اور باقاعدگی سے حصہ لیا۔ "روشن ہر قدم" کے جذبے کو برقرار رکھتے ہوئے بینک نے ملک اور اس کے لوگوں کیلئے اپنی سماجی ذمہ داری کی تکمیل کو چھٹی بنا لیا۔ سال کے دوران بینک کی اہم سی ایس آر سرگرمیوں کا خلاصہ سالانہ رپورٹ کا حصہ ہے۔

چھ ماہ کی اور مالیاتی ڈیٹا:

اس سالانہ رپورٹ کے صفحہ نمبر 111 پر بینک کی چھ ماہ کی مالیاتی کارکردگی کی جانچ کی گئی ہے۔

- رسک ایک مخصوص تعریف کے تحت لیا جاتا ہے؛
- ہر رسک کی رسک منجمنت فریم ورک کے تحت منظوری کی ضرورت ہوتی ہے؛
- رسک کی مناسب مٹائی کی ضرورت ہوتی ہے؛ اور
- رسک کی مستقل نگرانی اور انتظام ہونا چاہئے

یورڈینک کے دستخط رسک منجمنت فریم ورک پر نظر رکھتا ہے اور رسک کی رسک منجمنت حکمت عملی اور پالیسیوں کی منظوری دیتا ہے۔ ہر ڈرسک اینڈ کمپلائنس کمیٹی (BRCC) اس بات کو یقینی بناتی ہے کہ بینک ہر وقت ایک عمل اور نظامی رویہ رسک منجمنت فریم ورک کو برقرار رکھے اور رسک کو قابل قبول سطحوں کے اندر برقرار رکھا جائے۔ حریج برآں، کریڈٹ رسک منجمنت کمیٹی (CRMC) اور دیگر تمام منجمنت کمیٹیاں بنیادی طور پر BOD کی منظورشہ رسک منجمنت پالیسی کی تعمیل کو یقینی بنانے اور بینک کے متعلقہ شعبوں میں خطرے کی سطح کی نگرانی اور انتظام کی ذمہ دار ہیں۔

رسک منجمنت فریم ورک کی جانب سے سالانہ بنیاد پر منظوری جاتی ہے اور رسک، کمپنیز اور کارکردگی کے اہداف کے تسلسل کیلئے رسک اپ ڈیٹ اور اسٹریٹجک اور کمپنیز پلان پر مبنی وضاحت کی جاتی ہے۔ کراس رسک تجزیے کا جائزہ پورے گروپ میں کیا جاتا ہے تاکہ اس بات کی توثیق کی جاسکے کہ رسک منجمنت کا نظام اور جاتی آگاہی موجود ہے۔

رسک منجمنت کے عمل کے ذریعے کریڈٹ رسک، مارکیٹ رسک، آپریشنل رسک، لیکویٹی رسک، برنس رسک اور پیچیدگی رسک سمیت ملے جلے رسک کی تمام اقسام کا انتظام کیا جاتا ہے۔ رسک اور کمپنیز کی جائزہ کیلئے ڈاٹنگ اور پینل کے طریقوں کو ملے جلے رسک کی تمام اقسام پر لگایا جاتا ہے۔

سسٹم عمل اور پالیسیاں ہماری رسک منجمنت کی صلاحیت کے اہم جز ہیں۔ بحالی اور ہنگامی منصوبہ بندی، بحالی کے انتظام کیلئے رہنمائی کا باعث ہے اور کسی وبا کے نتیجے میں کمپنیز اور لیکویٹی بنی پوزیشن کو بچھڑانے کیلئے منجمنت کو مجوزہ اقدامات کا ایک مجموعہ فراہم کرتی ہے۔

سال کے دوران، بینک نے کامیابی سے ایک نوکار CAR کیلکولیٹر تیار اور لاگو کیا۔ اس کا مقصد صرف ہمارے ریگولیٹری CAR ریٹرز کی تیاری میں سہولت فراہم کرنا ہے بلکہ بینک کے کمپنیز منجمنت کے عمل کیلئے ایک موثر ٹول کے طور پر بھی کام کرتا ہے۔ حریج برآں، IFRS 9، مالیاتی انشورنس کے نفاذ پر اسٹیٹ بینک آف پاکستان نے اپنی رہنمائی کے جزی کے طور پر، نے ٹیکس کو LGDs، PDs اور CCFs کیلئے اعداد و ثبوتی طور پر ماڈل تیار کرنے کی ہدایت کی تھی۔ حریج برآں، حریج برآں، بینک کی رسک منجمنت عمل نے ان ماڈل کو تیار کرنے کیلئے حریج برآں سے کام کیا جو بینک کو ضمنی ہائپر لیکویٹی کے مطابق ڈکوری معیار کے نفاذ میں سہولت فراہم کریں گے۔ کمپنیز کے حساب سے PDs کا تخمینہ تیار کرنے کے طریقوں سے لگایا جاتا ہے جس میں مارکیٹ میں نئے ٹیکنیک طریقہ کار اور لاچنگ ریٹیشن کے بعد کمپنیز میں ORR پر مبنی میٹریکس فراہمیشن شامل ہے۔ PDs کو پیچھے کیلئے حسابی TTC PDs کو تیار کرنا تاکہ بحالی کے ساتھ لگایا جاتا ہے۔ بینک نے اپنے پاس دستیاب تاریخی ڈیٹا پر ہر کھسٹ کیلئے موثر LGD اور CCF ماڈل تیار کئے ہیں۔

ابتدائی طور پر ہمارے کمپنیز، میسرز کے پی ایم پی اینڈ کمپنی کی مدد سے تیار کئے جانے والے ہمارے مجموعی ای سی ایل کیلکولیٹرز، ان کی رسک منجمنت ڈپارٹمنٹ میں ہماری ان ہاؤس ٹیم نے بتدریج بہتر اور اپ گریڈ کیا ہے۔ کیونکہ اس پر ہدایات تبدیل ہوتی رہتی ہیں، ہماری ٹیم وقتاً فوقتاً مزید اصلاحات کرتی رہتی ہے۔ ہمارا اگلا قدم اس انجین کو اپنے سوری سسٹم کے ساتھ ضم کرنا ہے تاکہ ای سی ایل کیلکولیٹرز کے عمل کو خود کار بنایا جاسکے۔

ہم ایک مربوط ریگولیٹری ٹولز کو فروغ دیتے ہیں جہاں ہر سطح پر ملازمین رسک کے نظم نسق اور کھسٹوں کی ذمہ دار ہیں۔ ہم توقع کرتے ہیں کہ ملازمین اس طریقہ کار کا مظاہرہ کریں گے جو ہمارے کو آف برنس کنڈکٹ اور اصلاحات کے مطابق منسوب رسک منجمنت کی نگرانی کرتا ہے۔ ہماری پالیسی کا مقصد ہے کہ ہماری کارکردگی کے تجزیے کے عمل کے دوران رسک سے متعلق رویے کو مد نظر رکھا جائے۔ اس کے علاوہ، ہمارے یورڈینک اور ان منجمنت منجمنت مستقل حراستی کے فروغ کیلئے اس موضوع کی اہمیت پر اکثر وضاحت کرتے ہیں۔

اعداد و ثبوت کی نگرانی کا اطلاق:

بینک کی انتظامیہ اعداد و ثبوت کی نگرانی کے بہتر نظام کو برقرار رکھنے کی ذمہ دار ہے تاکہ آپریشنل استحکام اور ان کے موثر ہونے، قانونی شراکتہ کی تعمیل اور ناقص رپورٹنگ پر احتیاط کو یقینی بنایا جاسکے۔ بینک کے مجموعی اہداف کے حصول میں ہر کامی کے خطرے کی نگرانی اور اسے کم کرنے کیلئے خاطر خواہ انتظام طریقہ کار اور کنٹرول رکھے گئے ہیں۔ ان کنٹرولز میں وہ پالیسیاں اور طریقہ کار شامل ہیں جو یورڈینک آف ڈائریکٹرز کے ذریعے منظور شدہ ہیں اور ان کی تعمیل اور موثریت کی توثیق خود بخود داخلی آڈٹ اور جنرل یورڈینک کمیٹی کو برابراست پر رکھتے ہوئے کی ہے۔

موجودہ پالیسیوں اور طریقہ کار کا باقاعدگی سے جائزہ لیا جاتا ہے اور انہیں وقتاً فوقتاً جب بھی ضروری ہو بہتر بنایا جاتا ہے۔ یورڈینک کے تجزیے کے مجموعی دائرہ عمل، پالیسی اور اسٹریٹجی کی نگرانی کیلئے اپنی ذیلی کمیٹیاں تشکیل دی ہیں، جو باقاعدہ وقتوں میں ملتی ہیں تاکہ موزوں گورننس کو یقینی بنایا جاسکے۔

یورڈینک آف ڈائریکٹرز اس ذمہ داری کو سمجھتے ہیں کہ کیا موزوں اور موثر اعداد و ثبوت کی نگرانی کا انتظام یقینی بنایا جائے جو بینک کے موجودہ آپریشن کا احاطہ کرتا ہے اور منجمنت اس پر مبنی طریقے سے عمل ہی ہو۔

اعداد و ثبوت، کمپنیز کنٹرول اور انویسٹمنٹ گورننس اور بروڈی آڈیٹرز کی جانب سے پیش کی جانے والی رپورٹس اور مختلف پالیسی اور طریقہ کار کی بنیاد پر ہم یقین رکھتے ہیں کہ بینک کا موجودہ اعداد و ثبوت کی نگرانی سسٹم اپنی اہمیت کے ساتھ موزوں ہے اور موثر طریقے سے اس کا اطلاق اور جانچ کی جا رہی ہے۔

مجموعی اعداد و ثبوت کی نگرانی سسٹم ICFR کے موثر ہونے کا منجمنت کی طرف سے لگایا اعتماد، جس کی تعمیل اعداد و ثبوت کی نگرانی کے پیمانہ میں دی گئی اور اس سالانہ رپورٹ کا حصہ ہے، یورڈینک کی توثیق کرتا ہے۔



ڈائریکٹرز کا معاہدہ

اسٹیٹ بینک آف پاکستان کے BPRD سرگرمیوں 03 مارچ 17 اگست 2019 (جس کی جگہ اب کارپورٹ گورننس ریگولیشنز فریم ورک نے لے لی ہے) کی شرائط کی تعمیل کرتے ہوئے بینک نے "ٹان انڈیکسڈ ڈائریکٹرز کیلئے معاہدے کی پالیسی" تشکیل دی جس کی منظوری خصص یافتگان نے 26 مارچ 2020 کو اپنے 28 ویں سالانہ اجلاس عام میں دی گئی جس میں بعد ازاں 25 مارچ 2022 کو منصفہ 30 ویں سالانہ اجلاس میں ترمیم کی گئی۔

موجودہ پالیسی میں، بورڈ نے 24 مارچ 2022 کو بلائے گئے اپنے 191 ویں اجلاس میں بورڈ اور بورڈ کئی کے اجلاسوں میں شرکت کیلئے ٹان انڈیکسڈ ڈائریکٹرز کے بینک کو اپنے جتنی وقت دینے اور ہنگامی کے بڑھتے ہوئے رٹائن کو مد نظر رکھتے ہوئے معاہدے کے بنانے پر نظر ثانی کر کے شیئ 3.1 میں ترمیم کرنے کی سفارش کی ہے۔ اس سلسلے میں، خصص یافتگان نے 26 مارچ 2020 کو بلائے گئے اپنے اٹھائیسویں سالانہ اجلاس عام میں بورڈ کو یہ اختیار بھی سونپا ہے کہ وہ اسٹیٹ بینک آف پاکستان کی طرف سے تجویز کردہ زیادہ سے زیادہ حدود کی پابندی کرتے ہوئے اپنے منظور کردہ معاہدے کے بنانے کا تین تہائی یا نظر ثانی کرے۔ اس پالیسی میں ڈائریکٹرز کی طرف سے تجویز کردہ ترمیم درج ذیل ہیں:-

3.1 شیئ

الف) ٹان انڈیکسڈ ڈائریکٹرز بشمول آزاد ڈائریکٹرز کو سالانہ بینک کے ہتخر میں اور کمیشنوں کے ہتخر میں اجلاس میں شرکت کرنے کی ٹیس

- موجودہ 150,000 روپے سے 250,000 روپے فی اجلاس (مجموعی)۔

ب) بینک کے ہتخر میں اور کمیشنوں کے ہتخر میں کیلئے اجلاس کی ٹیس

- 20% اضافی اجلاس کی ٹیس یعنی (250,000 روپے + 50,000 روپے) کل 300,000 روپے فی اجلاس

پ) 24 مارچ 2022 سے مؤثر

موجودہ بلند ترین انفرادی گورننگ ٹرانزیکشن کے بورڈ نے 22 فروری 2023 کو بلائے گئے اپنے 196 ویں اجلاس میں بورڈ اور بورڈ کئی کے اجلاسوں میں شرکت کیلئے معاہدے کے بنانے میں مزید اضافہ کیا ہے، جو کہ درج ذیل ہے:

3.1 شیئ

الف) ٹان انڈیکسڈ ڈائریکٹرز بشمول آزاد ڈائریکٹرز کو سالانہ بینک کے ہتخر میں اور کمیشنوں کے ہتخر میں اجلاس میں شرکت کرنے کی ٹیس

- موجودہ 250,000 روپے سے 300,000 روپے فی اجلاس (مجموعی)

ب) بینک کے ہتخر میں اور کمیشنوں کے ہتخر میں کیلئے اجلاس کی ٹیس

- 20% اضافی اجلاس کی ٹیس یعنی (300,000 روپے + 60,000 روپے) کل 360,000 روپے فی اجلاس

پ) 21 فروری 2023 سے مؤثر

نظر ثانی شدہ پالیسی خصص یافتگان کے سامنے ان کی منظوری کیلئے اسٹیٹ بینک آف پاکستان کے جاری کردہ BPRD سرگرمیوں 05 مورچہ 22 نومبر 2021 کے تحت پیش کی جا رہی ہے۔

پردہ ڈھانڈ اور گریب نیٹنگ کی سرمایہ کاری کا خلاصہ

بینک اپنے تمام مستقل ملازمین کیلئے منظور شدہ پردہ ڈھانڈ اور گریب نیٹنگ اسکیم چلا رہا ہے۔ فلڈز کے حالیہ ترین آڈٹ شدہ مالیاتی گوشواروں میں سرمایہ کاری کے حیران کن (ٹکنس) میں ڈھانڈ کے علاوہ) یہ ہیں:

(’000 روپے میں)

384,312/-

157,505/-

پردہ ڈھانڈ کی سرمایہ کاری

گریب نیٹنگ کی سرمایہ کاری

رسک مینجمنٹ فریم ورک پر جان:

خطرات سے نمٹنے کا دائرہ عمل سوئیری بینک کی حکمت عملی کا بنیادی جزو ہے۔ فریم ورک کا مقصد شناخت، پیمائش، جانچ اور مختلف خطرات کے اعکشاات کی رپورٹنگ سے تمام اسٹیٹ ہولڈرز کی قدر میں اضافہ کرنا ہے۔ بینک کی خطرات سے نمٹنے کی حکمت عملی اسٹیٹ بینک آف پاکستان کے طریقہ کار اور بینک کے بورڈ آف ڈائریکٹرز کی تجاویز کے مطابق ہے۔ رسک اپڈیٹ کے حوالے سے ہائی الیکٹرک رائے اہم ہے۔ بینک کا خطرات سے نمٹنے کا طریقہ کار جدید ڈائریکٹرز اور سسٹمز پر مشتمل ہے جن کی ہدایت کی سے نظر ثانی کی جاتی ہے تاکہ بینک میں خطرات سے نمٹنے کے دائرہ عمل کو مضبوط بنایا جاسکے۔

ہماری رسک مینجمنٹ کی حکمت عملی کا بنیادی مقصد مزید رسک اور معاشی سرمائے کے انتظام کی صلاحیتوں کو بڑھانے کا ہے جن سے بینک کو اپنے مختلف کاروباری آپشنز میں خطرات کا مزید نقطہ نظر اور اس کی رسک مینجمنٹ کی صلاحیتوں سے استفادہ حاصل ہوتا ہے۔ ہمارے مشورے کاروباری ڈائل کا تقاضا ہے کہ ہم اپنے خطرات کی شناخت، پیمائش اور مجموعہ کا انتظام کریں اور اپنے کاروبار میں سرمائے کو محفوظ کریں۔ ہمارا مقصد رسک مینجمنٹ کیلئے ایک جامع نقطہ نظر کی حوصلہ افزائی اور ہر سے ادارے میں ریٹرن کے ساتھ ساتھ رسک کی مؤثر مینجمنٹ، کنٹرول اور پیچھے پھلنے پر ہنگامی کے مؤثر انتظام کی حوصلہ افزائی کر کے اپنی قوت برداشت کو تقویت دینے میں مدد کرنا ہے۔ ہم اپنے کاروبار کے سلسلے میں انتہائی سرگرمی سے رسک لینے ہیں اور مندرجہ ذیل اصول ہمارے رسک مینجمنٹ فریم ورک کو واضح کرتے ہیں:



بورڈ آف ڈائریکٹرز کا تازہ ترین انتخاب 26 مارچ 2020 کو ہوا۔ موجودہ سال میں بورڈ کی ساخت میں کوئی تبدیلی نہیں ہوئی ہے اور اس مدت میں کوئی عام آسامیاں نہیں ہوئیں۔ بورڈ آف ڈائریکٹرز کی موجودہ ساخت یہ ہے:

ڈائریکٹرز کی کل تعداد بشمول پرنسپل اور چیف ایگزیکٹو آفیسر: 08

مرد 07

عورت 01

نام	کٹگری
جناب جمیل حسن ہمانی محترمہ نوین سلیم پرنٹ	ٹوبہ ڈائریکٹرز
جناب علاؤ الدین فیراست جناب نور الدین فیراست جناب امماے فیراست جناب محمد شہد طاہر جناب منصور احمد (این آئی ٹی کے نمائندے)	ٹان ایگزیکٹو ڈائریکٹرز
جناب محترمہ امما شانی*	ایگزیکٹو ڈائریکٹر

* کمپنیز ایکٹ 2017 کے سیکشن 188 کی قیود کے مطابق صدارت اور چیف ایگزیکٹو ڈائریکٹر تصور کئے گئے۔

غیر عملی ڈائریکٹرز:

بینک کے بورڈ میں کسی غیر عملی ڈائریکٹرز کی نمائندگی نہیں ہے۔

ایگزیکٹو ڈائریکٹرز و دیگر ڈائریکٹرز:

جناب محترمہ امما شانی کی بلورڈ ڈائریکٹرز کی اور ادارے میں نمائندگی نہیں ہے۔

پاکستان سے باہر بورڈ کا اجلاس:

سال کے دوران پاکستان سے باہر بورڈ کا کوئی اجلاس نہیں ہوا۔

ڈائریکٹرز بینک اور تجارتی کوری:

بورڈ اپنے ترقی پر وگرام کے حوالے سے شرائط کی مکمل تعمیل کر رہا ہے۔ چار ڈائریکٹرز نے پاکستان انشورینس آف کارپوریشن گورننس ("PICG") کی جانب سے "سرٹیفکیٹ آف ڈائریکٹرز ایجوکیشن" حاصل کیا اور ایک ڈائریکٹر نے انشورینس آف بزنس اینڈ انشورینس ("IBA") کی جانب سے ڈائریکٹرز بینک پروگرام مکمل کیا۔

مزید برآں، دونوں ڈائریکٹرز جناب نور الدین فیراست اور جناب محمد شہد طاہر کلائنٹ کنٹری (کوڈ آف کارپوریشن گورننس) آرگنائزیشن 2019 کی قیود کے مطابق نمبر 19 کے تحت استثناء دیا گیا ہے۔

مزید یہ کہ ہمارے ڈائریکٹرز نے مختلف ورک شاپس، سیمینارز اور کورسز میں شرکت کی ہے۔ جہیز میں، جناب علاؤ الدین فیراست اور ڈائریکٹر جناب نور الدین فیراست نے "کارپوریشن گورننس اینڈ ڈیویڈنڈ پالیسی" پر ملٹی میڈیا میں منعقد ہونے والی ورکشاپ کی اور کتاب میں شرکت کی تھی۔ جناب محمد شہد طاہر نے PICG کی جانب سے منعقدہ انشورینس آف ڈائریکٹرز، بے کے، کے سات دن پر مشتمل کورس میں بھی شرکت کی۔

کاروباری جائزہ

مشکل وقت میں، بینک نے 31 دسمبر 2022 کو ختم ہونے والے سال میں منافع قبل از ٹیکس (PBT) 4554.021 ملین روپے اور منافع بعد از ٹیکس (PAT) 1,883.243 ملین روپے حاصل کیا جو گزشتہ سال میں باہر تیب 5,149.219 ملین روپے اور 2,854.147 ملین روپے تھا۔ بینک کی فی شخص آمدنی 2021 کے 2.59 روپے فی شخص کے مقابلے میں 1.71 روپے فی شخص رہا کی گئی۔

31 دسمبر 2022 کو ختم ہونے والے سال کیلئے بینک کی خاص مارک اپ آمدنی (NII) یکھلے سال کے 10,937.534 ملین روپے کے مقابلے میں 11,266.756 ملین روپے رہی جو 3.01 فیصد سال بھال اضافے کی نشاندہی کرتی ہے۔ تاہم سال 2022 کے پیشتر حصے میں، بینک کی خاص مارک اپ آمدنی کم رہی، جس کی بنیادی وجہ سال کے دوران پالیسی ریٹ میں حوازا تہدیلیوں کے نتیجے میں بینک کی پیٹنس شیٹ کی دوبارہ تنقیص سے پیدا ہونے والا مسلسل وقت کا فرق ہے۔ جون جون سال آگے بڑھتا گیا، وقت کا اثر بتدریج توقع کے مطابق کم ہوتا گیا، وقت کا فرق اٹ جانے سے مناسب اثر پڑتا ہے۔ شرح سود کے بدلنے ہونے کا عام میں سال کے دوران بینک کے سرمایہ کاری کے پورٹ فولیو کو بھی آہستہ آہستہ ری سائٹنگ کیا گیا تاکہ سرمایہ کاری پر منافع کو بہتر بنایا جاسکے۔

سال 2022 کی غیر مارک اپ آمدنی گزشتہ سال کے 4,290.235 ملین روپے کے مقابلے میں ساڑھے تین صدک بڑھ کر 5,157.452 ملین روپے تک پہنچی گئی۔ سیکورٹیز پر معاملات اور منافع کے استثناء کے ساتھ تمام بان لٹز پر مبنی آگم لائز سال بھال شدت تہدیلیوں کی نشاندہی کرتی ہیں۔ یہ بنیادی طور پر صارفین میں اضافے، بہتر وائیوم، اور فعال پیٹنس شیٹ پر مشتمل کی وجہ سے تھا۔ پی ایس ایف ایف ایف میں گراؤت کے رجحانات کی وجہ سے ہونے والے سرمائے کے نقصانات کے ساتھ موجودہ مدت میں کھول گین کو استعمال کرنے کے مواقع کی عدم موجودگی سے سیکورٹیز سے ہونے والی آمدنی گزشتہ سال کی سطح سے کم رہی۔

جموئی طور پر، بینک کی آمدنی میں 1,196.439 ملین روپے یا 7.86 فیصد سال بھال اضافہ ہوا ہے۔

سال کے اختتام پر 31 دسمبر 2022 کو ڈپازٹس 409,642 ملین روپے تھے جو گزشتہ سال کی پوزیشن کے مقابلے میں 6,606 ملین روپے یا 1.64 فیصد اضافہ ہے۔ اوسط کے لحاظ سے پورٹ فولیو میں 51,262 ملین روپے تک یا 14.90 فیصد سال بھال اضافہ ہوا۔ شرحوں کیلئے سخت مسابقت کے درمیان، بینک کی وجہ CASA کس بہتری اور کرنٹ اکاؤنٹس کو برقرار رکھنے پر مرکوز رہی، جب کہ اعلیٰ ترین معیار کی سروس کی سطح کو یقینی بنایا گیا۔ 31 دسمبر 2022 کو بینک کا CASA کی شرح بڑھ کر 79.19 فیصد رہی (دسمبر 2021: 69.80 فیصد)۔ کرنٹ اکاؤنٹس کس جو دسمبر 2021 میں 27.17 فیصد تھا 31 دسمبر 2022 کو 32.73 فیصد ہو گیا، اور کرنٹ اکاؤنٹ کے حجم میں سال کے آخری سطحوں سے 24.586 ملین روپے یا 22.45 فیصد اضافہ ہوا۔ اوسط کے لحاظ سے کرنٹ اکاؤنٹ کے حجم میں 16,890 ملین روپے یا 17.65 فیصد سال بھال اضافہ ہوا سال 2022 کیلئے اوسط کرنٹ اکاؤنٹ کا حجم 112,636 ملین روپے تھا۔

سال کے دوران پالیسی ریٹ میں بتدریج اضافے کے ساتھ سال 2022 کے بینک ڈپازٹس کی لاگت بڑھ کر 8.85 فیصد ہو گئی جب کہ سال 2021 میں یہ 4.86 فیصد تھی۔ جس کے نتیجے میں رواں سال کے بینک ڈپازٹس کی لاگت سال 2021 کے 16,719 ملین روپے کے مقابلے میں 34,963 ملین روپے بڑھ گئی، جو جموئی طور پر 109.12 فیصد اضافہ ہے۔ کس میں بہتری اور کرنٹ اکاؤنٹ برقرار رکھنے کو ذہن میں رکھتے ہوئے، بینک فنڈنگ کی لاگت مستحق رکھنے پر کوشاں ہے تاکہ جموئی مارجن میں بہتری آئے۔

سال کے اختتام پر 31 دسمبر 2022 تک سرمایہ کاری گزشتہ سال کے 327,425 ملین روپے سے کم ہو کر 258,007 ملین روپے ہو گئی، جو 21.20 فیصد کم ہے۔ تاہم سال 2022 کیلئے بینک کی اوسط خاص سرمایہ کاری میں گزشتہ سال برقرار رہنے والے 276,334 ملین روپے کے مقابلے میں 305,092 ملین روپے تک بہتر ہوئی۔ حجم میں اس اضافے کے ساتھ ساتھ منافع میں بتدریج بہتری سے سال رواں میں بینک کی سرمایہ کاری سے آمدنی بڑھ کر 37,005 ملین روپے ہو گئی جو گزشتہ سال 22,619 ملین روپے تھی۔ اوسط قدرہ شرح PIB پورٹ فولیو 64,600 ملین روپے رہا، جس پر منافع 8.87 فیصد تھا۔ اس کے باوجود سال 2022 کے جموئی سرمایہ کاری منافع 12.13 فیصد رہا، جو سال 2021 میں 8.19 فیصد تھا۔ 31 دسمبر 2022 کو بینک کا IDR 62.98 فیصد ہوا سال 2021 کے اختتام پر 81.24 فیصد تھا۔

سال بھال مقابلے میں، ایف ڈائمنڈز پر خاص منافع میں بھی بہتری آئی اور 2022 کیلئے 12.44 فیصد پر ختم ہوئی جو کہ سال 2021 میں 7.63 فیصد تھی، جو سال کے دوران ایٹلٹ بینک آف پاکستان کی جانب سے پالیسی کی شرحوں میں بتدریج اضافے کو ظاہر کرتی ہے۔ سال 2022 کے بینک کے اوسط خاص ایف ڈائمنڈز بڑھ کر 193,590 ملین روپے ہو گئے، جو گزشتہ سال 175,221 ملین روپے تھے۔ جب کہ ایف ڈائمنڈز سے ہونے والی آمدنی سال 2021 کے 13,374 ملین روپے کے مقابلے میں رواں سال میں 24,076 ملین روپے پر ختم ہوئی، سال کے آخر میں ایف ڈائمنڈز کی رقم 208,434 ملین روپے تھی، جو گزشتہ سال کے آخر میں 165,495 ملین روپے تھی یہ 25.95 فیصد سال بھال اضافہ ہے۔ 31 دسمبر 2022 کو بینک کا جموئی ADR 52.67 فیصد تھا جو 3 دسمبر 2021 کو 43.03 فیصد تھا۔

31 دسمبر 2022 کو برورنگ گزشتہ سال کے 124,585 ملین روپے کے مقابلے میں 115,728 ملین روپے تھی جو 8.857 ملین روپے کی ظاہر کرتی ہے۔ سال 2022 کی جموئی لاگت کی شرح بڑھ کر 10.95 فیصد ہو گئی جو یکھلے سال 8.22 فیصد تھی۔



مالیاتی شمارہ مالی سال 23 میں جی ڈی پی کے ایک لیکھ پانچ سے سیکڑ 8.9 لیکھ ہونے کا امکان ہے اور آمدنی کو متحرک کرنے کے اقدامات بالخصوص جی ایس ٹی کی ہم آہنگی اور ذاتی ٹیکس اصلاحات کی وجہ سے درمیانی مدت میں اس میں بتدریج کمی کی توقع ہے۔ تجزی سے جی ڈی پی کی برائے نام نمو کے ساتھ مسلسل بنیادی خسارے کے باوجود جی ڈی پی کے جڑ کے طور پر عوامی قرض میں بتدریج کمی کا امکان ہے۔

فروری 2023 میں سٹی ریٹنگ ایجنسی نے گلوبل ٹریڈنگ ایجنسی کے ساتھ ساتھ سیاست عدم استحکام اور ذخائر میں کمی کے پیش نظر پاکستان کی ٹریڈنگ ایجنسی کی طرف سے جاری کردہ والے ایڈجسٹڈ ریٹنگ (IDR) کو 'CCC+' سے گھٹا کر 'CCC' کر دیا ہے۔ وجہ بتدی اس بات کی عکاسی کرتی ہے کہ پاکستان سٹی مارکیٹ کا ٹرانسپیرینٹ سب رسائی کی عدم موجودگی میں اپنے قرضے کی ادائیگیوں پر پوری کیلئے کثیر جتنی شرائط داروں اور دیگر قرض دہندگان سے مالی امداد پر بہت زیادہ انحصار کرتا رہے گا۔

اہلی معاشی خطرات اور بڑی مالیاتی ضروریات کے تناظر میں، آئندہ امکانات مارکیٹ کے تاثرات اور جذبات پر منحصر ہیں۔ اسٹیٹ بینک آف پاکستان میں غیر ملکی زرمبادلہ کے ذخائر اس وقت خطرناک حد تک چلی سٹاپ پر ہیں جو صرف تین ہفتوں کی دورا مدت کو پورا کریں گے۔ موجودہ حکومت نے غیر ضروری درآ مدت کو کم کرنے کیلئے اقدامات کئے ہیں اور لیٹر آف کریڈٹ جاری کرنے میں عارضی تاخیر کے ذریعے درآ مدت پر ترقی لگادی ہے۔ اس کے ساتھ ساتھ حکومت کو ضروری اشیائے خورد و نوش کی پیداوار اور بیرونی کچھ لگج کی پیداواری صلاحیت کیلئے مراعات میں اضافہ کرنے کی ضرورت ہے۔ گھڑ زنی آمد کو باری بنانا اولین ترجیح ہے کیونکہ مجموعی مالیاتی ضروریات موجودہ درجہ رکھنا صحت سے کھیں زیادہ ہیں۔

بینک کی کارکردگی اور کاروبار کا عملی جائزہ

31 دسمبر 2022 کو ختم ہونے والے سال کیلئے بینک کی مالی پوزیشن کا خلاصہ اور آپریٹنگ نتائج کا خلاصہ مندرجہ ذیل ہے:

2021	2022	
----- (روپے بلین میں) -----		
165,495	208,434	31 دسمبر کو مالیاتی کیفیت
327,425	258,007	ایڈوائسز - مینٹ
579,489	579,760	سرمایہ کاری - مینٹ
403,037	409,643	مجموعی اثاثے
21,636	21,146	ڈپازٹس اور دیگر گھٹکھاتے
		شیر ہولڈرز کی اکٹھینی
2021	2022	
----- (روپے بلین میں) -----		
10,938	11,267	سالانہ مالیاتی کارکردگی
4,290	5,157	نیٹ مارک اپ آمدنی
15,228	16,424	ٹان مارک اپ آمدنی
10,191	12,245	کل آمدنی
5,037	4,179	ٹان مارک اپ اخراجات
(112)	(375)	پرودہ زور لگائے شین سے کل منافع
5,149	4,554	(ریورسلوں) پرودہ زور اور نقصانات
2,854	1,884	منافع عمل از ٹیکس
2,5889	1,7082	منافع بعد از ٹیکس
		تی صصص آمدنی (روپے میں)

ڈائریکٹرز رپورٹ

برائے مالیاتی سال 2022

ہم نہایت مسرت کے ساتھ سوئیری وینک لمیٹڈ (ویک) کے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2022 کو ختم ہونے والے سال کیلئے پرجاں شدہ مالیاتی گوشواروں اور ڈائریکٹرز رپورٹ کے ساتھ سوئیری وینک لمیٹڈ (ویک) کی ڈائریکٹرز رپورٹ پیش کر رہے ہیں۔

اتحادی جانور:

پاکستانی معیشت سال بھر کا 4.5% کا اضافہ رہی۔ نیکرو ایکٹاک خطرات پر دستور بند ہے، کیونکہ ملک کرنٹ اکاؤنٹ کے بڑے خسارے، بلند عوامی قرضوں، اور عالمی نمونوں کی کے دوران اپنی رواجی برآمدی منڈیوں میں کم ٹانگ سے خشک پینڈیجنگ کا سامنا کر رہا تھا۔

اگرچہ مالی سال 22 میں موافق نیکرو ایکٹاک پالیسیوں کی وجہ سے سی ڈی پی کی موثر پیمائش 6 فیصد بیکارڈ کی گئی، لیکن بڑھتے ہوئے معاشی عدم توازن نے مالی سال 23 کے آغاز میں مالی استحکام کو متاثر کیا۔ حالیہ معاشی جائزوں کے مطابق موجودہ مالی سال (جون 2023 کو ختم ہونے والے) میں معیشت کی نمو 2 فیصد سے کم رہنے کی توقع ہے، جو 2022 میں چارہ کن سٹیبلٹی کے نتیجے میں ہونے والے نقصانات اور رکاوٹوں، سخت مالیاتی پالیسی، افراط زر کی توقعات اور کم ساڈا کار عالمی ماحول کی عکاسی کرتی ہے۔ ریکوری بتدریج شروع ہو رہی ہے، مالی سال 2024 میں حتمی سی ڈی پی نمو 3.2 فیصد تک پہنچنے کا امکان ہے۔

مالی سال 22 میں زرعی پیداوار میں نمایاں اضافہ ہوا، جو کہ بھروسہ کی حالت اور موسمیوں کی بہتر پیداواری صلاحیت کے نتیجے میں فصلوں کی پیداوار میں اضافہ کا نتیجہ ہے۔ صنعت اور خدمات کے شعبوں میں بھی موسمیوں کا اثر ہے، اگرچہ کچھ صنعتیں بشمول خوراک اور ٹیکسٹائل بگڑتے ہوئے معاشی حالات کی وجہ سے کمزور ہو گئیں۔ تاہم مالی سال 2023 کی پہلی ششماہی کے دوران بڑی صنعتوں کی شرح نمو میں 3.58 فیصد کی واضح ہونے لگی۔ مالیاتی اعداد و شمار پالیسی کی سختی اور عوامی دیکھوں کی بدولت معاشی سرگرمیوں میں واضح پیمانے پر مسلسل کمی کا شکار ہے۔ دسمبر میں گائز میں، اپنی ادا ایل اور صنعت کی فروخت میں سال بسال اور ماہ بہ ماہ نمایاں کمی واقع ہوئی۔

مستقبل میں، کہنوں کی طرف سے پیداوار میں کمی اور سپلائی کی پابندیاں ایل این ایس ایم کی بھڑکی میں مزید کمی کا باعث بن سکتی ہیں۔ تاہم مزید اعداد و شمار بھی پہلے کی توقع سے کم پیداوار کی عکاسی کرتے ہیں۔ اس سیزن میں گنے کی پیداوار اور گندم کی پیداوار میں پیشرفت کے حوالے سے تلی پشور پورٹس کے باوجود زرعی شعبہ کو کمزور نظر آتا ہے۔

یورپی عمارت پر مشبوعہ گریٹ طلب اور عالمی اجناس کی قیمتوں کی وجہ سے مالی سال 22 میں کرنٹ اکاؤنٹ خسارہ (CAD) 17.41 بلین ڈالر یا سی ڈی پی کا 4.6% فیصد تھا، جو گذشتہ 4 سالوں میں سب سے بڑا ہے۔ ایک بڑے کرنٹ اکاؤنٹ کے خسارے، بلند قرض کی خدمات، مسلسل سیاسی اور اقتصادی غیر یقینی صورتحال سے سرمایہ کاروں کا اعتماد کمزور رہا اور روپیہ امریکی ڈالر کے مقابلے میں مسلسل گرتا رہا۔

تاہم، CAD مالی سال 23 میں تقریباً 60 فیصد کم ہو کر 3.7 بلین ڈالر رہ گیا جو مالی سال 22 کی پہلی سہ ماہی میں 9.1 بلین ڈالر تھا۔ یہ نمایاں کمی درآ عمارت میں کمی سے کی گئی ہے، جو پالیسی میں سختی اور انتظامی اقدامات کے اثرات کو ظاہر کرتی ہے۔ درآ عمارت میں کمی کا سبب پائی پائی، خوراک اور پیچھے ویکم گروپس کے علاوہ تمام بڑے گروپس میں کمی رکھنا کی گئی۔ کل درآ عمارت میں پیچھے ویکم کی درآ عمارت کا حصہ مالی سال 23 کی پہلی ششماہی میں بڑھ کر 34.1 فیصد ہو گیا جو کہ مالی سال 22 کی پہلی سہ ماہی میں 23.7 فیصد تھا۔ توانائی کے شعبہ کے اقدامات کا موثر نفاذ اور پیچھے ویکم مصنوعات کی مناسب قیمتیں، توانائی کی درآ عمارت میں انتہائی ضروری کمی کیلئے اہم ہیں۔ درآ عمارت میں 18.2 فیصد کی کمزوری صورت پر برآمدی محصولات اور زرعیات درآ عمارت میں کمی سے پورا کیا گیا۔

سیلاب سے متعلقہ ماحول کے اثرات کے باوجود، مالی سال 23 میں کرنٹ اکاؤنٹ خسارہ سی ڈی پی کے 4.3 فیصد تک محدود ہونے کی توقع ہے، جس کی بنیاد پر درآ عمارت میں کمی ہے اور مالی سال 24 میں برآمدات کی بحالی شروع ہونے سے اس کے مزید سکنے کا امکان ہے۔ کرنٹ اکاؤنٹ خسارے میں کمی کے باوجود، یورپی شعبہ سرکاری مالیاتی رقم کی وصولی میں تاخیر قرضوں کی ادائیگی اور جاری سیاسی غیر یقینی صورتحال کی وجہ سے دباؤ کا شکار ہے۔

پاکستان کے زرمبادلہ کے ذخائر، جو 30 دسمبر 2022 کو 11.42 بلین ڈالر تھے، جنوری 2023 کے پہلے نصف میں کم ہو کر 10.19 بلین ڈالر رہ گئے اور 20 جنوری 2023 کو 3.68 بلین ڈالر بیکارڈ کئے گئے۔ IMF کے EFF کے تحت زیر التوا نمونے جانے سے کی تکمیل غیر یقینی صورتحال کو کم کرنے اور کثیر بخشی اور طرف بہاؤ کو کھولنے کیلئے اہم ہے۔

جیسا کہ اوپر بیان کیا گیا ہے، کمزور پیداوار اور پینڈیاں، اجناس کی اونچے قیمتیں، اور معیشت پر دباؤ نے افراط زر کو بڑھا دیا اور مالی سال 22 میں 12.2% فیصد تک پہنچ گئی، جو 11 سال کی بلند ترین سطح ہے۔ اسٹیٹ بینک آف پاکستان (SBP) نے اس کے مطابق اپنی مائیکرو پالیسی کو سخت کیا اور پالیسی کی شرح کو ستمبر 2021 میں 7.0 فیصد سے بتدریج بڑھا کر جنوری 2023 میں 17.0 فیصد کر دیا۔ حالیہ پیمائشوں میں سبھی CPI افراط زر کو کم ہوا، جس میں استعمال کے ساتھ مومنا بلند سطح پر رہی ہے۔ اکتوبر میں 26.6 فیصد (سال بسال) کے مقابلے، یہی لائن افراط زر دسمبر میں 23.8 فیصد اور دسمبر 2022 میں 24.5 فیصد تک کم ہو گئی۔

REPORT OF SHARIAH BOARD TO THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER 2022

By the grace of Almighty Allah, the year under review was the 17th year of Islamic commercial banking for Soneri Bank Limited, while the Board of Directors and Executive Management are solely responsible to ensure that the operations of Soneri Bank Limited – Mustaqeem Islamic Banking are conducted in a manner that complies with the Shari'ah principles at all times. We are required to submit a report on the overall Shari'ah Compliance environment of Soneri Bank Limited – Mustaqeem Islamic Banking.

To form an opinion on the overall Shari'ah Compliance environment as required by the regulatory framework, the Shari'ah Compliance Department (SCD) of the Bank needs to carry out reviews, on a test check basis, of each class of transactions, the relevant documentation and the process flows. Further, the reports of the Internal Shari'ah Audit and External Shari'ah Audit also form the basis of this report.

The year 2022 had been a challenging year for the country with depleting dollar reserves, import restrictions, rising fuel costs, surging inflation and an upward discount rate among others having a drastic impact on both business and individuals' livelihoods. However, it is needless to mention that we are a resilient society and in all such situations we always Rise as a Nation.

In April 2022, the Federal Shari'at Court gave a decision against RIBA and directed the Government to take steps to eliminate it from the country's financial system including conversion of the Conventional Banks into Islamic. In this regard, Shari'ah Board met the senior management to assure them that the Shari'ah Board shall facilitate, support, advise, and assist whenever the Bank initiates the process.

The Shari'ah Board hereby present the Annual Shari'ah Board report regarding affairs of the Soneri Bank - Mustaqeem Islamic Banking:

During the year ended December 31, 2022, the Shari'ah Board of Soneri Bank - Mustaqeem Islamic Banking held four meetings to review various matters which included, among others, new products and services, product modifications, concepts, transactions, structures, processes, and the Shari'ah issues referred to them. To ensure that, apart from the quarterly meetings, SCD remained in close coordination with the Shari'ah Board.

To strengthen and broaden the functions of Shari'ah control, the Shari'ah Compliance Department under the supervision of the Resident Shari'ah Board Member supported the asset team to understand and assess the customers' business needs and give their due feedback on the process flows.

Additionally, to maintain a high level of compliance, the SCD performed random physical inspections of Islamic financing transactions.

Shari'ah Compliance:

The commitment of the Board of Directors and Management in building the overall Shari'ah compliance environment of the Bank is commendable. The Bank's Shari'ah Compliance Department (SCD) experienced the management's utmost support in discharging its functions.

The SCD strives to bring about continuous improvement in the Shari'ah compliance environment of the Bank. In this regard, SCD, in compliance with the SBP and Shari'ah Board directives in coordination with IBD and Risk Management Department devised a mechanism for identifying and reporting Shari'ah non-compliance risk to the Board of Directors and its sub-committee. During the year, RSBM supported the SCD in issuing different Shari'ah guidelines which include, among others, guidelines regarding obtaining Shari'ah Approval in various cases and operational policies

The function of Shari'ah Review of transactions is carried out by SCD at two different levels i.e. pre-execution review through process flows, visits to the customers, and monitoring the disbursement if necessary and post-execution review on a sample check basis through its annual review. It is necessary to mention that Resident Shari'ah Board Member also visited branches to assess the overall Shari'ah-compliant environment.

SCD carried out a Shari'ah Review of different departments/functions of the Head Office and branches across the country during the year. The SCD presented Shari'ah Review Reports, Internal and External Shari'ah Audit Reports, and SBP Inspection Report to Shari'ah Board for determining corrective actions

Trainings of Islamic Banking Staff:

It is encouraging to note that the Bank's learning and development Department on our advice conducted various Islamic Banking trainings for the employees posted in the Islamic Banking Group.

Board of Directors, Shari'ah Board and Executives Trainings:

Learning & Development Department organised a learning session for the Board of Directors and the Management Committee members in line with the regulatory requirements to keep them abreast with the best practices. It is a pleasure to report that the Senior Management was very enthusiastic to explore Islamic Banking opportunities. These regular trainings are expected to enhance their knowledge and give them better insight

Conclusion:

Based on the reports of the Internal Shari'ah Audit, External Shari'ah Audit, and different Shari'ah compliance checks carried out from time to time and according to the best of our knowledge, we are of the view that:

- i. The Bank has complied by and large with Shari'ah rules and principles in the light of fatawa, rulings and guidelines issued by its Shari'ah Board.
- ii. The Bank has complied with the directives, regulations, instructions, and guidelines related to Shari'ah compliance issued by SBP in accordance with the rulings of SBP's Shari'ah Board.
- iii. The Bank has a well-defined system in place in the form of a Shari'ah Compliance Review and Internal Shari'ah Audit to ensure that the earning realised from the sources or means prohibited by Shari'ah shall be identified.
- iv. During the year, Rupees Five Hundred Fifty-Five Thousand Seven Hundred and Fifty-Nine Paisas only (PKR 555,700.59/-) were collected as charity from various customers on account of delay in payments. Further, an income of Rupees Three Hundred Twenty-Six Thousand Nine Hundred Twenty-Five and Four Paisas only (PKR 326,925.04/-) has been transferred to the charity account on Shari'ah Board's instructions due to the violation of Shari'ah Guidelines. A total amount of Rupees Eight Hundred Eighty-Two Thousand Six Hundred Thirty-Four and Fifty-Nine Paisas only (PKR 882,634.59/-) was disbursed for charitable purposes as per the Charity Policy approved by Shari'ah Board and Board of Directors.
- v. Based on the Shari'ah Compliance review and Shari'ah Audit report, we are of the opinion that profit distribution was generally found in conformity with the Shari'ah rules and principles. We expect, with the automation of the pool management system, the Bank will also comply with the regulatory guidelines more efficiently.



Recommendation

Pool Management System (PMS):

We appreciate the Bank's Management that it acquired the comprehensive Pool Management System (PMS) on Shari'ah Board's recommendation to safeguard the interest of investment account holders, as the automated pool management system brings more transparency and increased trust of the account holders on the profit distribution. The challenges posed by the COVID-19 pandemic and the resulting delays in the implementation process are understandable, but it is good to see that the Bank's management remained consistent in their efforts to ensure that the system was successfully implemented. The successful trial run for the normal pool is a positive sign and shows that the Bank's management is dedicated to providing its customers with the best possible service.

The fact that both the manual and automated systems will run simultaneously for a few months before being completely segregated is a wise approach. This will give the Bank time to address any teething problems and ensure a smooth transition to the new system.

It is also commendable that the Bank's management has kept the Shari'ah Board informed of the progress and has taken their feedback into consideration. The board's involvement in the process helps to ensure that the system is in line with the principles of Islamic finance and that the interests of the customers are protected.

Staff-related Facilities:

After the successful conversion of staff vehicle financing and staff home financing for Islamic staff. We also expect the Bank to convert conventional Provident Fund (PF) into Islamic for the Islamic Banking staff at their earliest as well.

We pray to Almighty Allah, for the success of Islamic Banking and to provide us with the guidance to adhere to his Shari'ah in day-to-day operations and forgive our mistakes.

And Allah knows best

“اللهم أرنا الحق حقا وارزقنا اتباعه وأرنا الباطل باطلا وارزقنا اجتنابه”

Mufti Ehsan Waqar Ahmad
Chairman Shari'ah Board

Mufti Bilal Ahmed Qazi
Shari'ah Board Member

Mufti Abid Shah
Shari'ah Board Member

Mufti Samiullah Arif
Shari'ah Board Member

Mufti Muhammad Zahid
Resident Shari'ah Board Member

Dated: 13 February 2023



خلاصہ:

وفاؤتھ کے لیے اعتراف شریعہ آڈٹ، ایکسٹرنل شریعہ آڈٹ اور تلف شریعہ کیپٹنس ریموڈیشن کی بنیاد پر ہماری بہترین معلومات کے مطابق ہم اس نتیجے پر پہنچے ہیں کہ:

- (i) بینک شریعہ بورڈ کی جانب سے جاری کردہ گائیڈ لائنز، احکامات اور فتویٰ کی روشنی میں شرعی قوانین اور اصولوں کی پیروی کر رہا ہے۔
- (ii) بینک اسٹیٹ بینک آف پاکستان کے شریعہ بورڈ کے قوانین کے مطابق جاری کردہ شریعہ کیپٹنس سے حلقہ احکامات، ریگولیشنز، چالانجات اور گائڈ لائنز پر عمل کر رہا ہے۔
- (iii) بینک کے پاس شریعہ کیپٹنس ریموڈیشن اور اعتراف شریعہ آڈٹ کی صورت میں ایک قابل اعتماد نظام موجود ہے جس کی بنیاد پر ممنوع یا غیر شرعی ذرائع سے حاصل ہونے والی آمدنی کی نکاحی کی جاتی ہے۔
- (iv) اس سال تلف کسٹرز نے لیٹ منگت کی مدد میں مبلغ پانچ لاکھ چھتیس ہزار سات سو روپے اسی سو روپے (555,700.59/-) روپے بلور چھینی بینک کو دیے، حریہ برآں شریعہ کے اصولوں کی خلاف ورزی کی وجہ سے مبلغ تین لاکھ چھتیس ہزار سو سو چھتیس روپے چار سو روپے (326,925.04/-) روپے کی آمدنی کو شریعہ بورڈ کے حکم پر چھینی آڈٹ میں منتقل کیا گیا۔ اس طرح عمل آٹھ لاکھ پچاس ہزار چھ سو چھتیس روپے اسی سو روپے (882,634.59/-) روپے شریعہ بورڈ اور بورڈ آف ڈائریکٹرز کی منظوری سے چھینی پالیسی کے مطابق خیراتی مقاصد میں خرچ کر دیے گئے۔
- (v) شریعہ کیپٹنس ریموڈیشن اور اعتراف شریعہ آڈٹ رپورٹ کی بنیاد پر ہم نے نئے تقسیم کے طریقہ کار کو مجموعی طور پر شرعی اصولوں و ضوابط کے مطابق پایا۔ ہمیں امید ہے کہ پول بینجمنٹ مسلم کوآپریٹوڈ کرنے کے بعد بینک پول بینجمنٹ کی ریگولیشنری دیکھنا درست بھی پوری کرے گا۔

معارفات:

پول بینجمنٹ مسلم (PMS)

یہ بات حوصلہ افزا ہے کہ بینک کی بینجمنٹ نے شریعہ بورڈ کی ہدایت پر پول بینجمنٹ مسلم حاصل کر لیا ہے، ہذا انٹرنل اکاؤنٹ ہولڈرز کے مفاد کا تحفظ کیا جائے، نیز خود کار پول بینجمنٹ مسلم کی وجہ سے نظام میں زیادہ شفافیت ہوگی جس سے منافع کی تقسیم پر انٹرنل اکاؤنٹ ہولڈرز کا اعتماد مزید بڑھے گا۔ کوڈ 19 کی دہا سے پیدا ہونے والے چیلنجز اور اس کے نتیجے میں نظام کے طریقہ کار میں تاخیر قابل فہم ہے، لیکن بینک انتظامیہ کی مستقل حیرانی سے پول بینجمنٹ نظام کے کامیاب نظام کی کوششیں قابل تحریف ہیں۔ درج ذیل پول کا کامیاب آرائشی تجربہ ایک مثبت علامت ہے اور اس بات کی عکاسی کرتا ہے کہ بینک کی انتظامیہ اپنے صارفین کو بہترین ممکن خدمات فراہم کرنے کے لئے پرعزم ہے۔

میتول اور آٹومیٹڈ دونوں نظام عمل طور پر ملے ہوئے سے پہلے ہی ایک ایک ساتھ چلائے جائیں گے جو ایک مستقل بات ہے اس سے بینک کو پیدا ہونے والے کسی بھی مسئلہ کو حل کرنے اور نئے نظام میں آسان منتقلی کیلئے وقت مل سکے گا۔ بینک انتظامیہ کا شریعہ بورڈ کو اس حوالہ سے آگاہ دیکھنا اور ان کے تاثرات کو بھی مد نظر رکھنا قابل ستائش ہے۔ اس عمل میں بورڈ آف ڈائریکٹرز کی شمولیت نظام کے اساسی اصولوں کے مطابق ہونے اور صارفین کے مفادات کے تحفظ میں معاون ثابت ہوتی ہے۔

اسٹاف سے حلقہ سہولیات:

ہم اسٹاک ایکسچینج اسٹاف کی سہولیات سے حلقہ مسائل (مثلاً اسٹاف کار، فائنانسنگ اور اسٹاف ہاؤس فائنانسنگ) حل کرنے پر بینک کی بینجمنٹ کو خراج تحسین پیش کرتے ہیں۔ ہمیں امید ہے کہ بینجمنٹ اسٹاک اسٹاف کے پروڈیونٹ فلڈ کا مسئلہ بھی جلد زخمی بنیادوں پر حل کرے گی۔

ہم دعا گو ہیں کہ اللہ تعالیٰ اسلامی بینکاری کو مزید ترقی دے، اور ہمیں اپنی روزمرہ کی زندگی میں شریعت پر عمل کی راہوں کی توفیق دے اور ہماری کوتاہیوں سے درگزر کرے۔ آمین

”اللهم أرنا الحق حقا وارزقنا اتباعه وأرنا الباطل باطلا وارزقنا اجتنابه“

مفتی مسلمان دہرا دوں

مفتی شریعہ بورڈ

مفتی طاہر شاہ

شریعہ بورڈ

مفتی پال امروہی

شریعہ بورڈ

مفتی محمد زاہد

ریجنل بینجمنٹ شریعہ بورڈ

مفتی سجاد علی

شریعہ بورڈ

تاریخ: 13 نومبر 2023

شریعی بورڈ رپورٹ برائے مالیاتی سال 2022

اللہ تعالیٰ پر سوئیریٹیک کی اسلامی بینکاری کا سترہواں سال تھا۔ بورڈ آف ڈائریکٹرز اور اعلیٰ انتظامیہ اس بات کے یقینی اور حتمی ذمہ دار ہیں کہ مستحکم اسلامک بینکنگ، سوئیریٹیک لمیٹڈ (جسے اس تحریر میں اب ویک کہا جائے گا) کے تمام معاملات ہر وقت شریعی اصولوں کے مطابق ہوں۔ البتہ ہم سے یہ مطلوب ہے کہ ہم ویک کے معاملات کے شریعت کے مطابق ہونے کی مجموعی صورت حال پر رپورٹ پیش کریں۔

ریگولیریٹی قوانین کی بنیاد پر ویک کے معاملات کے مجموعی طور پر شریعت کے مطابق ہونے پر رائے پیش کرنے کیلئے ویک کے شریعی کمیٹیاں سب ڈپارٹمنٹ (SCD) کمیٹیٹ چیک بنیاد پر ہر طرح کے لین دین، اختلاف و تنازعات اور عملی طریقہ کار کی ترمیمات کا جائزہ لیتا رہتا ہے۔ مزید برآں انٹرنل شریعی آڈٹ اور ایکسٹرنل شریعی آڈٹ کی رپورٹ کو بھی اس رپورٹ کی بنیاد بنایا جاتا ہے۔

سال 2022 ادا کے ذخائر میں کمی اور آئی پی اینڈ بی کی بڑھتی ہوئی قیمت، بڑھتی ہوئی مہنگائی اور بلند رعایتی شرح کے ساتھ ملک کیلئے ایک مشکل سال رہا جس نے کاروبار اور لوگوں کے ذریعہ معاش دونوں پر گہرا اثر ڈالا۔ البتہ یہ بات بھی اہم ہے کہ ہم ہر طرح کے حالات کا سامنا کرنے کیلئے تیار رہے ہیں اور ہمیشہ ایسے حالات میں ایک قوم کے طور پر ابھرتے ہیں۔

اپریل 2022 میں، وفاقی شریعی عدالت نے رہا کے خلاف فیصلہ دیا اور حکومت کو ہدایت کی کہ وہ اسے ملک کے مالیاتی نظام سے ختم کرنے کیلئے اقدامات کرے جس میں رعایتی ٹیکوں کو اسلامی ٹیکوں میں تبدیل کرنا بھی شامل ہے۔ اس سلسلے میں شریعی بورڈ نے سینٹرل انتظامیہ سے ملاقات کر کے انہیں یقین دلایا کہ جب بھی ویک اس عمل کو شروع کرے گا شریعی بورڈ اس حوالے سے سہولت، دھرم دہ اور مدد فراہم کرنے میں پانچا کر دارا دے گا۔

شریعی بورڈ نے ذریعہ پبلسٹیٹی اسلامک بینکنگ کے امور سے متعلق اپنی سالانہ شریعی بورڈ رپورٹ پیش کرتا ہے:

سال 2022 کے دوران، مستحکم اسلامک بینکنگ، سوئیریٹیک کے شریعی بورڈ نے مختلف معاملات کا جائزہ لینے کیلئے پارٹنرف بینکنگ منسٹر کیس، جن میں دیگر معاملات کے ساتھ ساتھ ہی پراڈکس، مہمات، پراڈکس میں کمی تبدیلیاں، تصورات ارازا بیکٹرز، عملی اڈا چنے طریقہ کار اور شریعی مسائل شامل تھے جو شریعی بورڈ کو ارسال کئے گئے تھے۔ سہ ماہی بینکنگ کے علاوہ بھی شریعی کمیٹیاں سب ڈپارٹمنٹ شریعی رجسٹری کیلئے مستقل طور پر شریعی بورڈ کے ساتھ مشاورت میں رہا۔

شریعی بورڈ کو مضبوط کرنے کیلئے شریعی کمیٹیاں سب ڈپارٹمنٹ نے ریجنٹ شریعی بورڈ ممبر کی قیادت میں بڑھ چڑھ کر اپنا کردار ادا کیا اور اس سلسلے میں بزنس ٹیم کے ساتھ مل کر سٹریٹیجی کی ضروریات اور بزنس ڈائل کو سمجھ کر ان کی بھرتے سے بھر شریعی طریقہ جو مل کی طرف رجسٹری کی۔

مزید برآں شریعی کمیٹیاں سب کے ممبرانہ کو بھرتے اور مضبوط بنانے کے لئے شریعی کمیٹیاں سب ڈپارٹمنٹ نے مختلف مواقع پر بعض معاملات کی انکوائری بھی کی۔

شریعی کمیٹیاں سب:

ویک کے مجموعی شریعی کمیٹیاں سب کے ماحول کی تعمیر و ترقی میں بورڈ آف ڈائریکٹرز اور ویک انتظامیہ کا ماحول قابل تعریف ہے۔ ویک کے شریعی کمیٹیاں سب ڈپارٹمنٹ (SCD) نے اپنی ذمہ داریوں کی انجام دہی میں انتظامیہ کی جانب سے بھرپور تعاون محسوس کیا۔

شریعی کمیٹیاں سب ڈپارٹمنٹ (SCD) ویک کے شریعی کمیٹیاں سب ماحول میں مسلسل بہتری کیلئے کوشاں ہے۔ اس سلسلے میں SCD نے اسٹیٹ بینک آف پاکستان اور شریعی بورڈ کی ہدایت کی تعمیل میں اسلامک بینکنگ ڈویژن اور رسک مینجمنٹ ڈپارٹمنٹ کے ساتھ مل کر بورڈ آف ڈائریکٹرز اور اس کی ذیلی کمیٹی کو شریعی نائن کمیٹیاں سب رسک کی نشاندہی اور پورنگھ کا طریقہ کار وضع کرنے میں اپنا کردار ادا کیا۔ دورانہ سال، ریجنٹ شریعی بورڈ ممبر (RSBM) نے مختلف شریعی گائڈ لائنز جاری کرنے میں شریعی کمیٹیاں سب ڈپارٹمنٹ (SCD) کے ساتھ تعاون کیا جن میں مختلف معاملات کے ساتھ ساتھ آپریشنل پالیسیوں کی شریعی منظوری شامل ہے۔

لناز بیکٹرز کے شریعی ریویو کا کام شریعی کمیٹیاں سب ڈپارٹمنٹ (SCD) کے ذریعے دو مختلف صورتوں میں انجام دیا جاتا ہے، یعنی پری لٹریٹیشن ریویو، جس میں لٹریٹیشن کا طریقہ کار سٹریٹجی سے ملاقات میں اور اگر ضروری ہو تو ٹیلڈر کی ادائیگی کی نگرانی شامل ہیں۔ اور پوسٹ لٹریٹیشن ریویو، جس میں لٹریٹیشن کی بنیاد پر سالانہ جائزے کے ذریعے انجام دیا جاتا ہے۔ یہاں یہ بات قابل ذکر ہے کہ مجموعی طور پر شریعی کمیٹیاں سب کے ماحول کا جائزہ لینے کے لئے ریجنٹ شریعی بورڈ ممبر نے بھی براہ کج کاروبار کیا۔

شریعی کمیٹیاں سب ڈپارٹمنٹ (SCD) نے دورانہ سال ملک بھر میں موجود براہ کج اور بیلڈ آفس کے مختلف شعبوں اور کاموں کا شریعی جائزہ لیا۔ شریعی کمیٹیاں سب ڈپارٹمنٹ (SCD) نے شریعی ریویو پورٹس، انٹرنل اور ایکسٹرنل شریعی آڈٹ رپورٹس اور اسٹیٹ بینک آف پاکستان کی انکوائری رپورٹ اصلاحی اقدامات کی فرض سے شریعی بورڈ کو پیش کی۔

اسلامک بینکنگ اسٹاف کی ٹریننگ:

یہ بات حوصلہ افزا ہے کہ ویک کے لٹریٹ ایڈ ڈیپارٹمنٹ ڈپارٹمنٹ نے ہماری ہدایات کے مطابق اسلامک بینکنگ گروپ کے تقریباً تمام اسٹاف کیلئے اسلامی بینکاری کی مختلف رجسٹریٹور کا انتہہ دیا۔

بورڈ آف ڈائریکٹرز شریعی بورڈ اور اعلیٰ انتظامیہ (سینٹر مینجمنٹ) کی ٹریننگ:

ویک کے لٹریٹ ایڈ ڈیپارٹمنٹ ڈپارٹمنٹ کی جانب سے بورڈ آف ڈائریکٹرز اور اعلیٰ انتظامیہ کیلئے اسلامی بینکاری سے متعلق تعارفی سیمینار کا انتہہ دیا گیا، تاکہ ان کو اسلامی بینکاری میں ہونے والی نئی کوششوں سے آگاہ کیا جائے۔ یہ بات قابل ذکر ہے کہ ویک کی اعلیٰ انتظامیہ اسلامی بینکاری کا جائزہ دیکھنے کے لئے کافی بڑا دستہ نظر آئی۔ ہمیں امید ہے کہ مستقبل بنیادوں پر اس طرح کی لٹریٹور کا انتہہ دان کی معلومات میں مزید اضافہ کرے گا۔

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS 2019

YEAR ENDED 31 DECEMBER 2022

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

- The total number of Directors is eight (8) including the President and Chief Executive Officer as per the following:

Male	07
Female	01

- The composition of Board is as follows:

Category	Names
Independent Directors**	Mr. Jamil Hassan Hamdani Ms. Navin Salim Merchant
Non-Executive Directors	Mr. Alauddin Feerasta Mr. Nooruddin Feerasta Mr. Ahmed A. Feerasta Mr. Muhammad Rashid Zahir Mr. Manzoor Ahmed (NIT Nominee)
Executive Directors*	Mr. Muhtashim Ahmad Ashai (President & Chief Executive Officer)
Female Directors	Ms. Navin Salim Merchant

* He is a deemed Director as per the criteria given under Clause 3 of Section 188 of the Companies Act, 2017 ("the Act").

**The Independent Directors meet the criteria of independence as laid down under Section 166 of the Act.

**Fraction arrived at while calculating the one-third of Independent Directors was not rounded up to one since it was lower than one-half.

- The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including the Bank.
- 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.
- The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Bank. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Bank.
- 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.
- The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating the minutes of the meeting of the Board.
- The Board of Directors has a formal policy and transparent procedures for the remuneration of Directors in accordance with the Act and these Regulations.
- The Board has arranged Directors' Training program for the following:

a) Directors' Training

Name of Directors	Category	Directors' Training Program
Mr. Alauddin J. Feerasta	Chairman/Non-Executive Director	Certificate of Director Education conducted by Pakistan Institute of Corporate Governance ("PICG")
Mr. Ahmed A. Feerasta	Non-Executive Director	
Mr. Jamil Hassan Hamdani	Independent Director	
Mr. Manzoor Ahmed	Non-Executive Director	
Ms. Navin Salim Merchant	Independent Director	Directors' Training Program conducted by the Institute of Business Administration ("IBA")



Further, the Directors, namely Mr. Nooruddin Feerasta and Mr. Muhammad Rashid Zahir, duly comply with the exemption criteria provided under Clause 2 of Regulation 19 of the CCG.

Additionally, our Directors have also attended various workshops, seminars and courses. Mr. Alauddin J. Feerasta, Chairman and Mr. Nooruddin Feerasta, Director participated in a three-day workshop on "Corporate Governance & Duties Excellence" held in Malaysia. Mr. Muhammad Rashid Zahir also attended a week-long course at the Institute of Directors, UK, held by PICG.

b) Executives' Training

Names of Executives	Designation	Directors' Training Program
Mr. Muhtashim Ahmad Ashai	President & CEO	Directors' Training Program by ICAP
Mr. Amin A. Feerasta	Deputy CEO	Certificate of Director Education by PICG
Mr. Muhammad Altaf Butt	Company Secretary	Certificate in Company Direction (International) by Institute of Directors, UK

10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with the relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed Committees comprising of members as given below:

a) Audit Committee of the Board

Names of Directors	Position
Mr. Jamil Hassan Hamdani	Chairman
Mr. Nooruddin Feerasta	Member
Mr. Muhammad Rashid Zahir	Member
Ms. Navin Salim Merchant	Member

b) Credit Committee of the Board

Names of Directors	Position
Mr. Nooruddin Feerasta	Chairman
Mr. Alauddin Feerasta	Member
Mr. Muhtashim Ahmad Ashai	Member
Mr. Muhammad Rashid Zahir	Member
Mr. Manzoor Ahmed	Member

c) Human Resource and Remuneration Committee of the Board*

Names of Directors	Position
Mr. Manzoor Ahmed	Chairman
Mr. Jamil Hassan Hamdani	Member
Ms. Navin Salim Merchant	Member

*The committee has majority of independent directors, however considering extensive experience of a Non-Executive Director related to Human Resource and Remuneration matters, Non-Executive director has been appointed as Chairman, which is also in line with the revised Guidelines on Remuneration Practices 2017 issued by the State Bank of Pakistan.

d) Risk & Compliance Committee of the Board

Names of Directors	Position
Mr. Manzoor Ahmed	Chairman
Mr. Muhtashim Ahmad Ashai	Member
Mr. Jamil Hassan Hamdani	Member
Mr. Ahmed A. Feerasta	Member



e) Committee of Independent Directors of the Board

Names of Directors	Position
Mr. Jamil Hassan Hamdani	Chairman
Ms. Navin Salim Merchant	Member

f) IT Committee of the Board

Names of Directors	Position
Mr. Ahmed A. Feerasta	Chairman
Mr. Manzoor Ahmed	Member
Mr. Jamil Hassan Hamdani	Member
Mr. Muhtashim Ahmad Ashai	Member

g) Cost Rationalisation Committee of the Board

Names of Directors	Position
Mr. Jamil Hassan Hamdani	Chairman
Mr. Nooruddin Feerasta	Member
Mr. Manzoor Ahmed	Member
Mr. Ahmed Feerasta	Member

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

Board's Committees	Frequency
Audit Committee	At least once every quarter of the financial year
Credit Committee	
Human Resource & Remuneration Committee	
Risk Management Committee	
*IT Committee	Once every financial year
Committee of Independent Directors	
Cost Rationalisation Committee	As and when deemed necessary (special person committee)

*Frequency of holding the meeting quarterly was approved by the Board in its 194th meeting convened on 27 October 2022 (previously frequency was to convene the meeting on a half yearly basis).

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 company.
16. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with the International Federation of Accountants' (IFAC) guidelines on the 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, dependant and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Bank.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except, in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all the requirements of regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with.

MUHTASHIM AHMAD ASHAI
President & Chief Executive Officer

ALAUDDIN FEERASTA
Chairman

22 February 2023

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS



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 Soneri Bank Limited ('the Bank') for the year ended 31 December 2022 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 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 the compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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

Further, we highlight below the instance of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Reference to the Statement of Compliance	Description
12(c)	Based on the extensive experience of Non-Executive Director related to Human Resource and Remuneration matters, Non-Executive Director has been appointed as Chairman of the Human Resource and Remuneration Committee who is not an Independent Director, as required under the regulations.

KPMG Taseer Hadi & Co.
Chartered Accountants
Karachi: 05 March 2023

UDIN: CR202210188VEg5h4UpG

STATEMENT OF INTERNAL CONTROLS

YEAR ENDED 31 DECEMBER 2022



This Statement of Internal Control is based on an ongoing process designed to:

- Identify the significant risks in achieving the Bank's policies, aims, and objectives.
- Evaluate the nature and extent of those risks.
- Manage these risks efficiently, effectively and economically.

This process was in place for the year ended, December 31, 2022.

The Board of Directors has instituted an effective Internal Audit Division which not only monitors compliance with the Bank's policies, procedures, and controls, and reports significant deviations regularly to the Board Audit Committee but also regularly reviews the adequacy of the overall Internal Control System. The observations and weaknesses pointed out by the external auditors are also addressed promptly and necessary steps are taken by the management to eliminate such weaknesses.

It is the responsibility of the Bank's management to establish and maintain an adequate and effective system of internal control, to implement sound control procedures and to maintain a suitable control environment. In order to ensure implementation as well as to minimise various regulatory, reputational, and compliance risks, the management conducts on-site monitoring of branches through periodical visits and off-site monitoring through various automated tools such as SAS AML, World Check and Safe Watch Filtration system by Compliance Control & Investigation Group.

The Bank has adopted the internationally accepted COSO (Committee of Sponsoring Organisations of Treadway Commission) Internal Control-Integrated Framework. A reputable advisory firm had been appointed to provide services for the implementation of the SBP guidelines on Internal Controls over Financial Reporting (ICFR) in the prior years. To further strengthen controls, enhanced governance and monitoring, the management had constituted an Internal Control Unit which is also an integral part of the Compliance Control and Investigation Group of the Bank.

In order to ensure consistency in the process of compliance with the relevant guidelines the Bank followed a structured roadmap. Accordingly, the Bank had completed a detailed documentation of the existing processes and controls, together with a comprehensive gap analysis of the designed controls and developed remediation plans for the gaps in the year 2010.

Furthermore, the Bank has developed a comprehensive management testing and reporting framework for ensuring ongoing operating effectiveness of the majority of key controls and has significantly addressed the design improvement opportunities identified to complete the project-related initiatives.

While concerted efforts have always been made to comply with the SBP guidelines issued, the identification, evaluation, and management of risks within each of the Bank's key activities, and their continued evaluation and changes to procedure remains an ongoing process.

In accordance with the SBP directives, the Bank had completed all the stages of ICFR and upon satisfactory completion of the ICFR roadmap, the SBP granted a waiver from the submission of external auditor Long Form Reports effective 2012.

For the Year 2022, the Bank has also successfully completed the cycle of SBP's Internal Control over the Financial Reporting roadmap. As per the SBP BSD-1 Circular Letter No. 01 of 2021 of July 06, 2021, the banks which have completed all the stages of the ICFR roadmap will continue to prepare Annual Assessment Report but they are allowed to discontinue their yearly submission to the SBP. However, as part of the SBP supervisory assessments, these reports may be required by the SBP for evaluation purposes. Accordingly, the Bank will prepare the aforementioned Report for the Year 2022 and the same will be presented to Board Audit Committee during the year 2023.

MUHTASHIM AHMAD ASHAI

President & Chief Executive Officer

Lahore: 22 February 2023

REPORT OF AUDIT COMMITTEE



The Audit Committee of the Board comprises four non-executive members including two independent directors, one being the Chairman of the Audit Committee. The members of the Audit Committee bring years of diversified rich experience in senior management positions and strategic roles in commercial banking, investment banking, manufacturing, insurance, and leasing sectors.

The following are the members of the Audit Committee:

- | | | | |
|----|---------------------------|----------|--------------------------|
| 1. | Mr. Jamil Hassan Hamdani | Chairman | (Independent Director) |
| 2. | Mr. Nooruddin Feerasta | Member | (Non-Executive Director) |
| 3. | Mr. Muhammad Rashid Zahir | Member | (Non-Executive Director) |
| 4. | Ms. Navin Salim Merchant | Member | (Independent Director) |

During the year under review, the Audit Committee diligently performed its duties and responsibilities in accordance with the Charter of the Committee approved by the Board of Directors, while remaining compliant with the requirements of the Code of Corporate Governance and Prudential Regulations issued by State Bank of Pakistan ("SBP").

The Committee consistently emphasises the strengthening of internal controls and risk management and also oversees the functions of the Internal Audit & Risk Asset Review Group (IA & RARG) and ensures that it has adequate physical, financial, technological, and operational resources along with appropriate human resources who have the required skill-sets, expertise, and training necessary to perform their responsibilities independently and objectively.

The Head IA & RARG reports directly to the Audit Committee. He assists the Audit Committee and the Board of Directors in the discharge of their responsibilities in respect of Internal Control Systems. He periodically reviews, assesses the adequacy and monitors the ongoing effectiveness of the control systems.

The Audit Committee is actively engaged in reviewing the Annual/Half yearly/Quarterly financial statements and internal audit activities, in accordance with the Companies Act, 2017, Code of Corporate Governance Regulation and Committee Charter.

The Audit Committee also recommends the scope and appointment of external auditors, including the finalisation of audit and other fees. The Audit Committee evaluates the qualifications, performance, and independence of the external auditors. In doing so, the Audit Committee considers the quality and efficiency of the services provided by the external auditors, the external auditors' capabilities, technical expertise, and knowledge of the Bank's operations and industry. The Audit Committee ensures compliance with the relevant regulations in regard to the tenor of external auditors and provisions of non-audit services by external auditors to ensure the independence and objectivity of the external auditors.

The Audit Committee recommended to the Board of Directors the re-appointment of M/s KPMG Taseer Hadi & Co. Chartered Accountants, as the statutory auditors of the Bank for the year ending 31 December 2023 for the 5th term, subject to the approval of the Bank's Shareholders in the forthcoming Annual General Meeting.

The Committee's Performance for the year 2022 was assessed internally, and given a "Satisfactory" rating.



UNDIMMED RADIANCE

STAKEHOLDERS INFORMATION

By proactively engaging with our stakeholders, we at the Bank are able to take a responsible approach to the Bank's long-term sustainability through information exchange and strategic consultation.

DEPOSITS
Rs.409.64
BILLION

CAPITAL
ADEQUACY
RATIO
15.19%

TRADE
VOLUMES
Rs.686.94
BILLION

NUMBER OF
BRANCHES
403

FLARED EMPHASIS

KEY FINANCIAL HIGHLIGHTS

We have a flare for accentuating our objectives through unparalleled leadership, skill, and awareness. Our financial knowledge, gained via financial stability, provides us with a competitive advantage in order to stay on top of our game.

ADVANCES TO
DEPOSITS RATIO
52.67%

SHAREHOLDERS'
EQUITY
21.15
BILLION

EARNINGS PER
SHARE
Rs.1.71

PROFIT
BEFORE
TAXATION
Rs.4.55
BILLION

TOTAL ASSETS
Rs.579.76
BILLION

KEY PERFORMANCE INDICATORS



		2022	2021	Variance Compared to 2021	
				Amount	%
Financial					
Investment-Gross	Rs. In Million	258,099	327,518	(69,419)	-21%
Advances-Gross	"	215,774	173,442	42,332	24%
Total Assets	"	579,760	579,489	271	0%
Deposits	"	409,643	403,037	6,606	2%
Shareholders' Equity / Net Assets	"	21,147	21,636	(489)	-2%
Net Interest Income	"	11,267	10,938	329	3%
Non Interest Income	"	5,157	4,290	867	20%
Gross Income	"	16,424	15,228	1,196	8%
Profit before provisions	"	4,179	5,037	(858)	-17%
(Reversals) / Provisions and write-offs - net	"	(375)	(112)	(263)	235%
Profit Before Taxation	"	4,554	5,149	(595)	-12%
Profit After Taxation	"	1,883	2,854	(971)	-34%
Trade Volumes	"	686,944	544,403	142,541	26%
Non Financial					
No. of customers	Absolute	603,722	573,256	30,466	5%
No. of new branches opened	"	40	28	12	43%
No. of branches closed	"	4	1	3	300%
No. of new accounts opened	"	89,499	74,350	15,149	20%
No of debit cards issued	"	107,724	196,510	(88,786)	-45%
No of permanent employees	"	3,518	3,290	228	7%
No of virtual / mobile banking customers	"	154,453	95,065	59,388	62%
Key Financial Ratios					
Earnings Per Share	Rs.	1.71	2.59		
Book Value Per Share	"	19.18	19.62		
Share Price	"	10.00	9.71		
Market Capitalization	Rs. In Millions	11,025	10,705		
Price Earning Ratio	Times	5.86	3.75		
Return on Equity	%	8.80%	12.74%		
Return on Assets	%	0.32%	0.54%		
Gross Advances to deposit ratio	%	52.67%	43.03%		
Capital Adequacy Ratio	%	15.19%	13.82%		

SIX YEARS'

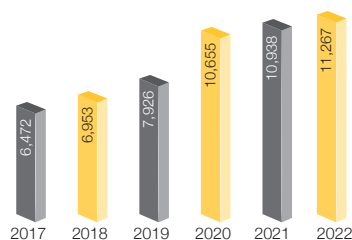
FINANCIAL SUMMARY 2017-2022



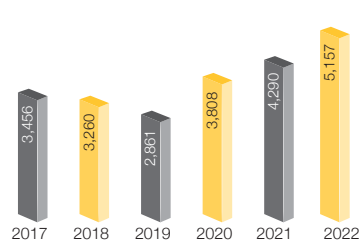
(Rs. In Millions)

	2022	2021	2020	2019	2018	2017
Profit & loss account						
Mark-up / Return / Interest Earned	63,057	37,133	42,228	38,790	21,600	18,504
Mark-up / Return / Non Interest Expensed	51,790	26,196	31,573	30,864	14,647	12,032
Fund Based Income	11,267	10,938	10,655	7,926	6,953	6,472
Fee, Commission and Exchange Income	5,322	3,235	2,812	3,016	2,694	2,016
Dividend Income and Capital Gain	(254)	714	953	(192)	519	1,399
Other Income	89	341	43	37	47	41
Non Interest Income	5,157	4,290	3,808	2,861	3,260	3,456
Total Income	16,424	15,228	14,463	10,787	10,213	9,928
Non Mark-up / Interest Expenses	12,245	10,191	9,026	8,129	7,380	7,003
Profit Before Tax and Provisions	4,179	5,037	5,437	2,658	2,833	2,925
(Reversals) / Provisions and Write-offs - net	(375)	(112)	1,402	(589)	(71)	78
Profit before tax	4,554	5,149	4,035	3,247	2,904	2,848
Profit after tax	1,883	2,854	2,400	1,906	1,784	1,660
Cash Dividend paid	-	1,654	1,378	1,102	1,102	827

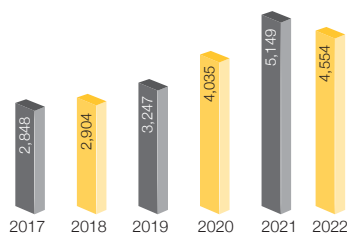
FUND BASED INCOME
(Rs. in Millions)



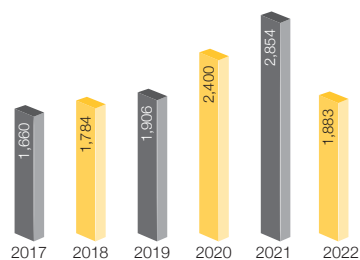
NON-MARKUP INCOME
(Rs. in Millions)



PROFIT BEFORE TAX
(Rs. in Millions)



PROFIT AFTER TAX
(Rs. in Millions)



SIX YEARS'

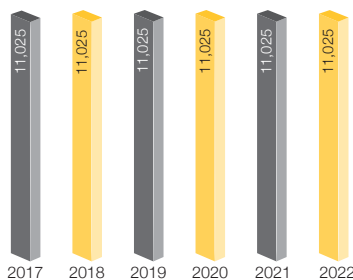
FINANCIAL SUMMARY 2017-2022



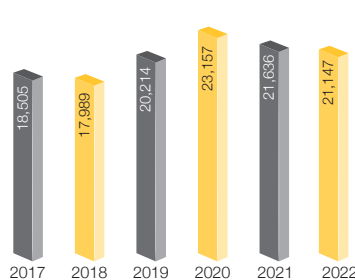
(Rs. In Millions)

	2022	2021	2020	2019	2018	2017
Statement of Financial Position						
Paid up Capital	11,025	11,025	11,025	11,025	11,025	11,025
Reserves	3,918	3,541	2,970	2,490	2,109	1,753
Surplus / (deficit) on revaluation of assets	(784)	(12)	3,471	1,894	543	2,095
Unappropriate Profit	6,988	7,082	5,691	4,805	4,312	3,632
Shareholders' Equity / Net Assets	21,147	21,636	23,157	20,214	17,989	18,505
Total Assets	579,760	579,489	485,345	442,541	382,498	325,219
Earning Assets	518,780	515,033	423,456	383,160	337,042	288,224
Gross Advances	215,774	173,442	172,693	212,516	194,831	172,772
Advances-Net of Provisions	208,434	165,495	164,545	204,901	186,475	164,293
Non-Performing Loans (NPLS)	10,169	10,314	10,785	10,903	11,357	10,245
Investments	258,007	327,425	249,956	177,056	146,646	117,429
Total Liabilities	558,614	557,853	462,188	422,327	364,509	306,714
Deposits and other accounts	409,643	403,037	345,499	302,083	262,379	227,304
Current and Saving deposits (CASA)	324,404	281,311	237,198	191,110	159,404	158,294
Borrowings	115,728	124,585	87,021	95,705	81,963	64,584
Interest bearing liabilities	399,291	425,121	347,743	330,739	285,135	231,438
Contingent and Commitments	183,407	228,145	174,804	244,866	200,522	111,064

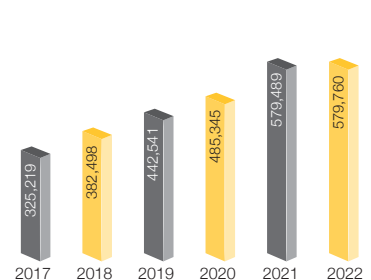
PAID UP CAPITAL
(Rs. in Millions)



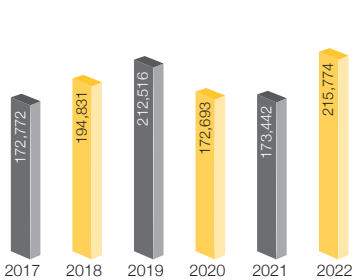
SHAREHOLDERS' EQUITY
(Rs. in Millions)



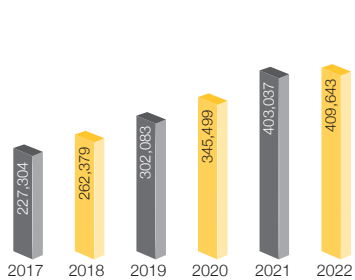
TOTAL ASSETS
(Rs. in Millions)



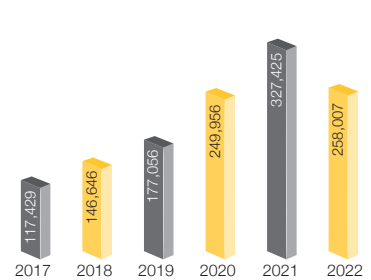
GROSS ADVANCES
(Rs. in Millions)



DEPOSITS
(Rs. in Millions)



INVESTMENTS
(Rs. in Millions)



SIX YEARS'

FINANCIAL SUMMARY 2017-2022



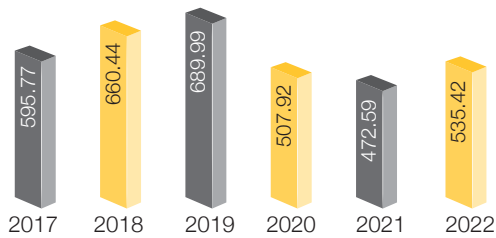
		2022	2021	2020	2019	2018	2017
FINANCIAL RATIOS							
Profit before tax ratio (PBT/total income)	%	27.73%	33.81%	27.90%	30.09%	28.43%	28.68%
Gross Spread (NIM/Interest Income)	"	17.87%	29.45%	25.23%	20.43%	32.19%	34.98%
Non interest income to total income	"	31.40%	28.17%	26.33%	26.52%	31.92%	34.81%
Income /expense ratio (excluding provisions)	Times	1.34	1.49	1.60	1.33	1.38	1.42
Return on average equity (ROE) (including surplus)	%	8.80%	12.74%	11.07%	9.98%	9.78%	9.02%
Return on average assets (ROA)	"	0.32%	0.54%	0.52%	0.46%	0.50%	0.55%
Earning Per Share (EPS before tax)	Rs.	4.13	4.67	3.66	2.94	2.63	2.58
Earning Per Share (EPS after tax)	Rs.	1.71	2.59	2.18	1.73	1.62	1.51
Gross Advances to deposit ratio	%	52.67%	43.03%	49.98%	70.35%	74.26%	76.01%
Net Advances to deposit ratio	"	50.88%	41.06%	47.63%	67.83%	71.07%	72.28%
Break up value per share (net assets based)	Rs.	19.18	19.62	21.00	18.33	16.32	16.78
Earning Assets to total assets	%	89.48%	88.88%	87.25%	86.58%	88.12%	88.62%
Earning assets to interest bearing liabilities	Times	1.30	1.21	1.22	1.16	1.18	1.25
Weighted average cost of deposits	%	10.06%	6.15%	5.21%	9.37%	6.12%	3.78%
CASA to total deposits	"	79.19%	69.80%	68.65%	63.26%	60.75%	69.64%
NPLs to total advances ratio	"	4.71%	5.95%	6.25%	5.13%	5.83%	5.93%
Coverage ratio (Specific Provisions/NPLs)	"	71.61%	76.51%	75.17%	69.46%	73.21%	82.39%
Assets to Equity	Times	27.42	26.78	20.96	21.89	21.26	17.57
Total assets per share	Times	525.86	525.61	440.22	401.40	346.94	294.98
Deposits to shareholders' equity	Times	19.37	18.63	14.92	14.94	14.58	12.28
Risk Adequacy							
Tier I Capital	Rs.in Million	24,925	22,434	22,845	21,152	18,442	15,963
Risk Weighted Assets (RWA)	"	192,699	183,399	161,785	157,799	159,389	161,971
Tier I to RWA	%	12.93%	12.23%	14.12%	13.40%	11.57%	9.86%
Capital Adequacy Ratio	"	15.19%	13.82%	16.97%	15.79%	14.70%	12.77%
Net Return on Average RWA	"	1.00%	1.65%	1.50%	1.20%	1.11%	1.09%
Stock Dividend -%							
Cash dividend per share	%	10.00%*	15.00%	12.50%	10.00%	10.00%	7.50%
Bonus Shares Issued	%	-	-	-	-	-	-
Share Information							
Market Value per share-31 Dec	Rs.	10.00	9.71	9.95	9.85	12.67	13.40
- High during the year	"	11.00	11.00	13.80	13.24	14.40	19.20
- Low during the year	"	8.50	8.40	7.76	9.01	11.76	12.25
Market Capitalization	Rs.in Million	11,025	10,705	10,970	10,859	13,968	14,773
Price to book value (net assets based)	Rs.	0.52	0.49	0.47	0.54	0.78	0.80
Price to Earning Ratio	Times	5.86	3.75	4.57	5.70	7.83	8.90
Industry Share							
Deposits	%	1.82%	1.92%	1.93%	2.06%	1.86%	1.84%
Advances	"	1.81%	1.71%	1.94%	2.51%	2.36%	2.65%
Non Financial Information							
No of branches	Absolute	403	367	340	308	295	290
No of permanent employees	"	3,518	3,290	3,097	3,026	2,823	2,847
ATMs	"	378	351	338	323	316	313

* Subject to shareholders' approval in the forthcoming AGM

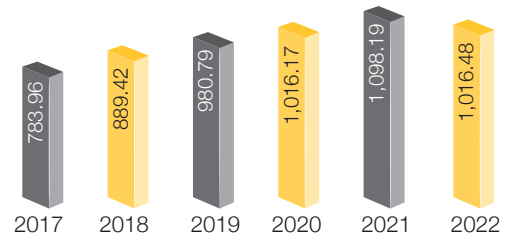
PER BRANCH PERFORMANCE



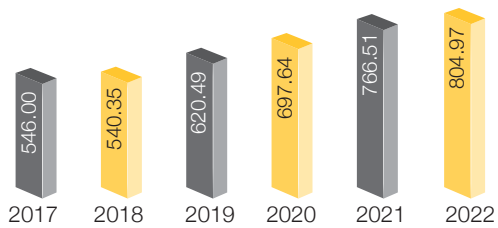
GROSS ADVANCES
(Rs. in Millions)



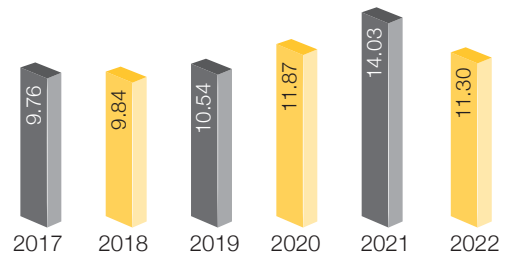
DEPOSITS
(Rs. in Millions)



CASA
(Rs. in Millions)



PROFIT BEFORE TAX
(Rs. in Millions)



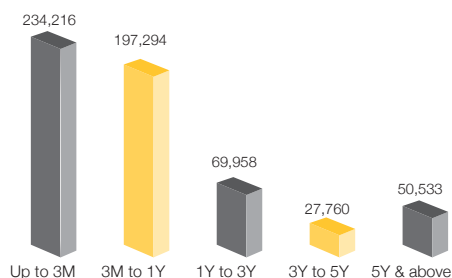
MATURITIES OF ASSETS AND LIABILITIES

31 DECEMBER 2022 (CONTRACTUAL)

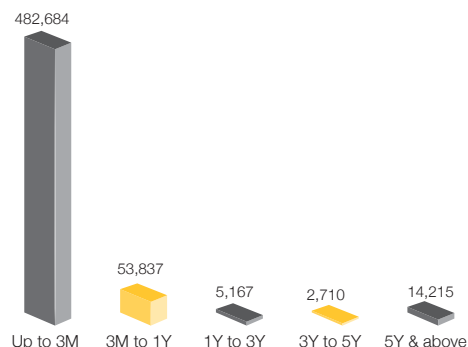


	Total	Up to 3M	3M to 1Y	1Y to 3Y	3Y to 5Y	5Y & above
----- (Rupees in Millions) -----						
Assets						
Cash and balances with treasury banks	27,420	27,420	-	-	-	-
Balances with other banks	1,939	1,939	-	-	-	-
Lending to financial institutions	52,339	33,189	19,150	-	-	-
Investments - net	258,007	33,482	146,127	56,375	11,855	10,168
Advances - net	208,434	121,844	28,422	11,047	14,156	32,965
Fixed assets	12,593	341	1,817	2,405	1,736	6,294
Intangible assets	328	80	123	125	-	-
Deferred tax assets	891	-	891	-	-	-
Other assets - net	17,810	15,921	764	6	13	1,106
	579,761	234,216	197,294	69,958	27,760	50,533
Liabilities						
Bills payable	7,386	7,386	-	-	-	-
Borrowings	115,728	100,039	8,709	1,042	950	4,988
Deposits and other accounts	409,643	362,224	43,893	2,793	733	-
Sub-ordinated loans	8,000	-	-	-	-	8,000
Deferred tax liabilities - net	-	-	-	-	-	-
Other liabilities	17,856	13,035	1,235	1,332	1,027	1,227
	558,613	482,684	53,837	5,167	2,710	14,215

ASSETS
(Rs. in Millions)



LIABILITIES
(Rs. in Millions)



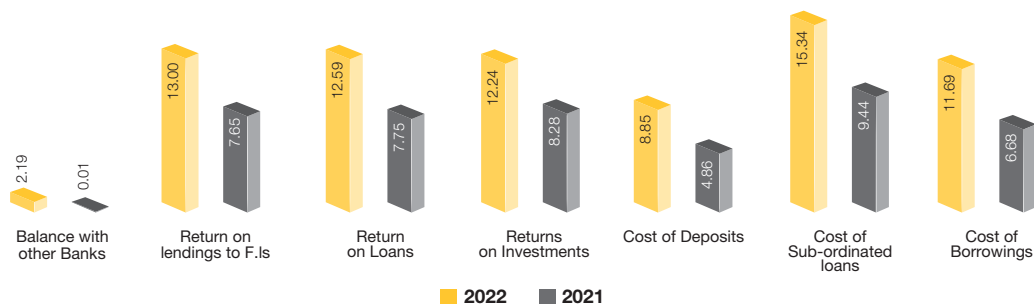
KEY INTEREST BEARING ASSETS AND LIABILITIES



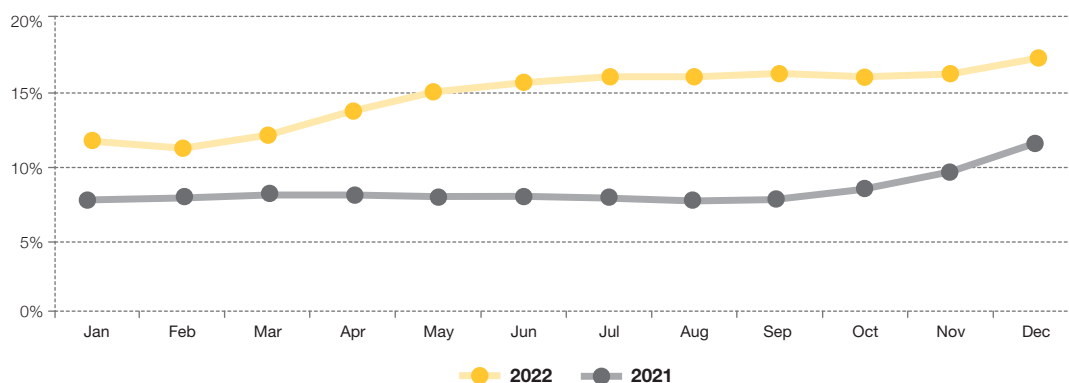
	2022			2021		
	Avg. Vol. (Rs. in Millions)	Effective Interest Rate %	Interest (Rs. in Millions)	Avg. Vol. (Rs. in Millions)	Effective Interest Rate %	Interest (Rs. in Millions)
Interest Bearing Assets						
Balance with other Banks	2,034	2.19	45	2,247	0.01	0
Lending and other placements	14,852	13.00	1,931	14,893	7.65	1,140
Advances (excluding NPLs)	191,209	12.59	24,076	172,663	7.75	13,374
Investments (excluding equity investments)	302,330	12.24	37,005	273,126	8.28	22,619
Interest Bearing Liabilities						
Deposits and other accounts	395,193	8.85	34,963	343,931	4.86	16,719
Sub-ordinated loan	6,959	15.34	1,068	6,993	9.44	660
Borrowings*	131,047	11.69	15,316	125,967	6.68	8,415

* Includes FCY swap cost

EFFECTIVE INTEREST RATE ON ASSETS AND LIABILITIES



KIBOR-6 MONTHS

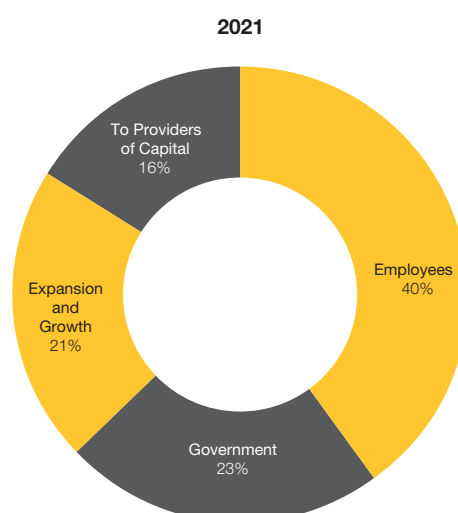
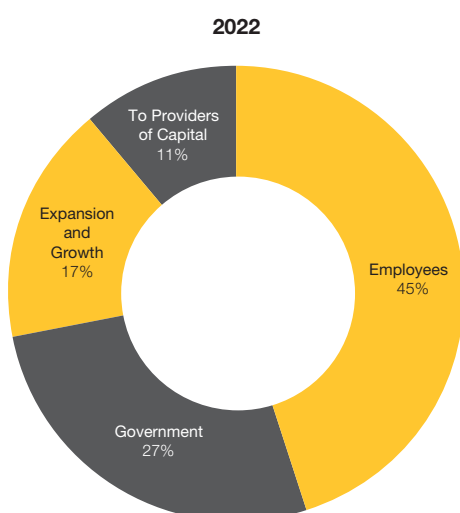


STATEMENT OF VALUE ADDITION



	2022		2021	
	(Rs. in Millions)	%	(Rs. in Millions)	%
Value added				
Net Interest Income	11,267		10,938	
Non interest income	5,157		4,290	
Non-markup expenses excluding staff costs, depreciation, amortization, donation and WWF	(6,425)		(5,058)	
Reversal / (Provision) and write off against advances, investments & others	375		112	
Value added available for distribution	<u>10,374</u>		<u>10,282</u>	
To employees				
-Salaries, allowances and other benefits	4,674	45%	4,065	40%
To Government				
-Income tax	2,671	26%	2,294	22%
-Worker Welfare fund	99	1%	120	1%
To providers of capital				
-Cash Dividends	1,102	11%	1,654	16%
To Society				
-Donations	46	0%	46	0%
To expansion and growth				
- Depreciation on Fixed Assets	743	7%	693	7%
- Amortization	258	2%	208	2%
-Retained in business	782	8%	1,202	12%
	<u>10,374</u>	<u>100%</u>	<u>10,282</u>	<u>100%</u>

* Subject to shareholders' approval in the forthcoming AGM



QUARTERLY PERFORMANCE

2022 & 2021 (Rupees in Million)



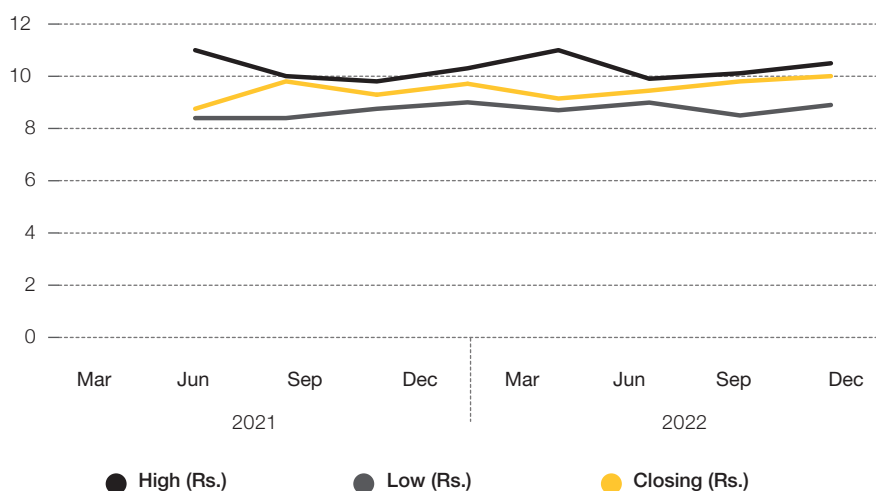
Profit & Loss Account	2022				2021			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Interest / Return / Non Interest Income								
Mark-up / Return / Interest Earned	18,050	17,743	14,893	12,371	8,932	9,633	9,729	8,839
Mark-up / Return / Interest Expensed	(14,542)	(15,184)	(12,572)	(9,492)	(6,431)	(6,901)	(6,744)	(6,119)
Net Mark-up Interest Income	3,508	2,559	2,321	2,879	2,501	2,732	2,985	2,720
Non-mark-up / interest income	1,090	2,163	1,063	841	1,251	988	1,090	961
Non-mark-up / interest expenses	(3,242)	(3,270)	(2,942)	(2,791)	(2,672)	(2,519)	(2,472)	(2,528)
Reversals / (Provisions) and write offs	(150)	32	504	(11)	(129)	(29)	147	123
Profit before taxation	1,206	1,484	946	918	951	1,172	1,750	1,276
Taxation	(618)	(734)	(944)	(375)	(454)	(636)	(710)	(494)
Profit after taxation	588	750	2	543	497	536	1,040	782
Statement of Financial Position								
ASSETS								
Cash and balances with treasury	27,420	35,936	39,283	31,105	35,197	39,048	29,481	21,244
Balances with other banks	1,939	3,717	1,712	1,270	2,427	2,092	1,937	1,177
Lending to financial institutions	52,339	23,676	29,494	32,100	22,113	21,892	10,108	20,038
Investment-net	258,007	274,298	300,903	361,067	327,425	239,788	291,521	275,773
Advances-net	208,434	194,752	201,400	160,827	165,495	179,208	175,127	199,787
Fixed assets	12,593	11,461	11,676	11,535	11,145	11,157	11,926	11,942
Intangible assets	328	383	352	400	433	434	447	386
Deferred tax assets	891	463	907	325	178	-	-	-
Other assets	17,810	20,300	21,572	17,373	15,076	16,288	15,660	14,131
Total Assets	579,761	564,986	607,299	616,002	579,489	509,907	536,207	544,478
Liabilities								
Bills payable	7,386	4,852	8,525	7,303	6,901	6,970	7,462	5,671
Borrowings	115,728	78,442	106,643	205,666	124,585	95,603	146,011	157,127
Deposits and other accounts	409,643	434,017	445,864	360,034	403,037	359,925	336,819	337,569
Sub-ordinated loans	8,000	6,992	6,992	6,992	6,993	6,993	6,993	6,993
Deferred tax liabilities -net	-	-	-	-	-	738	1,101	1,079
Other liabilities	17,857	19,616	19,595	15,669	16,337	16,909	14,901	14,216
Total Liabilities	558,614	543,919	587,619	595,664	557,853	487,138	513,287	522,655
Equity								
Share Capital	11,025	11,025	11,025	11,025	11,025	11,025	11,025	11,025
Reserves	3,918	3,800	3,650	3,650	3,541	3,442	3,335	3,127
Un-appropriated profit	6,988	6,528	5,907	5,885	7,082	6,670	5,818	4,962
Surplus on revaluation of assets	(784)	(286)	(902)	(222)	(12)	1,632	2,742	2,709
Total Equity	21,147	21,067	19,680	20,338	21,636	22,769	22,920	21,823

MARKET STATISTICS OF SNBL SHARES

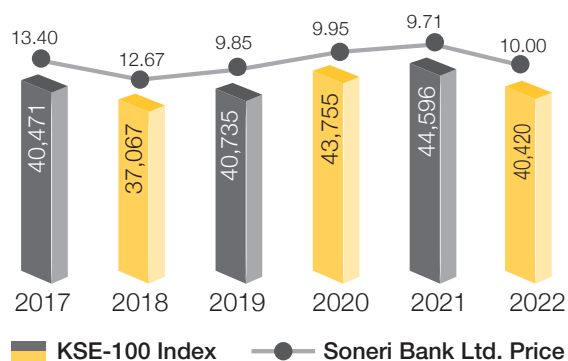


Year	Market Share Price Trend			
	Quarter end	High (Rs.)	Low (Rs.)	Closing (Rs.)
2021	March	11.00	8.40	8.75
	June	10.00	8.40	9.80
	September	9.80	8.75	9.29
	December	10.30	9.00	9.71
2022	March	11.00	8.70	9.15
	June	9.90	8.99	9.45
	September	10.11	8.50	9.80
	December	10.50	8.90	10.00

Market Share Price Trend



Historical Trend vs KSE Index
(2017-2022)



Year ended	2017	2018	2019	2020	2021	2022
Share Price (Rs.)	13.40	12.67	9.85	9.95	9.71	10.00
KSE-100TM Index	40,471	37,067	40,735	43,755	44,596	40,420

SIX YEARS' VERTICAL ANALYSIS

STATEMENT OF FINANCIAL POSITION / PROFIT & LOSS



	2022		2021		2020		2019		2018		2017	
Statement of Financial Position	Rs. in Mln	%	Rs. in Mln	%	Rs. in Mln	%	Rs. in Mln	%	Rs. in Mln	%	Rs. in Mln	%
Assets												
Cash and balances with treasury banks	27,420	5%	35,197	6%	29,964	6%	33,961	8%	26,020	7%	19,431	6%
Balances with other banks	1,939	0%	2,427	0%	4,268	1%	2,075	0%	1,180	0%	1,151	0%
Lending to financial institutions	52,339	9%	22,113	4%	8,956	2%	1,202	0%	3,921	1%	6,503	2%
Investment-net	258,007	45%	327,425	57%	249,956	52%	177,056	41%	146,646	38%	117,429	36%
Advances-net	208,434	36%	165,495	29%	164,545	34%	204,901	46%	186,475	49%	164,293	51%
Fixed assets	12,593	2%	11,145	2%	11,911	2%	8,329	2%	6,239	2%	6,464	2%
Intangible assets	328	0%	433	0%	408	0%	467	0%	454	0%	117	0%
Deferred tax assets-net	891	0%	178	0%	-	-	-	-	-	-	-	-
Other assets	17,810	3%	15,076	3%	15,337	3%	14,550	3%	11,563	3%	9,831	3%
Total Assets	579,761	100%	579,489	100%	485,345	100%	442,541	100%	382,498	100%	325,219	100%
Liabilities and Equity												
Bills payable	7,386	1%	6,901	1%	6,708	1%	3,961	1%	3,994	1%	4,895	2%
Borrowings	115,728	20%	124,585	21%	87,020	18%	95,705	22%	81,963	21%	64,584	20%
Deposits and other accounts	409,643	71%	403,037	70%	345,499	71%	302,083	67%	262,379	69%	227,304	69%
Subordinated debt	8,000	1%	6,993	1%	6,994	1%	6,995	2%	6,996	2%	2,998	1%
Deferred tax liabilities-net	-	0%	-	0%	1,533	0%	951	0%	120	0%	936	0%
Other liabilities	17,857	3%	16,337	3%	14,434	3%	12,632	3%	9,057	2%	5,997	2%
Total Liabilities	558,614	96%	557,853	96%	462,188	95%	422,327	95%	364,509	95%	306,714	94%
Net Assets	21,147	4%	21,636	4%	23,157	5%	20,214	5%	17,989	5%	18,505	6%
Represented by												
Share Capital - net of discount	11,025	2%	11,025	2%	11,025	2%	11,025	2%	11,025	3%	11,025	3%
Reserves	3,918	1%	3,541	1%	2,970	1%	2,490	1%	2,109	1%	1,753	1%
Surplus / (Deficit) on revaluation of assets	(784)	0%	(12)	0%	3,471	1%	1,894	0%	543	0%	2,095	1%
Un-appropriated profit	6,988	1%	7,082	1%	5,691	2%	4,805	2%	4,312	1%	3,632	1%
	21,147	4%	21,636	4%	23,157	5%	20,214	5%	17,989	5%	18,505	6%
Profit & Loss Account												
Interest / Return / Non Interest Income												
Mark-up / Return / Interest Earned	63,057	92%	37,133	90%	42,228	92%	38,790	93%	21,600	87%	18,504	84%
Fee, Commission and Exchange income	5,322	8%	3,235	8%	2,812	6%	3,016	7%	2,694	11%	2,016	10%
Capital Gain and Dividend Income	(254)	0%	714	2%	953	2%	(192)	0%	519	2%	1,399	6%
Other income	89	0%	341	1%	43	0%	37	0%	47	0%	41	0%
Total Income	68,214	100%	41,423	100%	46,036	100%	41,651	100%	24,860	100%	21,960	100%
Mark-up / Return / Non Interest Expense												
Mark-up / Return / Non Interest Expensed	51,790	76%	26,196	63%	31,573	69%	30,864	74%	14,647	59%	12,032	55%
Non mark-up / interest expenses	12,245	18%	10,191	25%	9,026	20%	8,129	20%	7,380	29%	7,003	32%
(Reversal) / Provisions and write-offs - net	(375)	-1%	(112)	0%	1,402	3%	(589)	-1%	(71)	0%	78	0%
Taxation	2,671	4%	2,294	6%	1,635	4%	1,341	3%	1,120	5%	1,187	5%
Total Expenses	66,331	97%	38,569	93%	43,636	95%	39,745	95%	23,076	93%	20,300	92%
Profit after taxation	1,883	3%	2,854	7%	2,400	5%	1,906	5%	1,784	7%	1,660	8%

SIX YEARS' HORIZONTAL ANALYSIS

STATEMENT OF FINANCIAL POSITION / PROFIT & LOSS



	2022	2022 vs 2021	2021	2021 vs 2020	2020	2020 vs 2019	2019	2019 vs 2018	2018	2018 vs 2017	2017	2017 vs 2016
	Rs. in Mn	%	Rs. in Mn	%	Rs. in Mn	%	Rs. in Mn	%	Rs. in Mn	%	Rs. in Mn	%
Statement of Financial Position												
Assets												
Cash and balances with treasury banks	27,420	-22%	35,197	17%	29,964	-12%	33,961	31%	26,020	34%	19,431	6%
Balances with other banks	1,939	-20%	2,427	-43%	4,268	106%	2,075	76%	1,180	3%	1,151	40%
Lending to financial institutions	52,339	137%	22,113	147%	8,956	645%	1,202	-69%	3,921	-40%	6,503	18%
Investment-net	258,007	-21%	327,425	31%	249,956	41%	177,056	21%	146,646	25%	117,429	0%
Advances-net	208,434	26%	165,495	1%	164,545	-20%	204,901	10%	186,475	14%	164,293	31%
Fixed assets	12,593	13%	11,145	-6%	11,911	43%	8,329	33%	6,239	-3%	6,464	31%
Intangible assets	328	-24%	433	6%	408	-13%	467	3%	454	288%	117	-42%
Deferred tax assets-net	891	401%	178	100%	-	-	-	-	-	-	-	-
Other assets	17,810	18%	15,076	-2%	15,337	5%	14,550	26%	11,563	18%	9,831	11%
Total Assets	579,761	0%	579,489	19%	485,345	10%	442,541	16%	382,498	18%	325,219	15%
Liabilities and Equity												
Bills payable	7,386	7%	6,901	3%	6,708	69%	3,961	-1%	3,994	-18%	4,895	18%
Borrowings	115,728	-7%	124,585	43%	87,020	-9%	95,705	17%	81,963	27%	64,584	66%
Deposits and other accounts	409,643	2%	403,037	17%	345,499	14%	302,083	15%	262,379	15%	227,304	8%
Subordinated debt	8,000	14%	6,993	0%	6,994	0%	6,995	0%	6,996	133%	2,998	0%
Deferred tax liabilities-net	-	0%	-	-100%	1,533	61%	951	693%	120	-87%	936	-18%
Other liabilities	17,857	9%	16,337	13%	14,434	14%	12,632	39%	9,057	51%	5,997	-7%
Total Liabilities	558,614	0%	557,853	21%	462,188	9%	422,327	16%	364,509	19%	306,714	16%
Share Capital	11,025	0%	11,025	0%	11,025	0%	11,025	0%	11,025	0%	11,025	0%
Reserves	3,918	11%	3,541	19%	2,970	19%	2,490	18%	2,109	20%	1,753	23%
Surplus / (Deficit) on revaluation of assets	(784)	6433%	(12)	-100%	3,471	83%	1,894	249%	543	-74%	2,095	-12%
Un-appropriated profit	6,988	-1%	7,082	24%	5,691	18%	4,805	11%	4,312	19%	3,632	5%
Total Equity	21,147	-2%	21,636	-7%	23,157	15%	20,214	12%	17,989	-3%	18,505	1%
Profit & Loss Account												
Interest / Return / Non Interest Income												
Mark-up / Return / Interest Earned	63,057	70%	37,133	-12%	42,228	9%	38,790	80%	21,600	17%	18,504	6%
Fee, Commission and Exchange income	5,322	65%	3,235	15%	2,812	-7%	3,016	12%	2,694	34%	2,016	18%
Capital Gain and Dividend Income	(254)	-136%	714	-25%	953	-596%	(192)	-137%	519	-63%	1,399	24%
Other income	89	-74%	341	693%	43	16%	37	-21%	47	15%	41	41%
Total Income	68,214	65%	41,423	-10%	46,036	11%	41,651	68%	24,860	13%	21,960	8%
Mark-up / Return / Non Interest Expense												
Mark-up / Return / Non Interest Expensed	51,790	98%	26,196	-17%	31,573	2%	30,864	111%	14,647	22%	12,032	11%
Non mark-up / interest expenses	12,245	20%	10,191	13%	9,026	11%	8,129	10%	7,380	5%	7,003	9%
(Reversal) / Provisions and write-offs - net	(375)	235%	(112)	-108%	1,402	-338%	(589)	730%	(71)	-191%	78	59%
Taxation	2,671	16%	2,294	40%	1,635	22%	1,341	20%	1,120	-6%	1,187	-1%
Total Expenses	66,331	72%	38,569	-12%	43,636	10%	39,745	72%	23,076	14%	20,300	10%
Profit after taxation	1,883	-34%	2,854	19%	2,400	26%	1,906	7%	1,784	7%	1,660	-12%

CASH FLOW STATEMENT

DIRECT METHOD



CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	----- (Rupees in '000) -----	
Markup / return / interest and commission receipts	73,750,177	42,358,327
Markup / return / interest payments	(50,174,668)	(24,744,276)
Cash payments to employees, suppliers and others	(10,945,936)	(9,293,477)
	<u>12,629,573</u>	<u>8,320,574</u>
(Increase) / decrease in operating assets		
Lendings to financial institutions	(30,225,541)	(13,157,035)
Held-for-trading securities	19,627,554	(17,684,076)
Advances - net	(42,725,176)	(949,775)
Others assets - (excluding advance taxation)	(7,691,842)	(154,228)
	<u>(61,015,005)</u>	<u>(31,945,114)</u>
Increase / (decrease) in operating liabilities		
Bills payable	485,294	193,316
Borrowings	(9,611,468)	36,929,962
Deposits and other accounts	6,606,059	57,537,786
Other liabilities	49,490	795,626
	<u>(2,470,625)</u>	<u>95,456,690</u>
	<u>(50,856,057)</u>	<u>71,832,150</u>
Income tax paid	(2,312,980)	(2,264,263)
Net cash flow (used in) / generated from operating activities	<u>(53,169,037)</u>	<u>69,567,887</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in securities	48,493,108	(64,287,864)
Dividend received	386,642	249,550
Investment in operating fixed assets (including intangible assets)	(3,122,318)	(1,699,431)
Proceeds from sale of non-banking assets	27,501	-
Proceeds from disposal of fixed assets	21,546	1,160,539
Net cash flow generated from / (used in) from investing activities	<u>45,806,479</u>	<u>(64,577,206)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts / payments of subordinated debt	1,007,200	(1,200)
Payment of lease liability against right-of-use assets	(1,021,167)	(871,700)
Dividend paid	(1,643,018)	(1,359,789)
Net cash flow used in financing activities	<u>(1,656,985)</u>	<u>(2,232,689)</u>
(Decrease) / Increase in cash and cash equivalents	<u>(9,019,543)</u>	<u>2,757,992</u>
Cash and cash equivalents at the beginning of the period	36,941,161	34,183,169
Cash and cash equivalents at the end of the period	<u>27,921,618</u>	<u>36,941,161</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
Cash and balances with treasury banks	27,420,328	35,196,898
Balances with other banks	501,290	1,744,263
	<u>27,921,618</u>	<u>36,941,161</u>

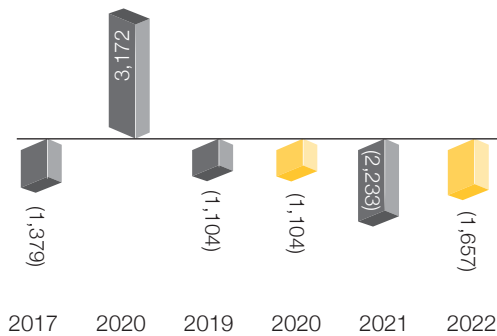
CASH FLOW STATEMENT

INDIRECT METHOD

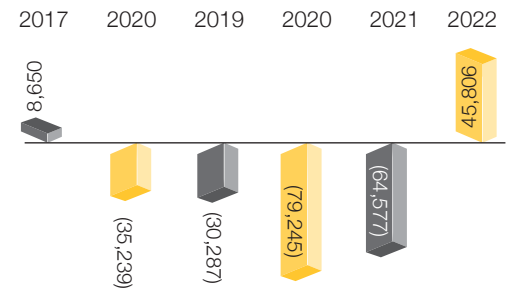


	(Rupees in Million)					
INDIRECT METHOD - SUMMARY	2022	2021	2020	2019	2018	2017
Cash flow from financing activities	(1,657)	(2,233)	(1,104)	(1,104)	3,172	(1,379)
Cash flow from investing activities	45,806	(64,577)	(79,245)	(30,287)	(35,239)	8,650
Cash flow from operating activities	(53,169)	69,568	78,586	40,426	38,673	(5,930)
Cash and cash equivalent at the beginning of the year	36,941	34,183	35,946	26,911	20,305	18,964
Cash and cash equivalent at the end of the year	27,921	36,941	34,183	35,946	26,911	20,305

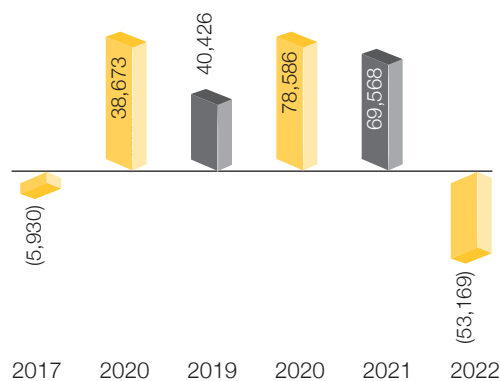
Financing Activities (Rs. in Millions)



Investing Activities (Rs. in Millions)



Operating Activities (Rs. in Millions)



ENLIGHTENED CONCLUSION

FINANCIAL STATEMENTS

We affirm our commitment by delivering great results for both our clients and stakeholders while remaining adaptable and sustainable in our effort to unify and integrate livelihood and enterprises.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Soneri Bank Limited (the Bank), which comprise the statement of financial position as of 31 December 2022, and the profit and loss account, the statement of comprehensive income, the statement of changes in equity, and the cash flow statement for the year then ended, along with unaudited certified returns received from the branches except for thirty branches which have been audited by us and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and, give the information required by the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as of 31 December 2022 and of the profit, the 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 the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Following is the Key Audit Matter:



S.No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Provision against advances (Refer to note 9.3 to the financial statements)</p> <p>The Bank makes provisions against advances on time-based criteria that involve ensuring all non-performing loans and advances are classified in accordance with the criteria specified in the Prudential Regulations (PRs) issued by the State Bank of Pakistan (SBP).</p> <p>In addition to the criteria, the PRs require a subjective evaluation of the creditworthiness of the borrowers to determine the classification of advances.</p> <p>The Bank has recognised a net reversal against advances amounting to Rs. 400.29 million in the profit and loss account in the current year. As of 31 December 2022, the Bank holds a provision of Rs. 7,340.23 million against advances.</p> <p>The determination of provision against advances based on the subjective criteria remains an area which involves use of judgement.</p> <p>Because of the significance and the volume of advances relative to the overall statement of financial position of the Bank, we considered the area of provision against advances as a key audit matter.</p>	<p>Our audit procedures to verify provisions against advances, amongst others, include the following:</p> <ul style="list-style-type: none"> Assessed the design and tested the operating effectiveness of key controls established by the Bank to identify loss events and for determining the extent of provisioning required against non-performing loans. Based on our credit review exercise and for a risk-based sample of advances, where the management has not identified as indicators of impairment, challenge the management's assessment by comparing the historical performance, financial ratios, and reports on security maintained with the expected future performance and form our own view whether any impairment indicators are present. Based on our credit review exercise, where the management has identified as displaying indicators of impairment, assess the number of days overdue, and factors used for the calculation of provision in accordance with the Prudential Regulations. Analyse the days' past due report and factors used for the calculation of specific provisions required in accordance with Prudential Regulations. For consumer advances, where the management has not identified any displaying indicators of impairment, compare the general provision calculated with the provision required in accordance with the SBP Prudential Regulations.

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

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial statements, the 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 the management either intends to liquidate the Bank or to cease operations or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

Report on Other Legal and Regulatory Requirements

1. Based on our audit, we further report that in our opinion:
 - a) Proper books of account have been kept by the Bank as required by the Companies Act, 2017 (XIX of 2017) and the returns referred to above from the branches have been found adequate for the purpose of our audit;
 - b) The statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
 - c) Investments made, expenditures incurred and guarantees extended during the year were in accordance with the objects and powers of the Bank and the transactions of the Bank which have come to our notice have been within the powers of the Bank; and
 - d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.
2. We confirm that for the purpose of our audit, we have covered more than sixty per cent of the total loans and advances of the Bank.

The engagement partner on the audit resulting in this independent auditor's report is **Zeeshan Rashid**.

KPMG Taseer Hadi & Co.
Chartered Accountants
Karachi: 05 March 2023

UDIN: AR202210188bBvRsrSci

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022



	Note	2022	2021
------(Rupees in '000)-----			
ASSETS			
Cash and balances with treasury banks	5	27,420,328	35,196,898
Balances with other banks	6	1,939,303	2,427,478
Lendings to financial institutions	7	52,338,662	22,113,121
Investments	8	258,007,046	327,425,187
Advances	9	208,434,160	165,494,796
Fixed assets	10	12,592,776	11,145,057
Intangible assets	11	327,901	432,894
Deferred tax assets - net	12	890,621	178,221
Other assets	13	17,809,034	15,074,897
		579,759,831	579,488,549
LIABILITIES			
Bills payable	15	7,386,191	6,900,897
Borrowings	16	115,728,198	124,584,868
Deposits and other accounts	17	409,642,613	403,036,554
Liabilities against assets subject to finance lease		-	-
Subordinated debt	18	8,000,000	6,992,800
Deferred tax liabilities - net		-	-
Other liabilities	19	17,856,638	16,337,889
		558,613,640	557,853,008
NET ASSETS			
		21,146,191	21,635,541
REPRESENTED BY			
Share capital	20	11,024,636	11,024,636
Reserves		3,917,964	3,541,315
Surplus / (deficit) on revaluation of assets - net	21	(784,204)	(12,164)
Unappropriated profit		6,987,795	7,081,754
		21,146,191	21,635,541
CONTINGENCIES AND COMMITMENTS			
	22		

The annexed notes 1 to 50 and annexures I to III form an integral part of these financial statements.

Alauddin Feerasta
Chairman

Muhtashim Ahmad Ashai
President & Chief Executive Officer

Mirza Zafar Baig
Chief Financial Officer

Ahmed A. Feerasta
Director

Jamil Hassan Hamdani
Director

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022



	Note	2022	2021
----- (Rupees in '000) -----			
Mark-up / return / interest earned	23	63,056,613	37,133,146
Mark-up / return / interest expensed	24	51,789,857	26,195,612
Net mark-up / interest income		11,266,756	10,937,534
Non mark-up / interest income			
Fee and commission income	25	2,430,292	2,073,603
Dividend income		279,629	350,340
Foreign exchange income		2,891,741	1,161,427
Income / (loss) from derivatives		-	-
(Loss) / gain on securities - net	26	(533,142)	364,109
Other income	27	88,932	340,756
Total non-markup / interest Income		5,157,452	4,290,235
Total income		16,424,208	15,227,769
Non mark-up / interest expenses			
Operating expenses	28	12,119,039	10,038,717
Workers' Welfare Fund - net	29	99,472	120,333
Other charges	30	26,245	31,456
Total non mark-up / interest expenses		12,244,756	10,190,506
Profit before provisions		4,179,452	5,037,263
(Reversals) / provision and write offs - net	31	(374,569)	(111,956)
Extraordinary / unusual items		-	-
Profit before taxation		4,554,021	5,149,219
Taxation	32	2,670,778	2,295,072
Profit after taxation		1,883,243	2,854,147
----- (Rupees) -----			
Basic earnings per share	33	1.7082	2.5889
Diluted earnings per share	34	1.7082	2.5889

The annexed notes 1 to 50 and annexures I to III form an integral part of these financial statements.

Alauddin Feerasta
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Muhtashim Ahmad Ashai
President & Chief Executive Officer

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Chief Financial Officer

Ahmed A. Feerasta
Director

Jamil Hassan Hamdani
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022



	Note	2022	2021
----- (Rupees in '000) -----			
Profit after taxation for the year		1,883,243	2,854,147
Other comprehensive income			
Items that may be reclassified to profit and loss account in subsequent periods:			
Movement in surplus on revaluation of investments - net of tax		(586,994)	(2,855,364)
Items that will not be reclassified to profit and loss account in subsequent periods:			
Remeasurement loss on defined benefit obligations - net of tax	39.8.2	(31,082)	(2,828)
Movement in surplus on revaluation of fixed assets - net of tax	21.1	(100,605)	(106,492)
Movement in surplus on revaluation of non banking assets - net of tax	21.2	(217)	(32,881)
		(131,904)	(142,201)
Total comprehensive income / (loss)		1,164,345	(143,418)

The annexed notes 1 to 50 and annexures I to III form an integral part of these financial statements.

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President & Chief Executive Officer

Mirza Zafar Baig
Chief Financial Officer

Ahmed A. Feerasta
Director

Jamil Hassan Hamdani
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022



	Note	2022	2021
------(Rupees in '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		4,554,021	5,149,219
Less: dividend income		279,629	350,340
		4,274,392	4,798,879
Adjustments:			
Depreciation on fixed assets	10.3	743,290	693,408
Depreciation on ijarah assets		186,097	129,472
Depreciation on right-of-use assets	10.2	758,677	672,032
Depreciation on non-banking assets	28	3,797	3,755
Amortisation	11	257,826	208,338
Finance charge on lease liability against right-of-use assets	19.2	442,962	401,580
Gain on termination of lease	27	(20,255)	-
(Reversals) / provision and write offs - net	31	(374,569)	(111,956)
Reversal of provision for diminution in the value of investments	8.3	(293)	(112,298)
Gain on sale of fixed assets - net	27	(27,756)	(303,671)
Gain on sale of non-banking assets	27	(462)	-
Provision for Workers' Welfare Fund - net	29	99,472	120,333
Unrealised gain on revaluation of investments classified as held-for-trading	26	-	(6,643)
		2,068,786	1,694,350
		6,343,178	6,493,229
(Increase) / decrease in operating assets			
Lendings to financial institutions		(30,225,541)	(13,157,035)
Held-for-trading securities		19,627,554	(17,684,076)
Advances		(42,725,176)	(949,775)
Others assets (excluding advance taxation and non-banking asset)		(3,305,615)	240,257
		(56,628,778)	(31,550,629)
Increase / (decrease) in operating liabilities			
Bills payable		485,294	193,316
Borrowings		(9,611,468)	36,929,962
Deposits		6,606,059	57,537,786
Other liabilities		1,949,658	2,228,486
		(570,457)	96,889,550
Income tax paid		(2,312,980)	(2,264,263)
Net cash flow (used in) / generated from operating activities		(53,169,037)	69,567,887
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		53,143,430	(64,382,848)
Net investments in held-to-maturity securities		(4,650,322)	94,984
Dividends received		386,642	249,550
Investments in fixed assets		(3,122,318)	(1,699,431)
Proceeds from sale of non-banking assets		27,501	-
Proceeds from sale of fixed assets		21,546	1,160,539
Net cash flow generated from / (used in) investing activities		45,806,479	(64,577,206)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of subordinated debt		1,007,200	(1,200)
Payment of lease liability against right-of-use assets		(1,021,167)	(871,700)
Dividend paid		(1,643,018)	(1,359,789)
Net cash flow used in financing activities		(1,656,985)	(2,232,689)
Increase / (Decrease) in cash and cash equivalents		(9,019,543)	2,757,992
Cash and cash equivalents at beginning of the year		36,941,161	34,183,169
Cash and cash equivalents at end of the year	36	27,921,618	36,941,161

The annexed notes 1 to 50 and annexures I to III form an integral part of these financial statements.

Alauddin Feerasta
Chairman

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Chief Financial Officer

Ahmed A. Feerasta
Director

Jamil Hassan Hamdani
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022



Note	Share capital	Statutory reserve (a)	Surplus / (deficit) on revaluation of		Unappropriated profit	Total
			Investments	Fixed assets / Non Banking assets		
------(Rupees in '000)-----						
Balance as at 31 December 2020	11,024,636	2,970,486	526,127	2,944,876	5,690,913	23,157,038
Comprehensive income for the year						
Profit after taxation for the year ended 31 December 2021	-	-	-	-	2,854,147	2,854,147
Other comprehensive income / (loss)						
- Movement in surplus on revaluation of investments - net of tax	-	-	(2,855,364)	-	-	(2,855,364)
- Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	(2,828)	(2,828)
- Movement in surplus on revaluation of fixed assets - net of tax	-	-	-	(106,492)	-	(106,492)
- Movement in surplus on revaluation of non banking assets - net of tax	21.1& 21.2	-	-	(32,881)	-	(32,881)
	-	-	(2,855,364)	(139,373)	2,851,319	(143,418)
Transfer to statutory reserve	-	570,829	-	-	(570,829)	-
Transfer from surplus on revaluation of assets to unappropriated profit on disposal	-	-	-	(398,500)	398,500	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	21.1& 21.2	-	-	(89,930)	89,930	-
Transactions with owners recorded directly in equity						
Final cash dividend for the year ended 31 December 2020 at Rs. 1.25 per share	-	-	-	-	(1,378,079)	(1,378,079)
Balance as at 31 December 2021	11,024,636	3,541,315	(2,329,237)	2,317,073	7,081,754	21,635,541
Comprehensive income for the year						
Profit after taxation for the year ended 31 December 2022	-	-	-	-	1,883,243	1,883,243
Other comprehensive income / (loss)						
- Movement in surplus on revaluation of investments - net of tax	-	-	(586,994)	-	-	(586,994)
- Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	(31,082)	(31,082)
- Movement in surplus on revaluation of fixed assets - net of tax	-	-	-	(100,605)	-	(100,605)
- Movement in surplus on revaluation of non banking assets - net of tax	21.2	-	-	(217)	-	(217)
	-	-	(586,994)	(100,822)	1,852,161	1,164,345
Transfer to statutory reserve	-	376,649	-	-	(376,649)	-
Transfer from surplus on revaluation of assets to unappropriated profit on disposal - net of tax	-	-	-	(385)	385	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	21.1	-	-	(83,839)	(83,839)	-
Transactions with owners recorded directly in equity						
Final cash dividend for the year ended 31 December 2021 at Rs. 1.50 per share	49.1	-	-	-	(1,653,695)	(1,653,695)
Balance as at 31 December 2022	11,024,636	3,917,964	(2,916,231)	2,132,027	6,987,795	21,146,191

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

(b) As explained in note 9.3.4 to these financial statements, unappropriated profit includes an amount of Rs. 895.703 million - net of tax as at 31 December 2022 (31 December 2021: Rs. 1,101.221 million) representing additional profit arising from availing forced sales value benefit for determining provisioning requirement which is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

The annexed notes 1 to 50 and annexures I to III form an integral part of these financial statements.

Alauddin Feerasta
Chairman

Muhtashim Ahmad Ashai
President & Chief Executive Officer

Mirza Zafar Baig
Chief Financial Officer

Ahmed A. Feerasta
Director

Jamil Hassan Hamdani
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



1 STATUS AND NATURE OF BUSINESS

Soneri Bank Limited ("the Bank") was incorporated in Pakistan on 28 September 1991 as a public limited bank under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). Its registered office and central office are situated at 2nd Floor, 307- Upper Mall Scheme, Lahore, Punjab and at 10th Floor, PNSC Building, M.T. Khan Road, Karachi respectively. The shares of the Bank are quoted on Pakistan Stock Exchange Limited. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and operates with 403 branches including 40 Islamic banking branches, 15 Islamic banking windows. and 01 sub branch (2021: 367 branches including 35 Islamic banking branches, 15 Islamic banking windows and 01 sub branch) in Pakistan. The credit rating of the Bank is disclosed in note 37 to the financial statements.

2 BASIS OF PRESENTATION

These financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BSD Circular No. 02, dated 25 January 2018.

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilised and appropriate portion of mark-up thereon. However, the Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS), issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the provisions of Companies Act, 2017.

The financial results of all Islamic banking branches and windows of the Bank have been consolidated in these financial statements for reporting purposes, after eliminating material intra branch transactions / balances. The same are disclosed in Annexure II to these financial statements.

2.1 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRSs) 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 (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) from time to time.

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

2.1.1 The SBP, vide its BSD Circular Letter no.10 dated 26 August 2002 has deferred the applicability of International Accounting Standard (IAS) 39, Financial Instruments, Recognition and Measurement and International Accounting Standard 40, Investment Property, for banking companies till further instructions. Moreover, SBP vide BPRD circular no. 4, dated 25 February 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, the SECP, through S.R.O 411(1) / 2008 dated 28 April 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 condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

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

2.2.1 There are certain new standards, amendments and interpretations of and to existing accounting standards that are mandatory for the Bank's accounting periods beginning on or after 1 January 2022. These are considered not to be relevant or do not have any significant impact on the Bank's operations and are therefore, not disclosed in these financial statements.

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

2.3.1 IFRS 9 Financial Instruments

As directed by the State Bank of Pakistan (SBP), via BPRD Circular no 3 of 2022 dated 5 July 2022, IFRS 9 Financial Instruments is effective for periods beginning on or after 1 January 2023 for banks having asset base of Rs. 500 billion or more as at 31 December 2021. The said circular also provides detailed instructions on implementation of IFRS 9 (the Application Instructions) for ensuring smooth and consistent implementation of the standard across banks.

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

During the year 2022, the management of the Bank continued to perform parallel run assessments for IFRS 9, taking into account the SBP's IFRS 9 application instructions. The assessments were based on available information that existed at respective parallel run reporting cut offs, and were subject to changes that could arise from further reasonable and supportable information being made available to the Bank at the time of finalizing the impact for initial application of IFRS 9. Banks expect an increase in the loss allowance resulting in a negative impact on equity. In addition, Banks will implement changes in classification of certain financial instruments. These changes and impacts for the Bank are discussed below:

2.3.1.1 Classification and measurement

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

Equity Securities

Under the new standard, the Bank is expected to continue measuring equity securities at fair value.

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

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

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

Debt securities and Loans and advances

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

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



2.3.1.2 Impairment

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

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

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

- PD: The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information.
- LGD: It is an estimate of magnitude of loss sustained on any facility upon default by a customer. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor. It is the difference between contractual cash flows due and those that the Bank expects to receive, including any form of collateral.
- EAD: the expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortisation, pre-payments and forward-looking information where relevant.

For the purpose of calculation of ECL, the Bank has used 5 years data till 31 December 2022 and going forward, one more year's data shall be included until the Bank has at least 10 years data.

Significant increase in credit risk (SICR)

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

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

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

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

As required by the Application Instructions, financial assets may be reclassified out of stage 3 if they meet the requirements of Prudential Regulations (PR) issued by SBP. Financial assets in stage 2 may be reclassified to stage 1 if the conditions that led to a SICR no longer apply.

2.3.1.3 Presentation and disclosure

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

The State Bank of Pakistan vide BPRD Circular No 03 of 2023 dated 9 February 2023 has issued revised formats for annual as well as interim financial statements of Banks for the accounting periods starting from 1 January 2023, which include the presentation and disclosures of adoption of IFRS 9 as applicable in Pakistan.

2.3.1.4 Loan / financing related fee

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

2.3.1.5 Additional requirements and exceptions introduced by SBP Instructions

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

(i) Use of Fair Value Option for financial assets

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

(ii) Unquoted equity securities

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

(iii) Rebuttable presumptions about default and SICR

IFRS 9 includes a rebuttable presumption that 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.

(iv) Transfer out of stage 3

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

(v) Income recognition on impaired assets

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

(vi) Expected Credit Loss Model (ECL)

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

(vii) Impact of Provisions on Regulatory Capital

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

2.3.1.6 Impact of adoption of IFRS 9

The Bank will adopt IFRS 9 in its entirety effective 01 January 2023 with modified retrospective approach for restatement. The actual impact of adopting IFRS 9 on the Bank's financial statements in the year 2023 may not be accurately estimated because it will be dependent on the financial instruments that the Bank would hold during next year and economic conditions at that time as well as accounting elections and judgements that it will make in future. Nevertheless, the Bank has performed a preliminary assessment of the potential impact of adoption of IFRS 9 based on its statement of financial position as at 31 December 2022.



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

The total estimated adjustment (net of tax) of the adoption of IFRS 9 on the opening balance of the Bank's equity at 1 January 2023 is given below:

- A decrease of approximately **Rs. 1, 272 million** (net of tax) related to impairment requirements; and
- An increase of approximately **Rs. 2,274 million** (net of tax) related to classification and measurement requirements, other than impairment, based on business model adoption at the date of initial recognition for certain debt securities.

Impact on regulatory capital

The introduction of IFRS 9 will result in reduction in regulatory capital of the Banks, which is likely to reduce their lending capacity and ability to support their clients. In order to mitigate the impact of expected credit loss (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 must apply 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.

The impact of adoption of IFRS 9 on the capital ratios of the Bank are as follows:

	As per current Reporting requirements	As per IFRS 9 impairment changes	IFRS 9 impairment changes and Reclassification
- Common Equity Tier 1 Capital Adequacy ratio	<u>11.07%</u>	<u>10.80%</u>	<u>10.80%</u>
- Tier 1 Capital Adequacy Ratio	<u>12.93%</u>	<u>12.67%</u>	<u>12.67%</u>
- Total Capital Adequacy Ratio	<u>15.19%</u>	<u>14.94%</u>	<u>15.54%</u>
- CET 1 available to meet buffers (as a percentage of risk weighted assets)	<u>5.07%</u>	<u>4.80%</u>	<u>4.80%</u>

The Bank will continue to refine its expected credit loss model and embed its operational processes which may change the actual impact on adoption, although parallel runs have been carried out till the third quarter of 2022, the new systems and associated controls in place have not been operational for a more extended period.

2.3.1.7 Governance, ownership and responsibilities

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

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

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

The Bank's Finance Division will ensure preparation of disclosures and incorporation of the impacts on the financial statements of the Bank. Finance Division shall identify, prepare and extract the data required for the risk parameters modelling and ECL calculations, and shall ensure that all disclosures as required by the accounting standard and the SBP formats and guidelines are made.

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

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

2.3.2 Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies – These amendments address application of materiality to disclosure of accounting policies and are aimed to help entities in providing useful accounting policy disclosures. The key amendments to IAS 1 include

- requiring entities to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to an entity's financial statements.

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

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

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

2.3.5 Furthermore, following standards, amendments and interpretations of approved accounting standards will be effective for the accounting periods as stated below:

Standard, Interpretation or Amendment

Effective date (annual periods beginning on or after)

Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2024
Non-current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
Lease Liability in a Sale and Leaseback transaction - Amendments to IFRS 16	January 01, 2024

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

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



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

3 BASIS OF MEASUREMENT

3.1 Accounting convention

These financial statements have been prepared under the historical cost convention, except that certain fixed assets and non-banking assets acquired in satisfaction of claims are stated at revalued amounts less accumulated depreciation, certain investments and commitments in respect of forward exchange contracts have been marked to market and are carried at fair values, right-of-use assets and their related lease liabilities are measured at present values adjusted for depreciation, interest cost and lease repayments respectively, and staff retirement benefits are carried at present values.

3.2 Functional and presentation currency

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

3.3 Critical accounting estimates and judgements

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

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

- i) classification and provisioning against investments (notes 4.3, 4.16.1 and 8);
- ii) classification and provisioning against loans and advances (notes 4.4 and 9);
- iii) current and deferred taxation (notes 4.15, 12, 22.3.1, 22.3.3 and 32);
- iv) accounting for defined benefit plan (notes 4.12.1 and 39);
- v) depreciation, amortisation methods, useful lives and revaluation of fixed assets and intangibles (notes 4.5.1, 4.6, 10 and 11);
- vi) ijarah assets (notes 4.4.1 and Annexure II - note 3.1);
- vii) right of use assets and related lease liabilities (notes 4.7 and 19.2);
- viii) provisions and contingent assets and liabilities (notes 4.17, 14 and 22);
- ix) impairment of assets (notes 4.16 and 8.3);
- x) workers welfare fund (note 29);
- xi) valuation of non-banking assets acquired in satisfaction of claims (notes 4.9 and 13.1.2); and
- xii) remuneration framework and related disclosures (note 4.12.3, 28.1 and 41).

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied and adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented.

4.1 Cash and cash equivalents

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

4.2 Lendings to / borrowings from financial and other institutions

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

(a) Sale of securities under repurchase agreements

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

(b) Purchase of securities under resale agreements

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

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

(c) Lending under margin trading system

Securities purchased under margin financing are recorded as "lendings to financial institutions" at the fair value of the consideration given. All margin financing transactions are accounted for on the transaction date. Income on margin financing is accrued over the period of the contract.

(d) Call lendings / placements

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

(e) Borrowings

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

(f) Bai Muajjal

Bai Muajjal transactions are reported as part of lendings to financial institutions, except for transactions with the Government of Pakistan through SBP, which are reported as part of investments. In the case of Bai Muajjal transactions, the Bank sells shariah compliant instruments on credit to customers. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period. The difference between the deferred payment amount receivable and carrying value at the time of sale is accrued and recorded as income over the life of the transaction.

(g) Musharaka / Mudaraba

In Musharaka / Mudaraba (Letters of placement), the Bank invests in the Shariah compliant business pools of the financial institutions at the agreed profit and loss sharing ratio.

4.3 Investments

The Bank classifies its investments as follows:

Held for trading

These represent securities, which are either acquired for the purpose of generating profit from short-term fluctuations in market prices, interest rates or dealer's margin or are securities included in the portfolio in which a pattern of short-term profit making exists.

Held to maturity

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



Available for sale

These are investments, other than those in subsidiaries and associates, if any, that do not fall under the held for trading or held to maturity categories.

4.3.1 Initial measurement

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

All purchases and sales of investments that require delivery within the time frame established by regulations or market conventions are recognised at the trade date. Trade date is the date on which the Bank commits to purchase or sell the investment.

4.3.2 Subsequent measurement

Held for trading

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

Held to maturity

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

Available for sale

Quoted securities classified as available for sale investments are measured at subsequent reporting dates at fair value. Any surplus or deficit arising thereon is kept in a separate account shown in the statement of financial position as part of the equity and is taken to the profit and loss account when realized upon disposal or when the investment is considered to be impaired.

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

Provisions for diminution in the value of term finance certificates and Sukuks are made as per the ageing criteria prescribed by the Prudential Regulations issued by the SBP. Provision for diminution in the value of other securities is made after considering objective evidence of impairment, if any.

4.4 Advances

Advances are stated net of specific and general provisions. Specific provision for advances are made in accordance with the requirements of the Prudential Regulations and other directives issued by SBP and charged to the profit and loss account. General provision against consumer and small / medium enterprises financings portfolio is maintained as per the requirements of the Prudential Regulations issued by SBP. Advances are written off when there is no realistic prospect of recovery. In addition to conventional products, the Bank also offers various Islamic financing products which mainly include the following:

4.4.1 Islamic financings and related assets

Murabaha

Murabaha financings are reflected as receivables at the invoiced amount. Actual sales and purchases are not reflected, as the goods are purchased by the customer as an agent of the Bank and all documents relating to purchase are in the customer's name. However, the profit on that sale revenue not due for payment is deferred and is recognised on a time proportion basis. Funds disbursed under Murabaha financing arrangements for purchase of goods are recorded as "Advance Against Murabaha" in advances.

Salam

Salam financings are reflected as receivables at the invoiced amount. Profit not due for payment is deferred and is recognised on a time proportion basis. Funds disbursed under Salam financing arrangements for purchase of goods are recorded as "Advance Against Salam" in advances.

Running Musharaka

Running Musharakah is the economic equivalent of conventional running finance. The Bank and the customer enter a Musharakah (transaction or business partnership arrangement) where the Bank agrees to finance the operating activities of the customer's business and share the profit or loss at a pre-agreed ratio. Profit is provisionally recognised on an accrual basis and is adjusted once the customer declares the final profit after issuance of audited financial statements.

Diminishing Musharaka

In Diminishing Musharaka financing, the Bank enters into Musharaka based on Shirkat-ul-mulk for financing an agreed share of fixed asset (e.g. house, land, plant or machinery) with its customers. The customers pay periodic profit as per the agreement for the utilisation of the Bank's Musharaka share and also periodically purchase the Bank's share over the tenure of the transaction.

Istisna

In Istisna financing, the Bank places an order to purchase some specific goods / commodities from its customers to be delivered to the Bank within an agreed time. The goods are then sold by the customer on behalf of the bank and the amount hence financed along with profit is paid back to the Bank.

Ijarah assets

Ijarah assets are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged from the date of recognition of ijarah assets on a straight line basis over the period of Ijarah. Impairment of Ijarah assets is determined on the same basis as that of operating fixed assets.

Ijarah income is recognised in income on an accrual basis as and when the rental becomes due. Impairment of Ijarah rental is determined in accordance with the requirements of the Prudential Regulations and other directives issued by SBP and charged to the profit and loss account.

4.5 Fixed assets and depreciation

4.5.1 Tangible assets - owned

Fixed assets (other than land and building) are stated at cost less accumulated depreciation and impairment losses, if any. Building is carried at revalued amount less any accumulated depreciation and subsequent impairment losses, if any. Land is carried at revalued amount less subsequent impairment losses, if any.

Depreciation on all fixed assets (excluding land which is not depreciated) is charged using the straight line method in accordance with the rates specified in note 10.3 to the financial statements after taking into account residual values, if significant. The residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. Depreciation on additions is charged from the month the assets are available for use while in the case of assets disposed of, it is charged upto the date of disposal.

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

Land and buildings are revalued by independent, professionally qualified valuers with sufficient regularity to ensure that the net carrying amount does not differ materially from their fair value. An increase arising on revaluation is credited to the surplus on revaluation of fixed assets account. A decrease arising on revaluation of fixed assets is adjusted against the surplus of that asset or, if no surplus exists, is charged to the profit and loss account as an impairment of the asset. A surplus arising subsequently on an impaired asset is reversed through the profit and loss account up to the extent of the original impairment.

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.

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

Gains and losses on disposal of fixed assets are credited / charged to the profit and loss account currently, except that the related surplus on revaluation of fixed assets (net of deferred taxation) is transferred directly to unappropriated profit.



4.5.2 Capital work in progress

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

4.6 Intangible assets and amortisation

Intangible assets having a definite useful lives are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortised on the basis of the estimated useful life over which economic benefits are expected to flow to the Bank. The residual values, useful lives and amortisation method are reviewed and adjusted, if appropriate, at each reporting date.

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

Intangible assets having an indefinite useful life are stated at acquisition cost less accumulated impairment losses, if any.

Gains and losses on disposals, if any, are taken to the profit and loss account in the period in which they arise.

4.7 Right-of-use assets and related lease liability

4.7.1 Right-of-use assets

On initial recognition, right-of-use assets are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenor.

Right-of-use assets are depreciated over their expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the month in which the leases are entered into. No depreciation is charged in the month in which the leases mature or are terminated.

4.7.2 Lease liability against right-of-use assets

Lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Bank's incremental borrowing rate. The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or change in lease terms. These remeasurements of lease liabilities are recognised as adjustments to the carrying amount of related right-of-use 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.

4.8 Acceptances

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

4.9 Non-banking assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are initially recorded at cost. These assets are revalued at each year end date of the statement of financial position. An increase in market value over the acquisition cost is recorded as a surplus on revaluation. A decline in the market value is adjusted against the surplus of that asset, if any, or if no surplus exists, is charged to the profit and loss account as an impairment. A subsequent increase in the market value of an impaired asset is reversed through the profit and loss account up to the extent of the original impairment. All direct costs of acquiring title to the asset are charged immediately to the profit and loss account. However, this revaluation surplus shall not be admissible for calculating bank's/DFI's Capital Adequacy Ratio (CAR) and exposure limits under Prudential Regulations. The surplus can be adjusted upon realization of sale proceeds.

Depreciation on non-banking assets acquired in satisfaction of claims is charged to the profit and loss account in line with depreciation charged on fixed assets.

These assets are generally intended for disposal. Gains and losses realised on the disposal of such assets are disclosed separately from gains and losses realised on the disposal of fixed assets. If such asset is subsequently used by the Bank for its own operations, the assets, along with any related surplus, are transferred to fixed assets.

4.10 Borrowings / deposits and their cost

Borrowings / deposits are recorded at the proceeds received. Borrowing / deposit costs are recognised as an expense in the period in which these are incurred.

4.10.1 Deposits - Islamic Banking

Islamic Banking deposits are generated on the basis of two modes i.e. Qard and Modaraba. Deposits taken on Qard basis are classified as 'Current Account' and Deposits generated on Modaraba basis are classified as 'Savings Account' and 'Fixed Deposit Accounts'. No profit or loss is passed on to current account depositors. Profits realised in investment pools are distributed in pre-agreed profit sharing ratio. Rab-ul-Maal (customer) share is distributed among depositors according to weightages assigned at the inception of profit calculation period. Mudarib (Bank) can distribute its share of profit to Rab-ul-Maal upto a specified percentage of its profit. Profits are distributed from the pool so the depositors (remunerative) only bear the risk of assets in the pool during the profit calculation period. Asset pools are created at the Bank's discretion and the Bank can add, amend, transfer an asset to any other pool in the interests of the deposit holders. 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.

4.11 Subordinated debt

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

4.12 Employee benefits

4.12.1 Defined benefit plan

The Bank operates an approved funded gratuity scheme for its permanent employees. The Bank's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Bank, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Bank determines the net interest expense (income) on the net defined benefit liability (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss account.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit and loss. The Bank recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Gratuity is payable to employees on completion of the prescribed qualifying period of service under the scheme.

4.12.2 Defined contribution plan

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

4.12.3 Remuneration framework

In order to align the remuneration practices in Pakistan with the international standards and best practices, the SBP issued Guidelines on Remuneration Practices through its BPRD circular no. 02 dated March 03, 2016, which were subsequently revised through BPRD Circular No. 01 dated 25 January 2017.



In accordance with these guidelines, the Bank has developed a comprehensive remuneration framework. The aim of this framework is to promote an effective risk management culture, and to ensure that the remuneration practice at the Bank is in line with the Bank's objectives taking into consideration all risks that the Bank may face. As a result, a fair, objective, transparent and sound remuneration policy, aligned with risks and responsibilities of Financial Intermediation has been put in place. The framework has been reviewed and recommended by the Board's Human Resource & Remuneration Committee (BHRRC) and approved by the Board of Directors (BOD).

Under the policy, all employees across the Bank who are materially responsible for risk taking - Material Risk Takers (MRTs), or risk controlling activities - Material Risk Controllers (MRCs) are identified. The remuneration of these MRTs and MRCs is dependent upon the achievement of performance measured through risk-adjusted balance scorecards which include financial and non-financial/ qualitative performance indicators including compliance with internal policies/ procedures/ controls, customer experience, as well as certain risk-adjusting factors (negative earners) such as regulatory compliance, frauds, complaints etc. All other individuals who do not fall within the criteria of MRTs and MRCs continue to be governed through the Bank's existing HR policy. The features of total compensation i.e. fixed remuneration as well as variable remuneration offered through performance bonuses have been disclosed in note 41 to these financial statements.

A certain portion of the variable compensation of the MRTs and MRCs is subjected to mandatory deferrals for a defined period, thus creating alignment between the employees' and stakeholders' interests and reinforcing that compensation is appropriately linked to longer-term sustainable performance. Deferred remuneration, especially with risk adjustments, improves risk-taking incentives because the amount ultimately received by employees can be made to depend on risk outcomes, and shall vest proportionately over the deferral period following the year of variable remuneration award, subject to any malus trigger adjustments. Under the Bank's framework, the deferral percentages range between 10 to 15 percent while the deferral period is set at three years.

The payouts for variable compensation for the performance years for MRTs and MRCs is based on the revised mechanism which takes into consideration factors (such as position within the organization, roles and responsibilities, risk alignment, and performance against KPIs) for differentiating the variable pays across employees or group of employees under the framework. Furthermore, the balanced scorecards used for performance assessment also take into consideration that MRCs are remunerated independently of the functions they oversee. As approved by the Board, and as allowed under the SBP's Guidelines on Remuneration Practices, the deferral amount retained for performance years is set aside and managed by the Bank internally, with a team of members from amongst the internal management responsible for oversight and subsequent payouts.

4.13 Foreign currencies

4.13.1 Foreign currency transactions

Foreign currency transactions are translated into rupees at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in the foreign currencies are expressed in rupee terms at the exchange rates ruling on the reporting date. Outstanding forward foreign exchange contracts and foreign bills purchased are valued at the forward rates applicable to the respective maturities. Exchange gains and losses are included in the profit and loss account.

4.13.2 Translation gains and losses

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

4.13.3 Commitments

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

4.14 Revenue recognition

Revenue is recognised to the extent that the economic benefit associated with a transaction will flow to the Bank and the revenue can be reliably measured.

- Mark-up income / interest on advances and returns on investments are recognised on a time proportion basis using the effective yield on the arrangement / instrument except that mark-up / return on non-performing advances and investments is recognised on receipt basis. Interest / return / mark-up on rescheduled / restructured advances and investments is recognised as permitted by SBP except where, in the opinion of the management, it would not be prudent to do so.
- Fee, commission and brokerage income is recognised upon performance of obligations. Fees for ongoing account management are charged to the customer's account on monthly basis. Transaction based fees are charged to the customer's account when the transaction takes place.

- Dividend income from investments is recognised when the Bank's right to receive the dividend is established.
- Premium or discount on acquisition of investments is amortised using effective yield method and taken to profit and loss account.
- Gains and losses on disposal of investments and certain operating fixed assets are taken to the profit and loss account in the year in which they arise.
- Profits on Bai Muajjal lendings are recognised on a straight line basis.

4.15 Taxation

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

4.15.1 Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws and at the prevailing rates for taxation on income earned by the Bank. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criterias are met.

4.15.2 Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes. Deferred tax is calculated at the rates that are expected to apply to the period when the differences are expected to reverse based on tax rates that have been enacted or substantively enacted at the reporting date.

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

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

The Bank also recognises deferred tax asset / liability on deficit / surplus on revaluation of operating fixed assets, non banking assets acquired in satisfaction of claims and AFS securities which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS) 12, 'Income Taxes'.

4.16 Impairment

4.16.1 Impairment on investments

Impairment loss in respect of investments categorised as available for sale (except term finance certificates and sukuk) and held to maturity is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in the fair value of a listed equity investment below its cost is also considered an objective evidence of impairment. Provision for diminution in the value of term finance certificates and sukuks is made as per the requirements of the Prudential Regulations issued by SBP. In case of impairment of available for sale securities the cumulative loss that has been recognised in surplus / deficit on revaluation of securities in the statement of changes in equity is transferred to the profit and loss account. For investments categorised as held to maturity, the impairment loss is recognised in the profit and loss account.

4.16.2 Impairment on non financial assets

At each reporting date, the Bank reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.



The Bank's corporate assets do not generate separate cash inflows and are used by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGUs to which the corporate assets are allocated.

Impairment losses are recognised in profit and loss account reducing the carrying amounts of the non financial assets in the CGU on a pro rata basis.

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 amortisation, if no impairment loss had been recognised.

4.17 Provisions and contingent assets and liabilities

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

Contingent assets are not recognised and are also not disclosed unless an inflow of economic benefits is probable. Contingent liabilities are not recognised but disclosed unless the probability of an outflow of resources embodying economic benefits are remote.

4.18 Provision for guarantee claims and other off balance sheet obligations

Provision for guarantee claims and other off-balance sheet obligations are recognised when intimated and where reasonable certainty exists for the Bank to settle the obligation. Charge to profit and loss account is stated net of expected recoveries.

4.19 Financial instruments

4.19.1 Financial assets and liabilities

Financial instruments carried on the balance sheet include cash and balances with treasury banks, balances with other banks, lendings to financial institutions, investments, advances, certain receivables, bills payable, borrowings from financial institutions, deposits and other accounts, sub-ordinated debt and other payables. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

4.19.2 Derivative financial instruments

Derivative financial instruments, if any, are initially recognised at fair value on the date on which a 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 liability when fair value is negative. Any change in the fair value of derivative financial instruments is taken to the profit and loss account.

4.19.3 Off-setting

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

4.20 Basic and diluted earnings per share

The Bank presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss 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.

4.21 Dividend and appropriation to reserves

Dividend and appropriation to reserves after the reporting date, except appropriations which are required by law are recognised as liability in the Bank's financial statements in the year in which these are approved.

4.22 Segment reporting

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

(a) Business segments

(i) Retail

It includes all retail related lendings and banking services (including staff, consumer and SME financing) as well as deposits mobilized from Retail branches.

(ii) Corporate

Corporate banking includes financing and services provided to corporate customers including services in connection with mergers and acquisitions, underwriting, privatisation, securitisation, syndication, Initial Public Offers (IPOs), etc. It also includes deposits mobilized from Corporate branches.

(iii) Islamic

This includes Islamic branches income and expenses.

(iv) Trading and sales

It includes fixed income, equity, foreign exchanges, lendings and repos.

(v) Others

It includes the Bank's head office related activities and other activities not specifically tagged to the segments above.

(b) Geographical segment

The operations of the Bank are currently based only in Pakistan. Therefore, geographical segment is not relevant.

5 CASH AND BALANCES WITH TREASURY BANKS

	Note	2022 ------(Rupees in '000)-----	2021
In hand			
Local currency		8,412,634	6,767,308
Foreign currencies		981,843	618,813
		9,394,477	7,386,121
With State Bank of Pakistan in			
Local currency current accounts	5.1	14,872,762	22,894,073
Foreign currency current accounts	5.2	1,081,211	924,051
Foreign currency deposit accounts against foreign currency deposits mobilised	5.3	1,972,091	1,717,847
		17,926,064	25,535,971
With National Bank of Pakistan in			
Local currency current accounts		51,611	2,150,059
Prize bonds		48,176	124,747
		27,420,328	35,196,898

5.1 The local currency current accounts are maintained with SBP as per the requirements of Section 36 of the State Bank of Pakistan Act, 1956. This section requires banking companies to maintain a local currency cash reserve in current accounts opened with SBP at a sum not less than such percentage of its time and demand liabilities as may be prescribed by SBP.

5.2 This represents cash reserve account maintained with SBP at an amount equivalent to at least 6% per annum (2021: 5% per annum) of the Bank's foreign currency deposits mobilised under FE-25 scheme and carry NIL return. (2021: NIL return).

5.3 This represents special cash reserve maintained with SBP at an amount equivalent to at least 10% per annum (2021: 10% per annum) of the Bank's foreign currency deposits mobilised under FE-25 scheme, which currently carries mark-up rates ranging from 0.00% to 3.14% per annum (2021: NIL per annum) and 6% per annum (2021: 6% per annum) special cash reserve requirement on FE-25 deposits maintained by Islamic banking branches.



6	BALANCES WITH OTHER BANKS	Note	2022	2021
------(Rupees in '000)-----				
	In Pakistan			
	In current accounts		11,646	11,846
	In deposit accounts		32	32
			11,678	11,878
	Outside Pakistan			
	In current accounts	6.1	1,927,625	2,415,600
			<u>1,939,303</u>	<u>2,427,478</u>

6.1 This includes Rs. 1,735.852 million (2021: Rs. 1,065.070 million) eligible for Automated Investment Plans. This balance is current in nature with no return on balance. However, if balance is increased over a specified amount, it entitles the Bank to earn interest income from the correspondent banks at agreed rates.

7	LENDINGS TO FINANCIAL INSTITUTIONS	Note	2022	2021
------(Rupees in '000)-----				
	Call / clean money lendings	7.4	1,000,000	6,000,000
	Repurchase agreement lendings (reverse repo)	7.2	46,338,662	11,020,612
	Bai Muajjal receivable with other financial institutions	7.3. & 7.5	-	1,892,509
	Letters of placements	7.6	5,000,000	3,200,000
			<u>52,338,662</u>	<u>22,113,121</u>
7.1	Particulars of lendings			
	In local currency		52,338,662	22,113,121
	In foreign currency		-	-
			<u>52,338,662</u>	<u>22,113,121</u>

7.2 Securities held as collateral against lendings to financial institutions

	2022			2021		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
------(Rupees in '000)-----						
Market Treasury Bills	-	-	-	670,998	-	670,998
Pakistan Investment Bonds	46,338,662	-	46,338,662	10,349,614	-	10,349,614
Total	<u>46,338,662</u>	<u>-</u>	<u>46,338,662</u>	<u>11,020,612</u>	<u>-</u>	<u>11,020,612</u>

7.2.1 The market value of securities held as collateral against repurchase agreement lendings amounted to Rs. 46,338.662 million (2021: Rs. 11,048.64 million).

7.3 Bai Muajjal receivable

	2022	2021
------(Rupees in '000)-----		
Bai Muajjal receivable		
- with other financial institutions	-	1,944,541
less: deferred income		
- with other financial institutions	-	(52,032)
Bai Muajjal receivable - net	<u>-</u>	<u>1,892,509</u>

- 7.4** This represents lendings to a financial institution carrying mark-up at 16.00% per annum (2021: 10.60% per annum) due to mature on 03 January 2023 (2021: 04 January 2022).
- 7.5** This represents Bai Muajjal placements entered into with financial institutions whereby the Bank has sold sukuk having carrying value NIL (2021: Rs. 1,839.432 million) on deferred payment basis. The average return on these transactions is NIL (2021: 7.10% to 7.25% per annum).
- 7.6** This represents lending through letters of placement to financial institutions carrying mark-up at rates ranging from 16.05% to 16.15% per annum (2021: 10% to 11% per annum) and are due to mature on latest by 09 January 2023 (2021: 28 January 2022).

8	INVESTMENTS	2022				2021			
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
8.1	Investments by type	----- (Rupees in '000) -----							
	Held-for-trading securities								
	Federal Government securities	-	-	-	-	19,617,943	-	9,611	19,627,554
	Shares	-	-	-	-	-	-	-	-
		-	-	-	-	19,617,943	-	9,611	19,627,554
	Available-for-sale securities								
	Federal Government securities	239,063,068	-	(4,837,750)	234,225,318	291,090,171	-	(3,467,242)	287,622,929
	Shares	2,345,291	(33,537)	(293,574)	2,018,180	3,239,896	(33,537)	(426,972)	2,779,387
	Non-Government debt securities	2,995,332	-	19,682	3,015,014	3,317,480	-	65,865	3,383,345
	Units of mutual funds	489,298	-	(4,552)	484,746	239,298	-	9,927	249,225
	Commercial Papers	-	-	-	-	149,574	-	-	149,574
		244,892,989	(33,537)	(5,116,194)	239,743,258	298,036,419	(33,537)	(3,818,422)	294,184,460
	Held-to-maturity securities								
	Federal Government securities	18,263,788	-	-	18,263,788	13,613,173	-	-	13,613,173
	Non Government debt securities	58,782	(58,782)	-	-	59,075	(59,075)	-	-
		18,322,570	(58,782)	-	18,263,788	13,672,248	(59,075)	-	13,613,173
	Total investments	263,215,559	(92,319)	(5,116,194)	258,007,046	331,326,610	(92,612)	(3,808,811)	327,425,187
8.2	Investments by segments	2022				2021			
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
		----- (Rupees in '000) -----							
	Federal Government securities								
	Market Treasury Bills	33,445,516	-	12,582	33,458,098	133,978,413	-	22,895	134,001,308
	Pakistan Investment Bonds	206,840,609	-	(4,629,701)	202,210,908	175,342,874	-	(3,423,326)	171,919,548
	Ijarah sukuk	17,040,731	-	(220,631)	16,820,100	15,000,000	-	(57,200)	14,942,800
		257,326,856	-	(4,837,750)	252,489,106	324,321,287	-	(3,457,631)	320,863,656
	Units of mutual funds	489,298	-	(4,552)	484,746	239,298	-	9,927	249,225
	Shares								
	Listed companies	2,278,491	(27,837)	(293,574)	1,957,080	3,173,096	(27,837)	(426,972)	2,718,287
	Unlisted companies	66,800	(5,700)	-	61,100	66,800	(5,700)	-	61,100
		2,345,291	(33,537)	(293,574)	2,018,180	3,239,896	(33,537)	(426,972)	2,779,387
	Non-Government debt securities								
	Listed	1,680,230	-	(18,713)	1,661,517	1,680,230	-	40,056	1,720,286
	Unlisted	1,373,884	(58,782)	38,395	1,353,497	1,845,899	(59,075)	25,809	1,812,633
		3,054,114	(58,782)	19,682	3,015,014	3,526,129	(59,075)	65,865	3,532,919
	Total investments	263,215,559	(92,319)	(5,116,194)	258,007,046	331,326,610	(92,612)	(3,808,811)	327,425,187



8.2.1	Investments given as collateral	2022	2021
		----- (Rupees in '000) -----	
	Market Treasury Bills	-	42,574,802
	Pakistan Investment Bonds	86,864,245	45,908,049
		<u>86,864,245</u>	<u>88,482,851</u>

8.3	Provision for diminution in the value of investments	2022	2021
	Opening balance	92,612	208,425
	Charge for the year	-	-
	Reversal recognised in capital gains for the year	-	(88,794)
	Reversal during the year	(293)	(3,515)
	Amounts written off	-	(23,504)
	Closing balance	<u>92,319</u>	<u>92,612</u>

8.4	Particulars of provision against debt securities	2022		2021	
		Non-Performing Investments	Provision	Non-Performing Investments	Provision
Category of classification					
----- (Rupees in '000) -----					
	Loss	58,782	58,782	59,075	59,075
	Total	<u>58,782</u>	<u>58,782</u>	<u>59,075</u>	<u>59,075</u>

8.5 Quality of available-for-sale securities

Details regarding quality of available-for-sale (AFS) securities are as follows:

	2022	2021
	Cost/Amortized Cost	
	----- (Rupees in '000) -----	

Federal Government Securities - Government guaranteed

Market Treasury Bills	33,445,516	114,360,470
Pakistan Investment Bonds	188,576,821	161,729,701
Ijarah Sukuks	17,040,731	15,000,000
	<u>239,063,068</u>	<u>291,090,171</u>

Shares

Listed companies

- Cement	115,979	202,350
- Chemical	29,805	29,805
- Commercial Banks	420,663	697,067
- Fertilizer	201,935	201,935
- Oil & Gas Exploration Companies	457,160	500,601
- Oil & Gas Marketing Companies	93,287	101,399
- Pharmaceuticals	40,183	94,224
- Power Generation & Distribution	284,797	464,649
- Real Estate Investment Trusts	456,518	396,946
- Technology & Communication	15,515	91,588
- Textile Composite	162,649	392,532
	<u>2,278,491</u>	<u>3,173,096</u>

Unlisted companies

Note	2022		2021	
	Cost	Break-up value	Cost	Break-up value
----- (Rupees in '000) -----				
8.11	-	-	-	-
8.12	11,100	52,988	11,100	50,902
8.13	5,700	-	5,700	-
	50,000	428,290	50,000	267,895
	<u>66,800</u>	<u>481,278</u>	<u>66,800</u>	<u>318,797</u>

Non-Government debt securities

Note

2022

2021

Cost/Amortized Cost

------(Rupees in '000)-----

Listed

- AAA		250,000	-
- AA+, AA, AA-		555,230	805,230
- A+, A, A-		25,000	25,000
- Unrated		850,000	850,000
		1,680,230	1,680,230

Unlisted

- AAA		551,250	843,750
- AA+, AA, AA-		350,000	349,860
- A+, A, A-		413,852	443,640
		1,315,102	1,637,250
		2,995,332	3,317,480

Equity securities**Listed**

Agritech Limited [851,560 (2021: 851,560) shares]		29,805	29,805
Altern Energy Limited [5,784,500 (2021: 5,784,500) shares]		125,015	166,076
Dolmen City REIT [33,000,000 (2021: 33,000,000) shares]		456,519	396,946
Fauji Fertilizer Company Limited [1,900,000 (2021: 1,900,000) shares]		201,935	201,935
Glaxosmithkline Pakistan Limited [350,000 (2021: 557,500) shares]		40,183	94,224
Habib Bank Limited [2,095,000 (2021: 2,095,000) shares]		168,782	285,577
Hub Power Company Limited [2,000,000 (2021: 3,500,000) shares]	8.10	159,782	298,573
MCB Bank Limited [1,500,000 (2021: 1,500,000) shares]		210,322	297,601
Nishat Chunian Limited [NIL (2021: 3,103,000) shares]		-	144,031
Nishat Mills Limited [2,415,000 (2021: 2,415,000) shares]		162,649	248,501
Oil and Gas Development Company Limited [2,597,451 (2021: 2,597,451) shares]		245,267	254,749
Pakistan Petroleum Limited [2,690,000 (2021: 2,690,000) shares]		211,892	245,852
Pakistan Telecommunication Company Limited [2,000,000 (2021: 9,230,000) shares]		15,515	91,588
Pioneer Cement Limited [1,850,000 (2021: 1,850,000) shares]		115,979	202,350
Sui Northern Gas Company Limited [2,300,000 (2021: 2,500,000) shares]		93,287	101,399
The Bank Of Punjab [7,000,000 (2021: 11,750,000) shares]		41,559	113,889
		2,278,491	3,173,096

Unlisted

DHA Cogen Limited [5,853,822 (2021: 5,853,822) shares]	8.11	-	-
ISE Towers REIT Management Company Limited [3,034,603 (2021: 3,034,603) shares]	8.12	11,100	11,100
Pakistan Export Finance Guarantee Agency Limited [569,958 (2021: 569,958) shares]	8.13	5,700	5,700
1-Link Private Limited [4,999,999 (2021: 4,999,999) shares]		50,000	50,000
		66,800	66,800

8.6 Particulars relating to held-to-maturity securities are as follows:**Federal Government Securities - Government guaranteed**

Pakistan Investment Bonds		18,263,788	13,613,173
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Non Government debt Securities**Unlisted**

- Unrated	8.14	58,782	59,075
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Non Government debt Securities - Total

		58,782	59,075
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- 8.6.1** The market value of securities classified as held-to-maturity as at 31 December 2022 amounted to Rs. 15,993.514 million (31 December 2021 : Rs. 12,628.519 million).
- 8.7** Investments include certain approved government securities which are held by the Bank to comply with the Statutory Liquidity Requirement determined on the basis of the Bank's demand and time liabilities as set out under section 29 of the Banking Companies Ordinance, 1962.
- 8.8** Federal Government Securities include Pakistan Investment Bonds having book value of Rs. 18.400 million (2021: Rs. 18.400 million) pledged with the State Bank of Pakistan and National Bank of Pakistan to facilitate T. T. discounting facility for the branches of the Bank. Market Treasury Bills and Pakistan Investment Bonds under Federal Government Securities, are eligible for discounting with the State Bank of Pakistan.
- 8.9** As at 31 December 2022, 1,500,000 shares (31 December 2021: 1,500,000 shares) of Hub Power Company Limited have been pledged by the Bank with National Clearing Company of Pakistan Limited as security against its exposure margins in terms of Circular No. 11 dated 23 October 2007 issued by the Securities and Exchange Commission of Pakistan.
- 8.10** DHA Cogen Limited shares were received under the enforcement of a pledge of third party shares by the consortium banks. These shares were recorded at NIL value and the break-up value of these shares as per the latest available audited financial statements is Rs. (29.10) per share.
- 8.11** This denotes shares of ISE Towers REIT Management Company Limited, [formerly Islamabad Stock Exchange Limited (ISEL)], acquired in pursuance of corporatisation and demutualisation of ISEL as a public company limited by shares.
- 8.12** This investment is fully provided. As per the "shares subscription agreement", it can only be sold to an existing investor.
- 8.13** This includes 4,000 sukuk certificates of WAPDA. These certificates were purchased by the Bank on 29 September 2009 through a market based transaction for a cash consideration of Rs. 19.8 million having a face value of Rs. 20 million. These certificates were available in the seller's CDC account and on completion of the transaction were transferred to the Bank's CDC account.

The Bank through a legal notice clarified the position that it had purchased the aforesaid sukuk certificates from the market for a valuable consideration when these sukuk certificates were already entered in the CDC's Register of seller's account. The Bank had filed a civil suit before civil court Lahore along with other FIs/banks claiming to be the lawful owners of the disputed sukuk bonds and right to receive ijara rentals alongwith profit/mark-up thereon. The said suit was dismissed vide judgement dated 14 April 2017 against which an appeal/ RFA No.50966/2017 was filed by the Bank before Lahore High court. The said appeal/RFA has been accepted vide judgement dated 1 December 2021 with the result that judgement passed by the civil court has been reversed/set aside. WAPDA First Sukuk Company Limited has approached the Supreme Court of Pakistan against the judgement of Lahore High Court, representation through legal counsel ie Bhandari, Naqvi & Riaz (Advocates, Lahore) has been made in the proceedings before the Supreme Court of Pakistan, the Bank continues to retain full provision against the same.

9	ADVANCES	Performing		Non-performing		Total	
		2022	2021	2022	2021	2022	2021
----- (Rupees in '000) -----							
	Loans, cash credits, running finances, etc.	189,807,381	146,318,507	8,837,726	8,867,739	198,645,107	155,186,246
	Islamic financing and related assets	11,311,777	10,178,861	1,330,909	1,446,285	12,642,686	11,625,146
	Bills discounted and purchased	4,486,599	6,631,050	-	-	4,486,599	6,631,050
	Advances - gross	205,605,757	163,128,418	10,168,635	10,314,024	215,774,392	173,442,442
	Provision against advances						
	- Specific	-	-	(7,282,106)	(7,891,691)	(7,282,106)	(7,891,691)
	- General	(58,126)	(55,955)	-	-	(58,126)	(55,955)
		(58,126)	(55,955)	(7,282,106)	(7,891,691)	(7,340,232)	(7,947,646)
	Advances - net of provision	205,547,631	163,072,463	2,886,529	2,422,333	208,434,160	165,494,796

9.1	Particulars of advances (Gross)	2022	2021
----- (Rupees in '000) -----			
	In local currency	211,710,128	165,517,244
	In foreign currencies	4,064,264	7,925,198
		215,774,392	173,442,442

9.2 Advances include Rs. 10,168.635 million (31 December 2021: Rs. 10,314.024 million) which have been placed under non-performing status as detailed below:

Category of Classification	Note	2022		2021	
		Non-performing loans	Provision	Non-performing loans	Provision
----- (Rupees in '000) -----					
Other Assets Especially Mentioned (OAEM)	9.2.1	30,302	72	51,810	591
Substandard		693,550	15,731	188,029	19,741
Doubtful		1,439,330	401,739	759,452	234,797
Loss		8,005,453	6,864,564	9,314,733	7,636,562
		10,168,635	7,282,106	10,314,024	7,891,691

9.2.1 The OAEM category pertains to agriculture finance, small enterprise finance and consumer finance amounting to Rs. 9.586 million (31 December 2021: Rs. 15.887 million), Rs. 0.726 million (31 December 2021: Rs. 7.632 million) and Rs. 19.990 million (31 December 2021: Rs. 28.291 million) respectively.

9.3 Particulars of provision against advances

	Note	2022			2021		
		Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----							
Opening balance		7,891,691	55,955	7,947,646	8,106,586	41,538	8,148,124
Charge for the year		693,701	2,171	695,872	716,019	14,417	730,436
Reversals		(1,096,157)	-	(1,096,157)	(860,410)	-	(860,410)
		(402,456)	2,171	(400,285)	(144,391)	14,417	(129,974)
Amounts written off	9.4	(207,129)	-	(207,129)	(70,504)	-	(70,504)
Transfers		-	-	-	-	-	-
Closing balance		7,282,106	58,126	7,340,232	7,891,691	55,955	7,947,646

9.3.1 The general provision against consumer financing is required to be maintained at varying percentages based on the non-performing loan ratio present in the portfolio. These percentages are 1% for secured and 7% for unsecured portfolio.

9.3.2 The Bank has maintained general provision against housing finance portfolio at the rate of 0.50% of the performing portfolio. The State Bank of Pakistan vide its circular no. 9 of 2017 dated 22 December 2017 abolished the requirement of maintaining general reserve of 1% against secured Small Enterprise (SE) portfolio, while general reserve to be maintained against unsecured SE portfolio has been reduced from 2% to 1%. Currently, the Bank does not have any unsecured SE portfolio.



9.3.3 Particulars of provision against advances

	2022			2021		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
In local currency	7,282,106	58,126	7,340,232	7,891,691	55,955	7,947,646
In foreign currencies	-	-	-	-	-	-
Total	7,282,106	58,126	7,340,232	7,891,691	55,955	7,947,646

9.3.4 The Bank has availed the benefit of forced sale value of pledged stocks, mortgaged residential and commercial properties held as collateral against non-performing advances as allowed under the Prudential Regulations issued by the State Bank of Pakistan. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 1,571.408 million (31 December 2021: Rs. 1,805.281 million). The additional profit arising from availing this benefit - net of the tax amounts to Rs. 895.703 million (31 December 2021: Rs. 1,101.221 million). The FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

9.3.5 The SBP has granted relaxation in provisioning requirements in respect of exposures in Dewan Mushtaq Group (DMG). Had this relaxation not been available, provision against loans and advances would have been higher by Rs. 44.930 million (31 December 2021: Rs. 44.930 million).

9.3.6 The Bank has made provision against its non-performing portfolio as per the category of classification of the loans. However, the Bank still holds enforceable collateral realisable through litigation. This enforceable collateral includes mortgage charge etc. against various tangible assets of the borrower including land, building and machinery, stock in trade, etc.

	Note	2022	2021
		----- (Rupees in '000) -----	
9.4 Particulars of write offs:			
9.4.1 Against provisions Directly charged to profit and loss account	9.3	207,129	70,504
		-	-
		<u>207,129</u>	<u>70,504</u>
9.4.2 Write offs of Rs. 500,000/- and above Write offs of below Rs. 500,000/-	9.5	201,978	70,504
		5,151	-
		<u>207,129</u>	<u>70,504</u>

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

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 the statement in respect of written-off loans or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended 31 December 2022 is given in Annexure - I to the financial statements. However, these write offs do not affect the Bank's right to recover the outstanding debts from these customers, unless the write off / waiver has been mutually agreed between the borrower and the Bank as part of the settlement terms.

	Note	2022	2021
		----- (Rupees in '000) -----	
10 FIXED ASSETS			
Capital work-in-progress	10.1	821,696	314,133
Right-of-use assets	10.2	3,638,135	2,957,843
Property and equipment	10.3	8,132,945	7,873,081
		<u>12,592,776</u>	<u>11,145,057</u>
10.1 Capital work-in-progress			
Civil works		128,821	93,416
Advances to suppliers and contractors		364,768	200,664
Advances against purchase of premises		292,049	-
Consultant's fee and other charges		36,058	20,053
		<u>821,696</u>	<u>314,133</u>
10.2 Right-of-use assets			
Opening balance		2,957,843	3,094,617
Additions during the year		1,438,969	535,258
Depreciation for the year	28	(758,677)	(672,032)
Closing balance		<u>3,638,135</u>	<u>2,957,843</u>

2022

	Freehold land	Leasehold land	Building on Freehold land	Building on Leasehold land	Leasehold Improvements	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Total
----- (Rupees in '000) -----									
At 01 January 2022									
Cost / revalued amount	1,482,292	471,558	396,677	4,990,471	1,912,312	585,883	3,476,710	363,778	13,679,681
Accumulated depreciation	-	-	(82,935)	(2,100,085)	(569,855)	(356,733)	(2,471,518)	(225,474)	(5,806,600)
Net book value	1,482,292	471,558	313,742	2,890,386	1,342,457	229,150	1,005,192	138,304	7,873,081
Year ended 31 December 2022									
Opening net book value	1,482,292	471,558	313,742	2,890,386	1,342,457	229,150	1,005,192	138,304	7,873,081
Additions	-	-	19,001	54,710	338,483	94,964	420,628	95,167	1,022,953
Movement in surplus on assets revalued during the year	-	-	-	-	-	-	-	-	-
Disposals / write-offs - cost	-	-	-	-	(29,970)	(16,257)	(92,361)	(22,178)	(160,766)
Disposals / write-offs - Accumulated Depreciation	-	-	-	-	14,145	14,760	89,884	22,178	140,967
Disposals / write-offs - net	-	-	-	-	(15,825)	(1,497)	(2,477)	-	(19,799)
Depreciation charge	-	-	(13,729)	(165,670)	(102,591)	(46,065)	(367,932)	(47,303)	(743,290)
Closing net book value	1,482,292	471,558	319,014	2,779,426	1,562,524	276,552	1,055,411	186,168	8,132,945
At 31 December 2022									
Cost / revalued amount	1,482,292	471,558	415,678	5,045,181	2,220,825	664,590	3,804,977	436,767	14,541,868
Accumulated depreciation	-	-	(96,664)	(2,265,755)	(658,301)	(388,038)	(2,749,566)	(250,599)	(6,408,923)
Net book value	1,482,292	471,558	319,014	2,779,426	1,562,524	276,552	1,055,411	186,168	8,132,945
Rate of depreciation (years / percentage)	-	-	40 years	40 years	20 years	10 %	20% - 33%	20%	

2021

	Freehold land	Leasehold land	Building on Freehold land	Building on Leasehold land	Leasehold Improvements	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Total
----- (Rupees in '000) -----									
At 01 January 2021									
Cost / revalued amount	2,332,292	471,558	372,538	4,976,093	1,653,374	526,835	3,153,286	324,470	13,810,446
Accumulated depreciation	-	-	(70,458)	(1,935,716)	(489,887)	(322,098)	(2,223,993)	(205,900)	(5,248,052)
Net book value	2,332,292	471,558	302,080	3,040,377	1,163,487	204,737	929,293	118,570	8,562,394
Year ended 31 December 2021									
Opening net book value	2,332,292	471,558	302,080	3,040,377	1,163,487	204,737	929,293	118,570	8,562,394
Additions	-	-	24,139	14,378	280,660	67,719	424,858	59,242	870,996
Movement in surplus on assets revalued during the year	(398,500)	-	-	-	-	-	-	-	(398,500)
Disposals / write-offs - cost	(451,500)	-	-	-	(21,722)	(8,671)	(101,434)	(19,934)	(603,261)
Disposals / write-offs - Accumulated Depreciation	-	-	-	-	8,264	7,908	98,754	19,934	134,860
Disposals / write-offs - net	(451,500)	-	-	-	(13,458)	(763)	(2,680)	-	(468,401)
Depreciation charge	-	-	(12,477)	(164,369)	(88,232)	(42,543)	(346,279)	(39,508)	(693,408)
Closing net book value	1,482,292	471,558	313,742	2,890,386	1,342,457	229,150	1,005,192	138,304	7,873,081
At 31 December 2021									
Cost / revalued amount	1,482,292	471,558	396,677	4,990,471	1,912,312	585,883	3,476,710	363,778	13,679,681
Accumulated depreciation	-	-	(82,935)	(2,100,085)	(569,855)	(356,733)	(2,471,518)	(225,474)	(5,806,600)
Net book value	1,482,292	471,558	313,742	2,890,386	1,342,457	229,150	1,005,192	138,304	7,873,081
Rate of depreciation (years / percentage)	-	-	40 years	40 years	20 years	10 %	20% - 33%	20%	

10.3.1 The cost of fully depreciated property and equipment still in use amounts to Rs. 2,165.719 million (2021: Rs.1,989.284 million).

10.3.2 The Bank's freehold / leasehold land and building on freehold / leasehold land were revalued at 31 December 2020, in line with the Bank's policy, by M/s Harvester Services (Private) Limited (Valuation and Engineering Consultants) on the basis of their professional assessment of the present market value. As a result of revaluation, the market value of freehold / leasehold land was determined at Rs.2,803.850 million and building on freehold / leasehold land was determined at Rs. 3,342.457 million.

Had there been no revaluation, the carrying amount of freehold / leasehold land and building on freehold / leasehold land as at 31 December 2022 would have been Rs.1,237.865 million and Rs. 725.274 million respectively (2021: Rs.1,237.865 million and Rs. 684.060 million respectively).

10.3.3 Details of disposals / write offs of property and equipment to executives and other persons with original cost or book value in excess of Rs. 1 million or Rs. 250,000/- respectively (whichever is less) are given in Annexure - III which is an integral part of these financial statements.



11 INTANGIBLE ASSETS

At 01 January 2022

Cost	1,662,192	6,315	1,668,507
Accumulated amortisation	(1,229,298)	(6,315)	(1,235,613)
Net book value	432,894	-	432,894

Year ended 31 December 2022

Opening net book value	432,894	-	432,894
Additions:			
- directly purchased	152,833	-	152,833
Amortisation charge	(257,826)	-	(257,826)
Closing net book value	327,901	-	327,901

At 31 December 2022

Cost	1,815,025	6,315	1,821,340
Accumulated amortisation	(1,487,124)	(6,315)	(1,493,439)
Net book value	327,901	-	327,901

Rate of amortisation (percentage)

20 to 33.33

Useful life (years)

33.33

3 to 5

3

2021

Computer software	Trademark	Total
-------------------	-----------	-------

At 01 January 2021

Cost	1,429,234	6,315	1,435,549
Accumulated amortisation	(1,021,044)	(6,231)	(1,027,275)
Net book value	408,190	84	408,274

Year ended 31 December 2021

Opening net book value	408,190	84	408,274
Additions:			
- directly purchased	232,958	-	232,958
Amortisation charge	(208,254)	(84)	(208,338)
Closing net book value	432,894	-	432,894

At 31 December 2021

Cost	1,662,192	6,315	1,668,507
Accumulated amortisation	(1,229,298)	(6,315)	(1,235,613)
Net book value	432,894	-	432,894

Rate of amortisation (percentage)

20 to 33.33

Useful life (years)

33.33

3 to 5

3

11.1 The cost of fully amortised intangible assets still in use amounts to Rs. 863.697 million (2021: Rs. 780.139 million).

DEFERRED TAX ASSETS - NET

	2022			
	At 1 January 2022	Recognised in the profit and loss account	Recognised in other comprehensive income	At 31 December 2022
----- (Rupees in '000) -----				
Deductible temporary differences on				
- Post retirement employee benefits	15,962	-	26,320	42,282
- Deficit on revaluation of investments	1,489,185	-	710,778	2,199,963
- Provision against advances, off balance sheet etc.	134,268	83,609	-	217,877
	1,639,415	83,609	737,098	2,460,122
Taxable temporary differences on				
- Surplus on revaluation of fixed assets	(980,895)	63,133	(100,605)	(1,018,367)
- Surplus on revaluation of investments	-	-	-	-
- Accelerated tax depreciation	(437,731)	(63,744)	-	(501,475)
	(1,461,194)	(206)	(108,101)	(1,569,501)
	178,221	83,403	628,997	890,621

	2021			
	At 1 January 2021	Recognised in the profit and loss account	Recognised in other comprehensive income	At 31 December 2021
----- (Rupees in '000) -----				
Deductible temporary differences on				
- Post retirement employee benefits	11,922	-	4,040	15,962
- Deficit on revaluation of investments	-	-	1,489,185	1,489,185
- Provision against advances, off balance sheet etc.	75,939	58,329	-	134,268
	87,861	58,329	1,493,225	1,639,415
Taxable temporary differences on				
- Surplus on revaluation of fixed assets	(931,805)	57,402	(106,492)	(980,895)
- Surplus on revaluation of non banking assets	-	-	(42,568)	(42,568)
- Surplus on revaluation of investments	(283,299)	-	283,299	-
- Accelerated tax depreciation	(406,022)	(31,709)	-	(437,731)
	(1,621,126)	25,693	134,239	(1,461,194)
	(1,533,265)	84,022	1,627,464	178,221

13

OTHER ASSETS

	Note	2022	2021
		----- (Rupees in '000) -----	
Income / mark-up accrued in local currency		10,512,226	6,084,195
Income / mark-up accrued in foreign currencies		22,376	10,703
Dividend receivable		-	107,013
Advances, deposits, advance rent and other prepayments		431,288	381,608
Advance taxation (payments less provisions)		727,649	1,168,850
Non-banking assets acquired in satisfaction of claims	13.1	1,006,268	1,036,162
Mark to market gain on forward foreign exchange contracts - net		105,028	-
Cash margin against margin trading		-	333
Stationery and stamps on hand		32,479	44,320
Due from the State Bank of Pakistan		52,104	142,382
Acceptances		3,920,514	5,605,872
Claims against fraud and forgeries	13.2	143,443	143,443
Others		978,985	479,679
Other assets		17,932,360	15,204,560
Less: provision held against other assets	13.3	(238,811)	(238,811)
Other assets - net of provision		17,693,549	14,965,749
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		115,485	109,148
Other assets - total		17,809,034	15,074,897
13.1 Market value of non-banking assets acquired in satisfaction of claims	13.1.1 & 13.1.2	1,121,753	1,145,310



13.1.1 The non-banking assets acquired in satisfaction of claims by the Bank were revalued by independent and professional valuers in December 2022. The valuations were carried out by M/s Harvester Services (Pvt) Limited, M/s Arch-e-Decon, M/s. K.G. Traders, M/s. Oceanic Surveyors, M/s Indus Surveyors, M/s. Amir Evaluators, M/s Asrem (Private) Limited and Al Hadi Financial and Legal Consultant on the basis of professional assessment of present market values and the revalued amount is disclosed in note 13.1.2 to these financial statements.

13.1.2 Non-banking assets acquired in satisfaction of claims	Note	2022	2021
----- (Rupees in '000) -----			
Opening balance		1,145,310	1,139,377
Disposal during the year		(27,039)	-
Revaluation	13.1.1	7,279	9,687
Depreciation		(3,797)	(3,754)
Closing balance		<u>1,121,753</u>	<u>1,145,310</u>
13.1.3 Gain on disposal of non-banking assets acquired in satisfaction of claims			
Disposal proceeds		27,501	-
Less			
- Cost		(28,443)	-
- Accumulated Depreciation		1,404	-
		<u>(27,039)</u>	<u>-</u>
Gain on disposal		<u>462</u>	<u>-</u>

13.2 This represents amount in respect of fraud and forgery claims relating to cash embezzlement made in the Bank. The Bank has initiated legal proceedings against the alleged and has also taken necessary steps to further strengthen its internal control system.

13.3 Provision held against other assets	2022	2021
----- (Rupees in '000) -----		
Provision held against receivable against fraud and forgeries	143,443	143,443
Others	95,368	95,368
	<u>238,811</u>	<u>238,811</u>
13.3.1 Movement in provision held against other assets		
Opening balance	238,811	227,311
Charge for the year	-	11,500
Amount written-off	-	-
Closing balance	<u>238,811</u>	<u>238,811</u>

14 CONTINGENT ASSETS

There were no contingent assets as at the balance sheet date.

15 BILLS PAYABLE

In Pakistan	7,386,191	6,900,897
Outside Pakistan	-	-
	<u>7,386,191</u>	<u>6,900,897</u>

16	BORROWINGS	Note	2022	2021
			------(Rupees in '000)-----	
	Secured			
	Borrowings from State Bank of Pakistan			
	Under export refinance scheme	16.2.1	18,441,811	17,994,560
	Long term financing facility for plant and machinery	16.2.2	2,789,676	1,908,405
	Refinance scheme for payment of wages and salaries	16.2.3	218,252	1,604,953
	Temporary economic refinance scheme	16.2.4	2,196,191	1,375,723
	Modernisation of SME-Rice Husking	16.2.5	1,962	3,924
	Financing facility for storage of agriculture produce	16.2.6	119,575	161,472
	Financing facility for Renewable Energy	16.2.7	966,487	808,519
	Under Rupee based discounting	16.2.8	1,209,674	-
	Repurchase agreement borrowings	16.2.9	81,750,000	47,980,825
			<u>107,693,628</u>	<u>71,838,381</u>
	Repurchase agreement borrowings - other banks	16.2.10	5,647,950	15,418,248
	Borrowings from other financial institutions - local	16.2.11	-	24,910,909
	Refinance from Pakistan Mortgage Refinance Company Limited	16.2.12	948,607	980,560
	Total secured		<u>114,290,185</u>	<u>113,148,098</u>
	Unsecured			
	Call borrowings	16.2.13	-	2,993,580
	Borrowings from other financial institutions - foreign	16.2.14	-	7,759,975
	Overdrawn nostro accounts		1,438,013	683,215
	Total unsecured		<u>1,438,013</u>	<u>11,436,770</u>
			<u>115,728,198</u>	<u>124,584,868</u>
16.1	Particulars of borrowings with respect to currencies			
	In local currency		114,290,185	116,141,678
	In foreign currencies		1,438,013	8,443,190
			<u>115,728,198</u>	<u>124,584,868</u>
16.2.1	The Bank has entered into an agreement with SBP for extending export finance to its customers. Borrowings under the export refinance scheme of SBP carry interest at rates ranging from 8% to 12% per annum (2021: 1% to 2% per annum). These are secured against demand promissory notes and are due to mature latest by 28 June 2023 (2021: latest by 27 June 2022).			
16.2.2	These represent borrowings from SBP under scheme for long-term financing facility at rates ranging from 2.0% to 7.5% per annum (2021: 2.0% to 4.5% per annum) and have varying long term maturities due by 06 September 2032 (2021: due by 30 June 2032). Under the agreement, SBP has a right to recover the outstanding amount from the Bank at the respective maturity dates of each finance by directly debiting the current account of the Bank maintained with SBP.			
16.2.3	These represent borrowings from SBP under the scheme for payment of wages and salaries having 0% rates for Active Tax Payers and 2% per annum for Non-Filer. At present, the Bank does not have above borrowing portfolio of Non-Filers. The facilities are due to mature latest by 03 January 2023.			
16.2.4	These represent borrowings from SBP under the scheme for Temporary Economic Refinance (TERF) at the rates of 1% per annum (2021:1% per annum) and are due to mature latest by 22 December 2032 (2021: 08 December 2031).			
16.2.5	These represent borrowings from SBP under the scheme for Modernisation of SME Rice Husking Mills in Sindh at the rates of 0% per annum (2021: 4.25% to 6.25% per annum) and are due to mature latest by 29 September 2023 (2021: latest by 29 September 2023).			
16.2.6	These represent borrowings from SBP under the scheme for Finance Facility for Storage of Agricultural Produce at the rates ranging from 2% to 3.25% per annum (2021: 2% to 3.25% per annum) and are due to mature latest by 28 March 2026 (2021: 28 March 2026).			
16.2.7	These represent borrowings from SBP under the scheme for renewable energy at rates ranging from 2% to 3% per annum (2021: 2% to 3% per annum) and are due to mature latest by 19 July 2034 (2021: 30 June 2032).			
16.2.8	These represent borrowings from SBP under the Rupee based discounting scheme at rates ranging from 1.00% to 1.50% per annum (2021: NIL) and are due to mature latest by 23 June 2023 (2021: NIL).			



- 16.2.9** These represent repurchase agreements borrowing with SBP at the rate ranging from 15.23% to 16.23% per annum (2021: 9.85% to 10.26%) and are due to mature latest by 03 March 2023 (2021: 04 March 2022). The market value of securities given as collateral against these borrowings as given in note 8.2.1.
- 16.2.10** These represent repurchase agreements borrowings executed with a local financial institution at the rate of 16.20% per annum (2021: 9.75% to 10.70% per annum) and are due to mature latest by 03 January 2023 (2021: latest by 04 January 2022). The market value of securities given as collateral against these borrowings as given in note 8.2.1.
- 16.2.11** As at 31 December 2022, there was no borrowing with the local financial institutions secured against government securities. At 31 December 2021, such borrowing carried mark up rates ranging from 7.20% to 7.65% per annum and were due to mature latest by 05 August 2022. The market value of securities given as collateral against these borrowings as at 31 December 2021) is given in note 8.2.1.
- 16.2.12** This is secured against mortgage finance portfolio of the Bank and carries mark-up at the rate of 8.89% per annum (2021: 8.89%) with maturity due on 01 April 2024 (2021: 01 April 2024).
- 16.2.13** As at 31 December 2022, there was no call borrowing from any financial institution. At 31 December 2021, such borrowings carried mark up at rates ranging from 7.50% to 10.70% per annum and were due to mature latest by 13 January 2022.
- 16.2.14** As at 31 December 2022, there was no borrowing against foreign bills at 31 December 2021, such borrowing carried mark up at rates ranging from 1.40% to 3.10% per annum and were due to mature latest by 09 March 2022.

17 DEPOSITS AND OTHER ACCOUNTS

	2022			2021		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
------(Rupees in '000)-----						
Customers						
Current deposits	105,642,753	10,165,591	115,808,344	92,089,254	8,465,917	100,555,171
Savings deposits	134,307,318	5,765,153	140,072,471	111,279,683	6,287,664	117,567,347
Term deposits	78,744,514	1,730,518	80,475,032	106,879,226	1,361,179	108,240,405
Others	16,291,492	-	16,291,492	7,095,761	-	7,095,761
	334,986,077	17,661,262	352,647,339	317,343,924	16,114,760	333,458,684
Financial Institutions						
Current deposits	1,170,855	809,242	1,980,097	965,374	877,367	1,842,741
Savings deposits	50,251,906	-	50,251,906	54,250,091	-	54,250,091
Term deposits	4,763,271	-	4,763,271	13,485,038	-	13,485,038
	56,186,032	809,242	56,995,274	68,700,503	877,367	69,577,870
	391,172,109	18,470,504	409,642,613	386,044,427	16,992,127	403,036,554

	2022	2021
	------(Rupees in '000)-----	
17.1 Composition of deposits		
- Individuals	167,275,471	145,856,032
- Government (Federal and Provincial)	34,423,099	38,456,089
- Public Sector Entities	17,938,495	36,054,751
- Banking Companies	6,682,827	8,262,407
- Non-Banking Financial Institutions	51,183,855	60,722,382
- Private Sector	132,138,866	113,684,893
	409,642,613	403,036,554

17.2 Deposits eligible under Insurance arrangements

In 2018, the SBP set up a fully owned subsidiary – the Deposit Protection Corporation (DPC), with an aim to provide protection to small depositors of banks operating in Pakistan. The Corporation has been set up through promulgation of the Deposit Protection Corporation Act, 2016, (the Act) and commenced its business with effect from 01 June 2018. Membership of the Deposit Protection Corporation is compulsory for all banks scheduled under sub-section (2) of section 37 of the State Bank of Pakistan Act, 1956. Under the arrangement, the objective of DPC would be to protect the depositors to the extent of the guaranteed amount, in case a member bank is notified as a failed institution by SBP.

The framework provided by DPC lays down the methodology for arriving at Eligible Deposits, as well as determining the premium amount payable under the regulations. The premium amount so determined are required to be deposited by all banks with DPC on a quarterly basis.

As at 31 December 2022, the deposits eligible to be covered under insurance arrangements amount to Rs.199,465 million. (2021 : Rs. 167,114 million).

18	SUBORDINATED DEBT	Note	2022	2021
			------(Rupees in '000)-----	
	Listed Term Finance Certificates - Additional Tier I	18.1	4,000,000	4,000,000
	Listed Term Finance Certificates - Tier II (TFC II)	18.2	-	2,992,800
	Privately Placed Term Finance Certificates - Tier II (TFC III)	18.3	4,000,000	-
			<u>8,000,000</u>	<u>6,992,800</u>

18.1 Listed Term Finance Certificates - Additional Tier I

This denotes rated, listed and unsecured Term Finance Certificates (TFCs) issued as instrument of redeemable capital of Rs. 4,000 million issued under Section 66 of the Companies Act, 2017. The funds raised by the Bank through the issuance of these TFCs have contributed towards the Bank's Additional Tier 1 Capital for meeting its capital adequacy requirements as per Basel III Guidelines set by SBP under BPRD Circular Number 6 dated 15 August 2013. The instrument is sub-ordinated as to the payment of principal and profit to all other indebtedness of the Bank (including the listed term finance certificates - Tier II previously issued by the Bank) and is not redeemable before maturity without prior approval of SBP. Furthermore, these funds are intended to be utilized for the Bank's ongoing business operations in accordance with the Bank's Memorandum and Articles of Association. The key features of the issue are as follows:

Issue amount	Rs. 4,000 million
Issue date	06 December 2018
Maturity date	Perpetual
Rating (Note 37)	"A" by PACRA on 25 June 2022
Security	Unsecured
Profit payment frequency	Semi-annually
Redemption	No fixed or final redemption date
Mark-up	6 Months KIBOR + 2.00% per annum
Call option	The Bank may call the TFCs (either partially or in full), after five (5) years from the date of issuance with the prior approval of SBP. Moreover, and as per Clause iv(b) of Annexure 2 of the Basel III Circular, the Issuer shall not exercise a call option unless the called instrument is replaced with capital of same or better quality. The Call must be subject to a prior notice of not less than 60 days given by the Bank to the investors. The Call Option once announced will not be revocable.
Lock-in-clause (if any)	The TFCs contain a lock-in clause which stipulates that no profit payments would be made if such payments result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Requirement (CAR) or increase any existing shortfalls in MCR and / or CAR.
Loss absorbency clause	The TFCs are also subject to loss absorbency and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rule, 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 TFC' divided by market value per share of the Bank's common equity on the date of trigger of the non-viability event as declared by SBP, subject to a cap of 360,000,000 shares.

18.2 Listed Term Finance Certificates - Tier II

This represented rated, listed and unsecured Term Finance Certificates (TFCs) issued as instrument of redeemable capital with a tenor of 8 years. The instrument was sub-ordinated as to the payment of principal and profit to all other indebtedness of the Bank, except Listed Term Finance Certificates - Additional Tier I; and was not redeemable before maturity without prior approval of SBP. During the year, the Bank, after due approval from the State Bank of Pakistan, and the consent of the majority of the TFC Holders, exercised the option to call back the instrument. The issue was called back on 20 December 2022, after which the Bank issued fresh Term Finance Certificates – TFC III on 26 December 2022 as detailed in note 18.3 below:



18.3 Privately Placed Term Finance Certificates - Tier II

This denotes privately placed, rated and unsecured Term Finance Certificates (TFCs) issued as an instrument of redeemable capital with a tenor of 10 years. The instrument was privately placed and will be subsequently listed on the PSX as per the regulatory requirements for listing of privately placed debt securities. The instrument is sub-ordinated as to the payment of principal and profit to all other indebtedness of the Bank, and is not redeemable before maturity without prior approval of SBP. The key features of the issue are as follows:

Issue amount	Rs. 4,000 million
Issue date	26 December 2022
Maturity date	26 December 2032
Rating (Note 37)	"A+" by PACRA on 14 November 2022
Security	Unsecured
Profit payment frequency	Semi-annually
Redemption	Principal is redeemable semi-annually in such a way that 0.36% of the principal will be redeemed in the first 108 months and the remaining principal of 99.64% in two equal semi annual installments of 49.82% each in the last year.
Mark-up	6 Months KIBOR + 1.70% per annum
Call option (if any)	The Bank may call the TFCs (either partially or in full), with prior approval of SBP, any time after five years from the date of issue, subject to not less than 30 days prior notice being given to the investors.
Lock-in-clause (if any)	The TFCs contain a lock-in clause which stipulates that neither interest nor principal may be paid (even at maturity) if such payments will result in shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Requirement (CAR) or Leverage Ratio (LR) or result in an increase in any existing shortfall in MCR or CAR or LR.
Loss absorbency clause	The instrument will be subject to loss absorbency and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rule, 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 TFC' divided by market value per share of the Bank's common equity on the date of trigger of the non-viability event as declared by SBP, subject to the cap of 484,000,000 shares.

19 OTHER LIABILITIES	Note	2022	2021
----- (Rupees in '000) -----			
Mark-up / return / interest payable in local currency		6,349,028	4,738,903
Mark-up / return / interest payable in foreign currencies		47,970	42,906
Unearned commission and income on bills discounted		166,490	129,423
Accrued expenses		706,079	458,167
Acceptances		3,920,514	5,605,872
Unclaimed dividends		104,580	93,903
Mark to market loss on forward foreign exchange contracts - net		-	8,422
Charity fund balance		47	-
Provision against off-balance sheet obligations	19.1	27,475	27,475
Payable to workers' welfare fund		565,568	466,096
Lease liability against right-of-use assets	19.2	4,259,975	3,419,465
Sundry deposits		575,962	583,335
Others		1,132,950	763,922
		17,856,638	16,337,889

19.1	Movement in provision held against off-balance sheet obligations	Note	2022	2021
			----- (Rupees in '000) -----	
	Opening balance	19.1.1	27,475	27,475
	Closing balance		<u>27,475</u>	<u>27,475</u>
19.1.1	This represents provision held against non-fund based obligations of a borrower classified as doubtful.			
19.2	Movement in lease liability against right-of-use assets			
	Opening balance		3,419,465	3,350,017
	Additions during the year		1,418,715	539,568
	Finance cost of lease liability	24.2	442,962	401,580
	Repayments		(1,021,167)	(871,700)
	Closing balance		<u>4,259,975</u>	<u>3,419,465</u>
20	SHARE CAPITAL			
20.1	Authorized Capital			
	2022	2021		
	----- (Number of shares) -----			
	<u>1,800,000,000</u>	<u>1,800,000,000</u>	Ordinary shares of Rs. 10 /- each	<u>18,000,000</u>
20.2	Issued, subscribed and paid-up capital			
	2022	2021		
	----- (Number of shares) -----			
	387,397,655	387,397,655	Ordinary shares Fully paid in cash	3,873,977
	715,065,828	715,065,828	Issued as bonus shares	7,150,659
	<u>1,102,463,483</u>	<u>1,102,463,483</u>		<u>11,024,636</u>
21	SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS			
	Surplus / (deficit) on revaluation of :			
	- Available-for-sale securities	8.1	(5,116,194)	(3,818,422)
	- Fixed assets	21.1	3,084,568	3,231,388
	- Non-banking assets acquired in satisfaction of claims	21.2	115,485	109,148
			<u>(1,916,141)</u>	<u>(477,886)</u>
	Deferred tax on surplus / (deficit) on revaluation of :			
	- Available-for-sale securities		2,199,963	1,489,185
	- Fixed assets	21.1	(1,018,367)	(980,895)
	- Non-banking assets acquired in satisfaction of claims	21.2	(49,659)	(42,568)
			<u>1,131,937</u>	<u>465,722</u>
			<u>(784,204)</u>	<u>(12,164)</u>
21.1	Surplus on revaluation of fixed assets			
	Surplus on revaluation of fixed assets as at 01 January		3,231,388	3,777,073
	Recognised during the year	10.3	-	-
	Realised on disposal of land during the year		-	(398,500)
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(83,687)	(89,783)
	Related deferred tax liability on incremental depreciation charged during the year		(63,133)	(57,402)
	Related deferred tax liability on surplus realised on disposal		-	-
	Surplus on revaluation of fixed assets as at 31 December		<u>3,084,568</u>	<u>3,231,388</u>
	Less: related deferred tax liability :			
	- revaluation as at 01 January		(980,895)	(931,805)
	- revaluation recognised during the year		-	-
	- effect of rate change		(100,605)	(106,492)
	- incremental depreciation charged during the year		63,133	57,402
			<u>(1,018,367)</u>	<u>(980,895)</u>
			<u>2,066,201</u>	<u>2,250,493</u>



21.2	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	Note	2022	2021
			------(Rupees in '000)-----	
	Surplus on revaluation as at 01 January		109,148	99,608
	Recognised during the year		7,279	9,687
	Realised on disposal during the year		(676)	-
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year		(152)	(147)
	Related deferred tax liability on incremental depreciation charged during the year		(114)	-
	Surplus on revaluation as at 31 December		<u>115,485</u>	<u>109,148</u>
	Less: related deferred tax liability on:			
	- revaluation as at 01 January		(42,568)	-
	- revaluation recognised during the year		(3,130)	(42,568)
	- realised on disposal during the year - net of deferred tax		291	-
	- effect of rate change		(4,366)	-
	- incremental depreciation charged during the year		114	-
			<u>(49,659)</u>	<u>(42,568)</u>
			<u>65,826</u>	<u>66,580</u>
22	CONTINGENCIES AND COMMITMENTS			
	- Guarantees	22.1	30,826,143	22,154,817
	- Commitments	22.2	140,945,224	203,599,487
	- Other contingent liabilities	22.3	11,635,196	2,390,628
			<u>183,406,563</u>	<u>228,144,932</u>
22.1	Guarantees:			
	- Financial guarantees		8,517,649	5,664,947
	- Performance guarantees		21,236,932	15,410,184
	- Other guarantees		1,071,562	1,079,686
			<u>30,826,143</u>	<u>22,154,817</u>
22.2	Commitments:			
	Documentary credits and short-term trade-related transactions			
	- letters of credit		50,561,118	38,680,125
	Commitments in respect of:			
	- forward foreign exchange contracts	22.2.1	86,782,448	161,787,971
	- forward lending	22.2.2	3,185,490	2,675,230
	- forward government securities transactions	22.2.3	-	249,104
	- future equity securities	22.2.4	-	1,903
	Commitments for acquisition of:			
	- fixed assets		365,741	117,194
	- intangible assets		2,427	15,960
	Other commitments	22.2.5	48,000	72,000
			<u>140,945,224</u>	<u>203,599,487</u>
22.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase		48,479,318	86,975,369
	Sale		<u>38,303,130</u>	<u>74,812,602</u>
	The maturities of the above contracts are spread over a period of one year.			
22.2.2	Commitments in respect of forward lending			
	Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.2.1	<u>3,185,490</u>	<u>2,675,230</u>

22.2.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. The Bank has certain other commitments to extend credit that represent revocable commitments and do not attract any significant penalty or expense in case the facility is withdrawn unilaterally.

	Note	2022 ------(Rupees in '000)-----	2021
22.2.3 Commitment in respect of government securities transactions			
Purchase		-	249,104
22.2.4 Commitments in respect of equity future contracts			
Sale		-	1,903
22.2.5 Other commitments			
Donation		48,000	72,000
22.3 Other contingent liabilities		11,635,196	2,390,628

- 22.3.1** (a) The income tax returns of the Bank have been filed up to tax year 2022 (accounting year ended 31 December 2021). The income tax authorities have issued amended assessment orders against different tax years, thereby creating additional tax demands against which payments have been made as required under the law. The Bank has filed appeals before various appellate forums against these amendments. Assessments from tax year 2001 up to tax year 2012 have been decided at the level of Appellate Tribunal Inland Revenue. The department has filed tax references in respect of certain matters with the Honourable Lahore High Court which are currently pending. In case of any adverse decision, an additional tax liability of Rs. 617.120 million (which includes impact of certain timing differences as well) may arise for tax year 2001 and for tax years 2003 upto 2010 and Rs. 639.57 million against tax years 2011 and 2012. Further, assessments for tax years 2013 to 2021 have been decided at the level of Commissioner Inland Revenue (Appeals). The department has filed appeal for tax year 2013, 2020 and 2021 with Appellate Tribunal Inland Revenue which is currently pending and in case of any adverse decision, an additional tax liability of Rs. 6,493.68 million (which include impact of certain timing differences as well) may arise. The Bank has decided to file appeal for tax years 2014, 2015, 2016 and 2018 with Appellate Tribunal Inland Revenue, which in case of any adverse decision may create an additional tax liability of Rs. 128.74 million. A cross appeal has been filed for tax year 2019 with Appellate Tribunal Inland Revenue, which in case of any adverse decision may create an additional tax liability of Rs. 16.63 million. However, the management is confident that these matters will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in such matters.
- (b) Tax authorities have passed orders for tax years 2008 to 2012, levying Federal Excise Duty on certain items. The Bank filed appeals against these assessments before Appellate Tribunal Inland Revenue, which were decided in favor of Bank and tax demand was deleted in full. The department filed tax reference with Honourable High Court Lahore against the order issued by Appellate Tribunal Inland Revenue, which was set-aside with remanded back directions to Appellate Tribunal Inland Revenue by Honourable High Court Lahore. Provision to the extent of Rs. 81.083 million, created on the recommendation of the State Bank of Pakistan, is still being maintained in the accounts. Management is confident that Appellate Tribunal Inland Revenue will decide the case in favor of the Bank and the Bank may not be exposed to any additional tax liability in these matters. Management is also confident that SBP will allow reversal of this provision based on favorable order passed by Appellate Tribunal Inland Revenue.
- (c) Tax authorities have filed appeals against order passed under section 161/205 of the Income Tax Ordinance 2001, for tax years 2011 with Honourable high Court Lahore. It is currently pending and in case of any adverse decision an additional tax liability of Rs. 18.83 million may arise. Moreover, tax authorities have also filed appeals against orders passed under section 161/205 of the Income Tax Ordinance 2001, for tax years 2014 and 2016 to 2021 with Appellate Tribunal Inland Revenue. These are currently pending and in case of any adverse decision an additional tax liability of Rs. 2,342.16 million may arise. However, the management is confident that the matter will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in these matters.
- (d) Punjab Revenue Authority has passed orders for years 2015, 2016 and 2017 under section 14 and 19 of the Punjab Sales Tax on Services Act, 2012, creating demands of Rs. 144.688 million, 46.9 million and 24.79 million respectively, on non-deduction of withholding tax. The Bank has filed appeals before Commissioner Inland Revenue (Appeals) against these orders, which are currently pending. However, the management is confident that these matters will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in such matters.
- (e) Sindh Revenue Board has passed orders for years 2012 and 2014 under section 23 of the Sindh Sales Tax on Services Act, 2011, creating demands of Rs. 213.43 million and Rs. 142.18 million respectively, on non-deduction of Sindh Sales Tax. The Bank has filed appeals before Commissioner Inland Revenue (Appeals) against these orders, which are currently pending. However, the management is confident that these matters will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in such matters.



(f) The income tax authorities in Azad Jammu & Kashmir region have issued amended assessment orders for tax years 2013 to tax year 2021, thereby creating additional tax demands which have been paid by the Bank as required under the law. The Bank has decided to file appeal before Commissioner Inland Revenue (Appeals) for tax years 2020 and 2021. In case of an adverse decision, additional tax liability of Rs. 55.67 million may arise. The Bank had filed appeals before Commissioner Inland Revenue (Appeals) against orders from tax year 2013 to 2019, which were decided in favour of the Bank except for tax year 2016. The Bank has filed an appeal against order for tax year 2016 in Appellate Tribunal. In case of any adverse decision, an additional tax liability of Rs. 41.565 million may arise. Department has filed appeals against orders for tax year 2014 to 2019 in Appellate Tribunal, which are still pending. In case of an adverse decision, an additional tax liability of Rs. 263.01 million (excluding tax year 2016) may arise. However, the management is confident that these matters will ultimately be decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in such matters.

22.3.2 Claims against the Bank which are not acknowledged as debts amounted to Rs. 3.963 million (31 December 2021: Rs. 3.665 million).

22.3.3 The Assistant Commissioner, Inland Revenue vide orders under section 182/140 of the Income Tax Ordinance, 2001 has levied penalties against staff of the Bank amounting to Rs. 30 million and Rs. 0.06 million. Currently, these matters are pending before Commissioner Inland Revenue (Appeals) subsequent to appeal filed by the staff. In case of any adverse decision in appeals, the Bank reserves the right of recourse on customers for re-imbursalment. However, the management is confident that these matters will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability on these accounts.

22.3.4 A penalty of Rs. 50 million had been imposed by the Competition Commission of Pakistan ("the Commission") on the Bank on account of uncompetitive behaviour and imposing uniform cost on cash withdrawal from ATM transactions. The Bank along with other Banks had filed a constitutional petition before the Competition Appellate Tribunal which has set aside the order of the Commission. Against the said order of the Competition Appellate Tribunal, the Commission has filed an appeal before the Supreme Court of Pakistan, the hearing of which is currently pending. The management of the Bank is confident that the appeal will be decided in the favour of the Bank.

22.3.5 Through the Finance Act, 2008 an amendment was made in the Employees Old Age Benefits Act, 1976 whereby the exemption available to banks and their employees was withdrawn by omission of clause (e) of Section 47 of the said Act and banks and their employees were made liable for contribution to Employee Old Age Benefit Institution. The Lahore High Court, subsequently, nullified the amendments made through the Finance Act, 2008.

Subsequently, several other banks also filed the Constitutional Petition before the Sindh High Court which decided the matter in favour of the banks. As a result of the decision of the Lahore High Court and Sindh High Court, the Bank stopped EOBI contribution w.e.f. February 2012. An appeal was filed by the EOBI in the Supreme Court of Pakistan which has been disposed of by the Honourable Court vide its order dated 10 November 2016 in favour of the Banks. However, EOBI has filed review Petition on 07 March 2019 before the Supreme Court of Pakistan which is currently pending.

In case of any adverse decision by the Supreme Court of Pakistan, a contribution of Rs. 281.127 million (up to 31 December 2021: Rs. 245.290 million) will become payable by the Bank to the EOBI. The said amount of Rs. 281.127 million has not been provided in these financial statements as the Bank is confident that the case will be decided in the Bank's favour.

	Note	2022	2021
		----- (Rupees in '000) -----	
23	MARK-UP / RETURN / INTEREST EARNED		
	Loans and advances	24,075,803	13,373,990
	Investments	37,005,103	22,619,325
	Lendings to financial institutions	1,162,191	499,869
	Balances with banks	44,517	232
	Placement and call lendings	755,866	338,188
	Income on bai muajjal placements	13,133	301,542
		63,056,613	37,133,146
24	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	34,963,265	16,719,062
	Borrowings	14,430,656	7,866,011
	Subordinated debt	1,067,658	660,117
	Cost of foreign currency swaps against foreign currency deposits / borrowings	24.1 885,316	548,842
	Finance cost of lease liability	24.2 442,962	401,580
		51,789,857	26,195,612

24.1 A corresponding income of the same amount is recognised in foreign exchange income.

24.2 This represents finance cost of lease liability against right-of-use assets.

25 FEE & COMMISSION INCOME	Note	2022	2021
------(Rupees in '000)-----			
Branch banking customer fees		565,609	440,776
Consumer finance related fees		58,994	54,200
Debit card related fees		100,441	89,967
Investment banking / arrangement fees		56,620	28,902
Credit related fees		132,947	108,421
Commission on trade		890,621	783,320
Commission on guarantees		158,397	130,604
Commission on cash management		13,240	10,629
Commission on remittances including home remittances		29,170	31,159
Commission on bancassurance		91,669	99,367
Rebate income		314,311	275,096
Others		18,273	21,162
		<u>2,430,292</u>	<u>2,073,603</u>
26 (LOSS) / GAIN ON SECURITIES - NET			
Realised	26.1	(533,142)	357,466
Unrealised - held for trading	8.1	-	9,611
Unrealised - forward purchase of government securities		-	(3,013)
Unrealised - forward of equity securities		-	45
		<u>(533,142)</u>	<u>364,109</u>
26.1 Realised (loss) / gain on:			
Federal Government securities		(13,089)	144,885
Shares		(520,879)	210,410
Mutual funds		327	1,171
Non-Government debt securities		499	1,000
		<u>(533,142)</u>	<u>357,466</u>
27 OTHER INCOME			
Gain on sale of fixed assets-net		27,756	303,671
Gain on termination of leases		20,255	-
Insurance claim recovered		3,964	4,893
Staff notice period and other recoveries		27,920	18,597
Gain on sale of non-banking assets		462	-
Rental income on properties	27.1	8,575	13,595
		<u>88,932</u>	<u>340,756</u>
27.1 This represents rent earned through certain spaces / floors of Bank's properties let out on rental basis.			



28	OPERATING EXPENSES	Note	2022	2021
------(Rupees in '000)-----				
	Total compensation expense	28.1	4,674,005	4,064,883
	Property expense			
	Rent & taxes		68,309	153,570
	Insurance		41,568	35,347
	Utilities cost		666,895	399,933
	Security (including guards)	28.2	509,772	406,739
	Repair & maintenance (including janitorial charges)	28.2	295,963	280,311
	Depreciation on non-banking assets		3,797	3,755
	Depreciation on right-of-use assets	10.2	758,677	672,032
	Depreciation on property	10.3	281,990	265,078
			2,626,971	2,216,765
	Information technology expenses			
	Software maintenance		543,166	432,630
	Hardware maintenance		168,124	190,188
	Depreciation on computer equipments	10.3	227,412	212,175
	Amortisation of intangibles	11	257,825	208,338
	Network charges		251,659	234,444
	Others		289,582	108,790
			1,737,768	1,386,565
	Other operating expenses			
	Directors' fees and allowances		27,700	17,250
	Fees and allowances to Shariah Board		8,305	6,610
	Legal & professional charges		63,713	50,506
	Outsourced services costs	28.2 & 38.1	68,405	138,352
	Travelling & conveyance		20,530	11,299
	NIFT clearing charges		55,992	41,746
	Depreciation	10.3	233,890	216,155
	Training & development		23,515	12,789
	Postage & courier charges		104,364	54,082
	Communication		79,167	64,854
	Stationery & printing		328,925	242,916
	Marketing, advertisement & publicity		153,765	94,306
	Donations	28.3	45,500	45,550
	Auditors' Remuneration	28.4	14,440	11,841
	Brokerage and commission		23,377	46,229
	Entertainment		260,418	214,413
	Fees and subscription		101,094	61,088
	Motor vehicles running expenses		459,401	263,924
	Service charges		168,273	135,880
	Insurance		47,918	60,378
	Repair & maintenance		256,085	185,891
	Deposit protection insurance premium	28.5	267,383	228,467
	Others		268,135	165,978
			3,080,295	2,370,504
			12,119,039	10,038,717

28.1	Total compensation expense	Note	2022	2021
------(Rupees in '000)-----				
	Managerial Remuneration			
	i) Fixed		2,489,928	2,126,228
	ii) Variable			
	a) Cash Bonus / Awards etc.	28.1.1	336,627	296,763
	b) Bonus & Awards in Shares etc.		-	-
	Charge for defined benefit plan		122,767	117,432
	Contribution to defined contribution Plan	40	167,115	154,318
	Rent & house maintenance		914,256	812,712
	Staff Car Allowance		262,665	218,188
	Utilities		2,074	2,247
	Medical		224,747	200,875
	Conveyance		485	355
	Entertainment		21,137	19,692
	Group Insurance		127,238	111,903
	Staff Welfare		3,844	3,174
	Others		1,122	996
	Sub-total		4,674,005	4,064,883
	Severance Allowance		-	-
	Grand Total		4,674,005	4,064,883

28.1.1 This includes bonus accrual in respect of current performance year (net of reversal), payout for which shall be made in the following year. The aggregate amount of bonus paid in the current year out of accrual held till last year to Directors, Key Management Personnel and other MRTs / MRCs has been disclosed in note 41.1 to these financial statements.

28.2 Total cost for the year relating to outsourcing activities included in operating activities is Rs. 848.986 million (2021: Rs 773.245 million) being paid to companies incorporated in Pakistan. The material outsourcing arrangement as specifically disclosed in note 28 along with their nature of services is as follows:

Name of company	Nature of Service	2022	2021
------(Rupees in '000)-----			
Prime Human Resource services	Business Development Services	68,405	138,352
28.3	Details of the donations given during the year are as follows:		
	Donee		
	The Aga Khan Education Service, Pakistan	-	10,000
	The Aga Khan Health Service, Pakistan	5,000	-
	The Aga Khan Medical & University Hospital	40,000	24,000
	Aga Khan Foundation Pakistan	-	10,000
	Family Education Services Foundation	-	1,350
	Pakistan Crescent Society	500	-
	Pakistan Eye Bank Society Hospital	-	200
		45,500	45,550

28.3.1 Directors or their spouse have no interest in any of the donee in current and prior year. However, the Bank's Deputy CEO is on the Governance Board of the Aga Khan Medical and University Hospital.

28.4	Auditors' remuneration	2022	2021
----- (Rupees in '000) -----			
	Audit fee	3,020	2,589
	Fee for other statutory certifications	5,682	4,871
	Fee for audit of employee funds	196	168
	Special certifications and sundry advisory services	3,042	2,413
	Out-of-pocket expenses	2,500	1,800
		14,440	11,841



28.5 This represents the insurance premium paid to the State Bank of Pakistan's Depositors Protection Corporation (DPC) during the year. The premium amount was worked out in accordance with the mechanism specified by DPC during the year, based on eligible deposits position of the Bank as at 31 December 2022. The premium amount payable for the financial year ending 2023 is determined in accordance with the eligible deposits (note 17.2) as at 31 December 2022 and amounts to Rs. 319.147 million (2021: Rs. 267.38 million).

	Note	2022	2021
------(Rupees in '000)-----			
29	WORKERS' WELFARE FUND - NET		
	Workers' Welfare Fund - net	29.1	99,472
			120,333

29.1 The bank considers a charge for Workers Welfare Fund (WWF) based on profits earned for respective years, adjusted for any change in expectation of provisions required to be held, in the light of relevant orders / judgements, and legal opinions.

	Note	2022	2021
------(Rupees in '000)-----			
30	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan (SBP)		26,245
			31,456

	Note	2022	2021
------(Rupees in '000)-----			
31	(REVERSALS) / PROVISIONS & WRITE OFFS - NET		
	(Reversals) / provisions for diminution in the value of investments	8.3	(293)
	(Reversals) / provisions against loans & advances - net	9.3	(400,285)
	Fixed assets written off		26,009
	Provision against other assets	13.3.1	-
			(374,569)
			(111,956)

	Note	2022	2021
------(Rupees in '000)-----			
32	TAXATION		
	Current	32.1	2,388,317
	Prior years	32.1	365,864
	Deferred		(83,403)
			2,670,778
			2,379,094
			-
			(84,022)
			2,295,072

32.1 The Finance Act, 2023 has introduced a retrospective charge on income derived from Federal Government securities for the financial year ending 2021, accordingly a provision for prior years has been booked in this respect. The Bank has challenged the same through its legal counsel in Honorable High Court Lahore, the decision of which is currently pending. Moreover, there are certain amendments which require that super tax at the rate of 10 percent would be applicable for current tax year (accounting year ended December 2022) in respect of poverty alleviation. Also, these amendments require that super tax at the rate of 4 percent of taxable income would be applicable for tax year 2024 (accounting year ended 31 December 2023) and onwards, therefore, the Bank has decided to book the Deferred tax asset/liabilities at 43% considering the same as the enacted rate for foreseeable future.

32.2 Tax related contingencies are disclosed in note 22.3.1 to these financial statements.

		2022	2021
------(Rupees in '000)-----			
32.3	Relationship between tax expense and accounting profit		
	Profit before taxation		4,554,021
			5,149,219
	Tax at the applicable tax rate of 39% (2021: 39%)		1,776,068
	Super Tax @ 10%		455,402
	Tax effect on permanent differences		11,169
	Effect of rate change		90,844
	Prior year		365,864
	Others		(28,569)
			2,670,778
			2,295,072

		2022	2021
		----- (Rupees in '000) -----	
33	BASIC EARNINGS PER SHARE		
	Profit for the year	1,883,243	2,854,147
		----- (Number of Shares) -----	
	Weighted average number of ordinary shares	1,102,463,483	1,102,463,483
		----- (Rupees) -----	
	Basic earnings per share	1.7082	2.5889
34	DILUTED EARNINGS PER SHARE		
	Profit for the year	1,883,243	2,854,147
		----- (Number of Shares) -----	
	Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)	1,102,463,483	1,102,463,483
		----- (Rupees) -----	
	Diluted earnings per share	1.7082	2.5889
		Sub-Ordinated Loans	Other Liabilities - Mark-up Payable*
35	NET DEBT RECONCILIATION	----- (Rupees in '000) -----	
	Net debt as at 01 January 2022	6,992,800	170,563
	Other non-cash movements		
	Mark-up accrued	-	1,067,658
	Cash Flows		
	Principal paid	(2,992,800)	-
	Issuance of new debt	4,000,000	-
	Mark-up paid	-	(1,169,749)
		1,007,200	(1,169,749)
	Net debt as at 31 December 2022	8,000,000	68,472
	* Mark-up is covered under cash flow from operating activities.		
		Note	
36	CASH AND CASH EQUIVALENTS		
		----- (Rupees in '000) -----	
	Cash and balances with treasury banks	5	27,420,328
	Balance with other banks	6	1,939,303
	Overdrawn nostro accounts	16	(1,438,013)
			27,921,618
			36,941,161
37	CREDIT RATING		

The Pakistan Credit Rating Agency (PACRA) has maintained the long term credit rating of 'AA-' (Double A Minus) and short term rating of 'A1+' (A One Plus) with Stable Outlook of the Bank through its notification dated 25 June 2022 [2021: long term 'AA-' (Double A Minus); short term 'A1+' (A One Plus)]. The Pakistan Credit Rating Agency (PACRA) has maintained the long term credit rating of 'AA-' (Double A Minus) and short term rating of 'A1+' (A One Plus) with Stable Outlook of the Bank through its notification dated 25 June 2022 [2021: long term 'AA-' (Double A Minus); short term 'A1+' (A One Plus)].

Furthermore, the Bank's unsecured, subordinated, rated, listed perpetual and non-cumulative Term Finance Certificates of Rs 4,000 million have been assigned the rating of 'A' with Stable Outlook by PACRA through their notification dated 25 June 2022.

PACRA had also maintained the credit rating of the Bank's unsecured, subordinated and listed Term Finance Certificates (TFC - 2) issue of Rs 3,000 million at 'A+' (Single A plus) with Stable Outlook through its notification dated 25 June 2022. During the year 2022, the said instrument was successfully called back through exercise of a call option on 20 December 2022.



Following the exercise of the call option, the Bank issued fresh unsecured, subordinated, rated, privately placed Term Finance Certificates of Rs 4,000 million. PACRA assigned a rating of 'A+' with Stable Outlook to this instrument through its notification dated 14 November 2022. The instrument is in process of being subsequently listed under Debt Security Listing Regulations.

38	STAFF STRENGTH	2022	2021
		-- (Number of employees) --	
	Permanent	3,518	3,290
	On Bank contract	557	187
	Bank's own staff strength at the end of the year	<u>4,075</u>	<u>3,477</u>

38.1 In addition to the above, 70 (2021: 425) employees of outside contractor / agency were posted in the Bank as at the end of the year to perform services other than guarding and janitorial services.

38.2 Further, 753 (2021: 687) employees of outside contractor / agency were posted in the Bank as at the end of the year to perform janitorial services.

39 DEFINED BENEFIT PLAN

39.1 General description

As mentioned in note 4.12.1, the Bank operates an approved funded gratuity scheme for all its permanent employees. The benefits under the gratuity scheme are payable on retirement at the age of 60 or earlier cessation of service, in lump sum. The benefit (for all employees other than the President) is equal to one month's last drawn basic salary for each year of eligible service with the Bank subject to a minimum qualifying period of service of five years. For the President, the benefit is determined as per the terms of his employment. The plan assets and defined benefit obligations are based in Pakistan. For deceased cases, the qualifying period is at least one year in service.

39.2 Number of employees under the scheme

The number of employees covered under the defined benefit scheme are:

	2022	2021
	-- (Number of employees) --	
Gratuity fund	<u>3,513</u>	<u>3,242</u>

39.3 Principal actuarial assumptions

The actuarial valuation was carried out as at 31 December 2022 using the following significant assumptions:

	2022	2021
	----- (Per annum) -----	
Discount rate	14.25%	11.75%
Expected rate of return on plan assets	8.0%	7.0%
Expected rate of salary increase	8.0%	7.0%
Mortality rates (for death in service)	SLIC (2001-05)-1	SLIC (2001-05)-1
Rate of employee turnover	Special	Special

39.4 Reconciliation of payable to defined benefit plan

	Note	2022	2021
		----- (Rupees in '000) -----	
Present value of obligation	39.5	1,046,028	927,320
Fair value of plan assets	39.6 & 39.9	<u>(1,046,028)</u>	<u>(927,320)</u>
		<u>-</u>	<u>-</u>

39.5 Movement in defined benefit obligation

Obligation at the beginning of the year		927,320	879,604
Current service cost		122,767	117,432
Interest cost		107,670	73,909
Benefits paid by the Bank		(99,133)	(105,619)
Re-measurement loss / (gain)		(12,596)	(38,006)
Obligation at the end of the year		<u>1,046,028</u>	<u>927,320</u>



39.11 The expected gratuity expense / contribution to the fund for the next year commencing 01 January 2023 works out to be Rs. 137.950 million (2022: Rs 122.767 million).

39.12 Gratuity expense for the year ended 31 December 2022 **-- (Rupees in '000) --**

Service Cost		137,950
Net interest on the net defined benefit liability / (asset)		
(i) Interest cost on defined benefit obligation	146,108	
(ii) Interest income on plan assets	(146,108)	
(iii) Net interest cost	-	
Gratuity cost to be recognised in the profit and loss account		137,950

39.13 Maturity profile

	2022	2021
The weighted average duration of the obligation (in years)	4.61	4.87

39.14 Funding Policy

The Bank's funding policy for the scheme is given in note 4.12.1

39.15 The Gratuity scheme exposes the bank to the following risks:

Mortality risks

This is the risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Investment risks

This is the risk of the investment underperforming and not being sufficient to meet the liabilities.

Final salary risks

This is the risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risks

This is the risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

40 DEFINED CONTRIBUTION PLAN

The Bank operates an approved funded provident fund scheme for all its permanent confirmed employees. Equal monthly contributions are made, both by the Bank and its employees, to the fund at the rate of 8.33 percent (2021: 8.33 percent) of basic salaries of the employees. The contribution made by the Bank during the year amounted to Rs. 167.115 million (2021: Rs. 154.318 million). The total number of employees as at 31 December 2022 eligible under the scheme were 2,889 employees (2021: 2,700 employees).

41 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

41.1 Total Compensation Expense

Items	2022						
	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
Chairman	Executives (other than CEO)	Non- Executives					
	----- (Rupees in '000) -----						
Fees and Allowances etc.	2,760	-	24,940	8,305	-	-	-
Managerial Remuneration							
i) Fixed	-	-	-	2,289	35,073	151,435	182,226
ii) Variable							
a) Cash Bonus / Awards*	-	-	-	260	17,569	47,870	36,121
b) Bonus & Awards in Shares	-	-	-	-	-	-	-
	-	-	-	260	17,569	47,870	36,121
Charge for defined benefit plan	-	-	-	191	4,165	12,106	16,547
Contribution to defined contribution plan	-	-	-	191	2,801	11,602	15,101
Rent & house maintenance	-	-	-	916	15,133	57,813	73,490
Car allowance	-	-	-	1,395	684	68,662	135,499
Utilities	-	-	-	-	2,074	2,834	-
Medical	-	-	-	229	472	14,384	18,223
Conveyance	-	-	-	-	-	-	-
Entertainment allowance	-	-	-	160	-	9,750	12,756
Others	-	-	-	29	2,633	3,068	3,467
Total	2,760	-	24,940	13,965	80,604	379,524	493,430
Number of Persons	1	-	6	5	1	24	92

* This represents cash bonus for performance year 2021, paid out in the year 2022. In addition to this payout, an amount of Rs. 30.085 million remains accrued and not yet paid, and has been retained as part of deferred remuneration as per the Bank's remuneration policy and framework. This amount will be paid out over the next three years, together with accrued earnings thereon.

Items	2021						
	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
Chairman	Executives (other than CEO)	Non- Executives					
	----- (Rupees in '000) -----						
Fees and Allowances etc.	1,980	-	15,270	6,610	-	-	-
Managerial Remuneration							
i) Fixed	-	-	-	2,562	31,198	126,786	153,119
ii) Variable							
a) Cash Bonus / Awards*	-	-	-	132	7,801	34,149	34,984
b) Bonus & Awards in Shares	-	-	-	-	-	-	-
	-	-	-	132	7,801	34,149	34,984
Charge for defined benefit plan	-	-	-	257	3,856	11,248	14,281
Contribution to defined contribution plan	-	-	-	213	2,570	10,561	12,739
Rent & house maintenance	-	-	-	1,024	13,882	52,814	61,948
Car allowance	-	-	-	966	368	53,004	95,633
Utilities	-	-	-	-	2,247	2,410	-
Medical	-	-	-	256	428	13,263	15,312
Entertainment allowance	-	-	-	179	-	8,875	10,718
Others	-	-	-	45	2,645	1,839	3,225
Total	1,980	-	15,270	12,245	64,995	314,949	401,959
Number of Persons	1	-	6	5	1	22	79

* This represents cash bonus for performance year 2020, paid out in the year 2021. In addition to this payout, an amount of Rs. 25.559 million remains accrued and not yet paid, and has been retained as part of deferred remuneration as per the Bank's remuneration policy and framework. This amount will be paid out over the next three years, together with accrued earnings thereon.



In addition to the above, all Directors and Key Management Personnel are entitled to ticketing / boarding and lodging for official travel, the expenses of which are borne by the Bank. Furthermore, the Bank also provides Club membership fee to its President / Chief Executive Officer and certain key management personnel. The amount charged in respect of club membership fee during the year amounted to Rs. 3.207 million (2021: Rs. 1.701 million).

Also, the Bank's President and Chief Executive Officer and Deputy Chief Executive Officer are also provided with free use of the Bank maintained car in accordance with their entitlements.

Additionally, in line with the SBP's BPRD Circular No. 03 dated 17 August 2009, and as approved by the shareholders of the bank, certain administrative expenses pertaining to the office, staff and security have been allowed to the Chairman of the Board.

Key Management Personnel include all Group Heads, EVPs, and Executives having a direct reporting line to the President and Chief Executive Officer or the Deputy Chief Executive Officer.

The MRT / MRC inclusion criteria has been developed in accordance with the Bank's approved Remuneration Guidelines and applicable best practices and has been approved by the BHRRC. The inclusion is based on qualitative as well as quantitative criteria and includes the Chief Executive Officer, Deputy Chief Executive Officer, Key Management Personnel, members of critical management committees and heads of critical functions responsible for managing business, risks and controls, that subject the Bank to significant risks. In addition, the Bank carries out detailed assessment of individuals subjecting the Bank to significant risks, the materiality which is determined through an approved quantitative criteria for each major risk type. The aggregate remuneration paid during the year to executives as defined under the Companies Act, 2017 amounted to Rs. 1,940.966 million (2021: Rs. 1,531.915 million). The remuneration framework policy has been detailed in note 4.12.3 to the financial statements.

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

2022									
Sr. No.	Name of Director	Meeting Fees and Allowances Paid							Total Amount Paid
		For Board Meetings	For Board Committee Meetings					Board Information Technology Committee	
			Board Audit Committee	Board Credit Committee	Board Human Resource and Remuneration Committee	Board Risk Management Committee	Committee of Independent Directors		
----- (Rupees in '000) -----									
1	Mr. Alauddin Feerasta	1,680	-	1,080	-	-	-	-	2,760
2	Mr. Nooruddin Feerasta	1,150	900	1,080	-	-	-	-	3,130
3	Mr. Ahmed Feerasta	1,400	-	-	-	1,250	-	900	3,550
4	Mr. Muhammad Rashid Zahir	1,400	900	900	-	-	-	-	3,200
5	Mr. Manzoor Ahmed	1,400	-	900	1,080	1,500	-	750	5,630
6	Mr. Jamil Hassan Hamdani	1,400	1,080	-	900	1,250	600	750	5,980
7	Ms. Navin Salim Merchant	1,400	900	-	650	-	500	-	3,450
	Total Amount Paid	9,830	3,780	3,960	2,630	4,000	1,100	2,400	27,700

2021									
Sr. No.	Name of Director	Meeting Fees and Allowances Paid							Total Amount Paid
		For Board Meetings	For Board Committee Meetings					Board Information Technology Committee	
			Board Audit Committee	Board Credit Committee	Board Human Resource and Remuneration Committee	Board Risk Management Committee	Committee of Independent Directors		
----- (Rupees in '000) -----									
1	Mr. Alauddin Feerasta	1,260	-	720	-	-	-	-	1,980
2	Mr. Nooruddin Feerasta	900	450	720	-	-	-	-	2,070
3	Mr. Ahmed Feerasta	900	-	-	-	600	-	360	1,860
4	Mr. Muhammad Rashid Zahir	1,050	600	600	-	-	-	-	2,250
5	Mr. Manzoor Ahmed	1,050	-	600	720	720	-	300	3,390
6	Mr. Jamil Hassan Hamdani	1,050	720	-	600	600	180	300	3,450
7	Ms. Navin Salim Merchant	900	600	-	600	-	150	-	2,250
	Total Amount Paid	7,110	2,370	2,640	1,920	1,920	330	960	17,250

41.3 Remuneration paid to Shariah Board Members

Items	2022			2021		
	Chairman	Resident Member	Non-Resident Member(s)	Chairman	Resident Member	Non-Resident Member(s)
----- (Rupees in '000) -----						
a. Meeting Fees and Allowances	3,080	-	5,225	2,810	-	3,800
b. Remuneration (note 41.1)	-	5,660	-	-	5,635	-
Total Amount	3,080	5,660	5,225	2,810	5,635	3,800
Total Number of Persons	1	2	2	1	2	2

The Chairman and the Non Resident Member are entitled to Consultancy Allowance, while the resident member is under regular employment.

42 FAIR VALUE MEASUREMENTS

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

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

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

42.1 Fair value of financial assets

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

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

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

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

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

	2022			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	234,225,318	-	234,225,318
Shares	1,957,080	-	61,100	2,018,180
Non-Government debt securities	-	3,015,014	-	3,015,014
Units of mutual fund	-	484,746	-	484,746
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government securities	-	15,993,514	-	15,993,514
Non-Government debt securities	-	-	-	-
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	48,711,989	-	48,711,989
Forward sale of foreign exchange	-	38,430,773	-	38,430,773
Forward purchase of government securities	-	-	-	-
Forward sale of equity securities	-	-	-	-
Non - Financial Assets				
Land and Building (operating fixed assets & non-banking assets)*	-	-	6,174,043	6,174,043
	<u>1,957,080</u>	<u>340,861,354</u>	<u>6,235,143</u>	<u>349,053,577</u>



	2021			Total
	Level 1	Level 2	Level 3	
On balance sheet financial instruments	----- (Rupees in '000) -----			
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	307,250,483	-	307,250,483
Shares	2,718,287	-	61,100	2,779,387
Non-Government debt securities	-	3,383,345	-	3,383,345
Units of mutual fund	-	249,225	-	249,225
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government securities	-	12,628,519	-	12,628,519
Non-Government debt securities	-	-	-	-
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	87,544,017	-	87,544,017
Forward sale of foreign exchange	-	75,389,672	-	75,389,672
Forward purchase of government securities	-	246,091	-	246,091
Forward sale of equity securities	-	1,858	-	1,858
Non - Financial Assets				
Land and Building (operating fixed assets & non-banking assets)*	-	-	6,303,288	6,303,288
	<u>2,718,287</u>	<u>486,693,210</u>	<u>6,364,388</u>	<u>495,775,885</u>

* The Bank carries out periodic valuation of these assets for reasons disclosed in note 4.5.1 to these financial statements.

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

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of GoP Ijarah Sukuks, Pakistan Investment bonds, Market Treasury bills, Corporate bonds, Term Finance, Sukuk certificates and units of mutual funds.

(c) Financial instruments in level 3

Financial instruments included in level 3 comprise of fixed assets (land and building) and unlisted securities.

Valuation techniques and inputs used in determination of fair values

Item	Valuation techniques and input used
Fully paid-up ordinary shares	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the stock exchange.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Treasury Bills are determined on the basis of rates / prices sourced from Reuters.
Government of Pakistan - Ijarah Sukuks	Fair values of GoP Ijarah Sukuks are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from pre-defined / approved dealers / brokers.
Term Finance, Bonds and Sukuk certificates	Investments in debt securities (comprising term finance certificates, bonds, sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities.
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.
Land and Buildings (operating fixed assets & non-banking assets)	Land and buildings are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with reasonable certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these financial statements.

42.2 The following table presents the changes in level 3 items for the years ended 31 December 2022 and 31 December 2021 for recurring fair value measurements:

	Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Non-Banking assets	Total
----- (Rupees in '000) -----						
Opening balance 1 January 2021	2,332,292	471,558	302,080	3,040,377	1,139,377	7,285,684
Acquisitions	-	-	24,139	14,378	-	38,517
Amounts recognised in the profit or loss for depreciation and impairment	-	-	(12,477)	(164,369)	(3,754)	(180,600)
Other adjustments / transfers	(850,000)	-	-	-	9,687	(840,313)
Closing balance 31 December 2021	1,482,292	471,558	313,742	2,890,386	1,145,310	6,303,288
Acquisitions	-	-	19,001	54,710	(27,039)	46,672
Amounts recognised in the profit or loss as depreciation and impairment	-	-	(13,729)	(165,670)	(3,797)	(183,196)
Other adjustments / transfers	-	-	-	-	7,279	7,279
Closing balance 31 December 2022	1,482,292	471,558	319,014	2,779,426	1,121,753	6,174,043



43 SEGMENT INFORMATION

43.1 Segment details with respect to business activities

	2022					
	Retail Banking	Corporate	Islamic	Trading and Sales	Others	Total
	----- (Rupees in '000) -----					
Profit and loss						
Net mark-up / return / profit	(24,227,314)	13,490,283	1,026,390	22,098,392	(1,120,995)	11,266,756
Inter segment revenue - net	36,855,179	(12,447,747)	-	(25,839,182)	1,431,750	-
Non mark-up / return / interest income	3,137,111	1,303,373	181,299	2,871,366	(2,335,697)	5,157,452
Total income	15,764,976	2,345,909	1,207,689	(869,424)	(2,024,942)	16,424,208
Segment direct expenses	8,377,491	251,406	799,365	176,792	2,639,702	12,244,756
Inter segment expense allocation	(282,013)	(3,595)	(22,499)	(1,094)	309,201	-
Total expenses	8,095,478	247,811	776,866	175,698	2,948,903	12,244,756
(Reversal)/ provision	(657,633)	64,270	175,550	-	43,244	(374,569)
Profit before tax	8,327,131	2,033,828	255,273	(1,045,122)	(5,017,089)	4,554,021
Balance sheet						
Cash & bank balances	22,509,042	2,600,351	2,716,769	1,533,469	-	29,359,631
Investments	-	-	17,794,997	240,212,049	-	258,007,046
Net inter segment lending	296,251,502	-	-	110,086,311	16,695,939	423,033,752
Lendings to financial institutions	-	-	5,000,000	47,338,662	-	52,338,662
Advances - performing	52,018,911	136,884,870	11,311,778	-	5,332,072	205,547,631
- non-performing	1,436,826	674,466	722,730	-	52,507	2,886,529
Others	6,080,573	5,840,975	2,033,697	3,498,224	14,166,863	31,620,332
Total assets	378,296,854	146,000,662	39,579,971	402,668,715	36,247,381	1,002,793,583
Borrowings	12,377,623	12,499,297	1,066,727	88,835,944	948,607	115,728,198
Subordinated debt	-	-	-	-	8,000,000	8,000,000
Deposits & other accounts	351,143,179	25,659,711	32,839,723	-	-	409,642,613
Net inter segment borrowing	-	106,073,515	4,012,796	312,947,441	-	423,033,752
Others	14,776,052	1,768,139	1,660,725	885,330	6,152,583	25,242,829
Total liabilities	378,296,854	146,000,662	39,579,971	402,668,715	15,101,190	981,647,392
Equity	-	-	-	-	21,146,191	21,146,191
Total equity & liabilities	378,296,854	146,000,662	39,579,971	402,668,715	36,247,381	1,002,793,583
Contingencies & commitments						
In respect of letter of credit / guarantees	52,440,742	25,761,705	3,184,814	-	-	81,387,261
In respect of forward foreign exchange contracts	-	-	-	86,782,448	-	86,782,448
In respect of forward lendings	-	3,185,490	-	-	-	3,185,490
In respect of fixed assets	-	-	-	-	368,168	368,168
In respect of government securities	-	-	-	-	-	-
In respect of equity securities	-	-	-	-	-	-
In respect of other commitments	-	-	-	-	48,000	48,000
In respect of other contingencies	-	-	-	-	11,635,196	11,635,196
Total	52,440,742	28,947,195	3,184,814	86,782,448	12,051,364	183,406,563
	2021					
	Retail Banking	Corporate	Islamic	Trading and Sales	Others	Total
	----- (Rupees in '000) -----					
Profit and loss						
Net mark-up / return / profit	(10,272,827)	6,956,528	659,236	14,385,012	(790,415)	10,937,534
Inter segment revenue - net	17,698,994	(5,985,236)	-	(12,989,385)	1,275,627	-
Non mark-up / return / interest income	2,251,907	451,605	109,225	2,170,452	(692,954)	4,290,235
Total income	9,678,074	1,422,897	768,461	3,566,079	(207,742)	15,227,769
Segment direct expenses	6,701,416	238,847	581,274	183,260	2,485,709	10,190,506
Inter segment expense allocation	103,816	1,764	7,016	420	(113,016)	-
Total expenses	6,805,232	240,611	588,290	183,680	2,372,693	10,190,506
(Reversal)/ provision	(136,827)	(234,302)	252,448	(3,515)	10,240	(111,956)
Profit before tax	3,009,669	1,416,588	(72,277)	3,385,914	(2,590,675)	5,149,219
Balance sheet						
Cash & bank balances	31,265,061	1,962,300	2,207,198	2,189,817	-	37,624,376
Investments	-	396,000	17,220,848	309,808,339	-	327,425,187
Inter segment lending	265,598,191	-	-	-	14,776,250	280,374,441
Lendings to financial institutions	-	-	4,592,509	17,520,612	-	22,113,121
Advances - performing	58,890,757	89,352,989	10,162,675	-	4,666,042	163,072,463
- non-performing	1,235,085	119,577	1,013,659	-	54,012	2,422,333
Others	5,092,646	2,107,327	1,659,357	3,359,002	14,612,737	26,831,069
Total assets	362,081,740	93,938,193	36,856,246	332,877,770	34,109,041	859,862,990

2022

	Retail Banking	Corporate	Islamic	Trading and Sales	Others	Total
----- (Rupees in '000) -----						
Borrowings	11,585,729	11,566,486	705,360	99,746,733	980,560	124,584,868
Subordinated debt	-	-	-	-	6,992,800	6,992,800
Deposits & other accounts	337,761,115	33,350,233	31,925,206	-	-	403,036,554
Inter segment lending	-	46,060,906	2,804,319	231,509,216	-	280,374,441
Others	12,734,896	2,960,568	1,421,361	1,621,821	4,500,140	23,238,786
Total liabilities	362,081,740	93,938,193	36,856,246	332,877,770	12,473,500	838,227,449
Equity	-	-	-	-	21,635,541	21,635,541
Total equity & liabilities	362,081,740	93,938,193	36,856,246	332,877,770	34,109,041	859,862,990
Contingencies & commitments						
In respect of letter of credit / guarantees	35,882,154	23,174,145	1,778,643	-	-	60,834,942
In respect of forward foreign exchange contracts	-	-	-	161,787,971	-	161,787,971
In respect of forward lendings	-	2,675,230	-	-	-	2,675,230
In respect of fixed assets	-	-	-	-	133,154	133,154
In respect of government securities	-	-	-	249,104	-	249,104
In respect of equity securities	-	-	-	1,903	-	1,903
In respect of other commitments	-	-	-	-	72,000	72,000
In respect of other contingencies	-	-	-	-	2,390,628	2,390,628
Total	35,882,154	25,849,375	1,778,643	162,038,978	2,595,782	228,144,932

43.1.1 The operations of the Bank are currently based only in Pakistan, therefore, geographical segment is not relevant.

43.1.2 Segment Assets include inter segment lending, while inter segment borrowings forms part of Segment Liabilities, at gross level. Segment Wise Total Assets as well as Total Liabilities therefore appear higher by Rs. 423,034 million (December 2021: 280,374 million) , when compared to Total Assets / Liabilities reported at Bank Level, where inter segment lending / borrowing stands eliminated.

44 TRUST ACTIVITIES

The Bank commonly acts as a trustee and in other fiduciary capacity that results in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These are not the assets of the Bank and, therefore, are not included in the Statement of Financial Position, neither are these treated as transactions with related parties, except to the extent of actual custodial charges received against such services provided. The following is the list of assets held under trust:

Category	Type	No. of IPS accounts		Face Value	
		2022	2021	2022	2021
----- (Rupees in '000) -----					
Asset Management Companies	PIB 2 years			1,775,000	-
Asset Management Companies	PIB 3 years			100,000	-
Asset Management Companies	PIB 5 years			700,000	-
Asset Management Companies	Sukuk 5 years	11	2	200,000	-
Asset Management Companies	MTB 6 months			150,000	250,000
Asset Management Companies	MTB 3 months			5,070,000	-
Asset Management Companies	MTB 12 months			3,900,000	-
Employee Funds / NGO's	PIB 3 years			983,000	22,000
Employee Funds / NGO's	PIB 5 years			2,646,500	2,113,500
Employee Funds / NGO's	PIB 10 years			3,241,000	3,241,000
Employee Funds / NGO's	PIB 20 years	7	6	-	-
Employee Funds / NGO's	MTB 3 months			3,107,655	57,350
Employee Funds / NGO's	MTB 6 months			415,000	200,000
Employee Funds / NGO's	MTB 12 months			110,000	-
Individuals	MTB 3 months			423,300	60,000
Individuals	MTB 6 months			26,000	53,000
Individuals	MTB 12 months			478,000	-
Individuals	PIB 2 years	20	6	15,200	-
Individuals	PIB 3 years			22,000	-
Individuals	PIB 5 years			20,500	20,500
Individuals	PIB 10 years			5,400	5,400
Individuals	PIB 20 years			10,000	10,000
Corporate	MTB 3 months			2,400,000	250,000
Corporate	PIB 3 years	4	1	28,000	-
Corporate	Sukuk 5 years			92,000	-
Staff retirement funds - related parties	PIB 3 years			500,000	1,500,000
Staff retirement funds - related parties	PIB 5 years	2	2	1,950,000	-
Staff retirement funds - related parties	PIB 20 years			10,000	10,000
		44	17	28,378,555	7,792,750



45 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its related group companies, major shareholders, staff retirement funds, directors and their close family members (including their associates) and key management personnel.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan as disclosed in note 39 & 40. Remuneration to the executives / officers is determined in accordance with the terms of their appointment and is disclosed in note 41 to the financial statements.

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

Particulars	2022			2021		
	Directors (a)	Key* management personnel (a)	Other related parties	Directors (a)	Key* management personnel (a)	Other related parties
----- (Rupees in '000) -----						
Statement of financial position						
Investments						
Opening balance	-	-	289,298	-	-	440,284
Investment made during the year	-	-	-	-	-	100,000
Investment redeemed / disposed during the year	-	-	(100,000)	-	-	(250,986)
Closing balance	-	-	189,298	-	-	289,298
Advances						
Opening balance	134,000	206,883	-	149,000	141,353	-
Addition during the year	68,571	366,771	-	150,175	313,174	-
Repaid during the year	(1,162)	(308,205)	-	(165,175)	(285,697)	-
Transfer in / (out) - net	-	30,447	-	-	38,053	-
Closing balance	201,409	295,896	-	134,000	206,883	-
Other assets						
Interest / mark-up accrued	13,082	212	-	3,981	192	-
Other receivable against E-banking settlement	-	-	770,481	-	-	136,346
	13,082	212	770,481	3,981	192	136,346
Deposits and other accounts						
Opening balance	562,700	99,630	4,346,458	533,284	88,656	5,229,818
Received during the year	1,708,709	2,433,250	118,921,871	1,484,976	1,656,304	112,144,205
Withdrawn during the year	(1,947,968)	(2,371,141)	(119,085,195)	(1,455,560)	(1,647,653)	(113,027,565)
Transfer in / (out) - net	-	2,961	56	-	2,323	-
Closing balance	323,441	164,700	4,183,190	562,700	99,630	4,346,458
Other liabilities						
Interest / mark-up payable	5,538	3,467	43,115	4,322	1,925	28,711
Profit and loss account						
Income						
Mark-up / return / interest earned	24,079	28,636	-	11,022	18,788	-
Fee and commission income	34	190	842	31	139	536
Dividend income	-	-	29,886	-	-	24,933
Rent income	-	-	6,600	-	-	10,120
Net gain on sale of securities	-	-	619	-	-	-
Expense						
Mark-up / return / interest paid	36,180	11,305	559,692	20,098	5,916	322,088
Rent expense **	-	-	19,242	-	-	17,027
Computer expense	-	-	44,104	-	-	17,638
Charge for staff retirement funds	-	-	289,882	-	-	271,750

* including President and CEO
(a) including their relatives

** Actual rent expense is disclosed as part of related party transactions. While accounting for branches / locations on lease for the purpose of financial statements, the bank applies the requirements of IFRS 16 - Leases.

CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	2022	2021
	----- (Rupees in '000) -----	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,024,636	11,024,636
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	21,340,411	18,749,210
Eligible Additional Tier 1 (ADT 1) Capital	3,584,770	3,684,770
Total Eligible Tier 1 Capital	24,925,181	22,433,980
Eligible Tier 2 Capital	4,345,180	2,905,008
Total Eligible Capital (Tier 1 + Tier 2)	29,270,361	25,338,988
Risk Weighted Assets (RWAs):		
Credit Risk	164,485,822	154,826,990
Market Risk	3,190,783	6,607,437
Operational Risk	25,022,369	21,964,183
Total	192,698,974	183,398,610
Common Equity Tier 1 Capital Adequacy ratio	11.07%	10.22%
Tier 1 Capital Adequacy Ratio	12.93%	12.23%
Total Capital Adequacy Ratio	15.19%	13.82%
National minimum capital requirements prescribed by SBP		
CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total capital minimum ratio	11.50%	11.50%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	24,925,181	22,433,980
Total Exposures	654,422,658	713,553,593
Leverage Ratio - percentage	3.81%	3.14%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	228,267,821	198,521,926
Total Net Cash Outflow	122,616,066	118,370,009
Liquidity Coverage Ratio - percentage	186.16%	167.71%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	300,416,044	261,913,644
Total Required Stable Funding	182,673,379	150,992,810
Net Stable Funding Ratio - percentage	164.46%	173.46%

46.1 SBP vide its letter no. SBPHOK-BPRD-RPD-SBL-255709 dated July 25, 2022 has allowed the Bank to stagger the unrealized mark-to-market (MTM) losses on certain PIBs having face value of Rs. 41,400 million held by the Bank in its Available-for-sale portfolio. As at December 31, 2022; for the purposes of CAR and LR computation; the Bank has reversed 50% out of the related unrealized MTM losses of Rs. 3,989.77 million (Rs. 2,274.17 million - net of tax) on these PIBs; amounting to Rs. 1,994.88 million and the related deferred tax asset amounting to Rs. 857.80 million. Had the relaxation not been availed; CAR and LR of the Bank would have been lower by 0.75% and 0.12% respectively. Under the terms of the subject letter, the SBP has allowed to account for the unrealised MTM losses on these PIBs in the following manner:

- 75% by March 31, 2023; and
- 100% by June 30, 2023"

Furthermore, the Bank is required to adjust the outstanding staggered amount of revaluation deficit from distributable profits, for declaring cash dividend (if any), during the relaxation period.



46.2 The Bank follows the below mentioned approach for determining credit risk, market risk and operational risk exposures in the capital adequacy calculation:

Risk Type	Approach adopted by Bank
Credit Risk	Standardized Approach
Market Risk	Standardized Approach
Operational Risk	Basic Indicator Approach

46.3 Capital Management

The Bank's policy is to maintain a strong capital base so as to maintain investor, depositor, creditor and market confidence and to sustain future development of the business, while providing adequate returns to shareholders.

The SBP sets and monitors capital requirements for the Bank as a whole. The SBP, through BSD Circular No. 07 dated April 15, 2009 has required that Banks should maintain a minimum paid-up capital of Rs. 10 billion (net of accumulated losses). The paid-up capital of the Bank as at 31 December 2022 stood at Rs 11.025 billion (2021: Rs. 11.025 billion) and is in compliance with the SBP requirements. The Bank is also required to maintain the following minimum Capital Adequacy Ratios (CAR) as at 31 December 2022:

- Common Equity Tier 1 (CET1) ratio of 7.50% including Capital Conservation Buffer (CCB) of 1.50%
- Tier 1 ratio of 9.00% including CCB of 1.50%
- Total Capital Adequacy Ratio (CAR) of 11.50% including CCB of 1.50%

The Bank and its individually regulated operations have complied with all capital requirements throughout the year.

The Bank's regulatory capital is classified as follows:

- Tier 1 capital comprises of Common Equity Tier 1 (CET 1) and Additional Tier 1 (AT 1) capital.
 - CET1 capital includes fully paid-up capital, balance in share premium account, reserves (excluding foreign exchange translation reserves) and unappropriated profits meeting the eligibility criteria.
 - AT 1 capital includes instruments meeting the prescribed SBP criteria e.g. perpetual non-cumulative preference shares.
- Tier 2 capital includes general provisions for loan losses, surplus on revaluation of fixed assets and investments, foreign exchange translation reserves and subordinated debts (meeting the eligibility criteria).

Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to on and off-balance sheet exposures.

- On and off-balance sheet exposures in the banking book are segregated into various asset classes for the calculation of credit risk. Ratings for assets reflecting the credit worthiness of counterparties are applied using various External Credit Assessment Institutions (ECAIs) and aligned with appropriate risk buckets. Collateral, if any, is used as an outflow adjustment. Risk weights notified, are applied to arrive at net adjusted exposure. Eligible collateral used includes Government of Pakistan guarantees for advances, investments in GOP / PSE, bank guarantees, deposits / margins, lien on deposits and saving certificates.
- The Bank calculates capital requirements for market risk in its trading book based on the methodology provided by the SBP which takes account of specific and general market risk, capital charge for interest rate risk using the maturity method, foreign exchange risk and equity position risk.

46.4 The full disclosures on the capital adequacy, leverage ratio and liquidity requirements as per SBP instructions issued from time to time shall be placed on the website. The link to the full disclosures shall be short and clear and be provided within this note such as, The link to the full disclosure is available at

https://www.soneribank.com/wp-content/uploads/2023/04/additional_information.pdf

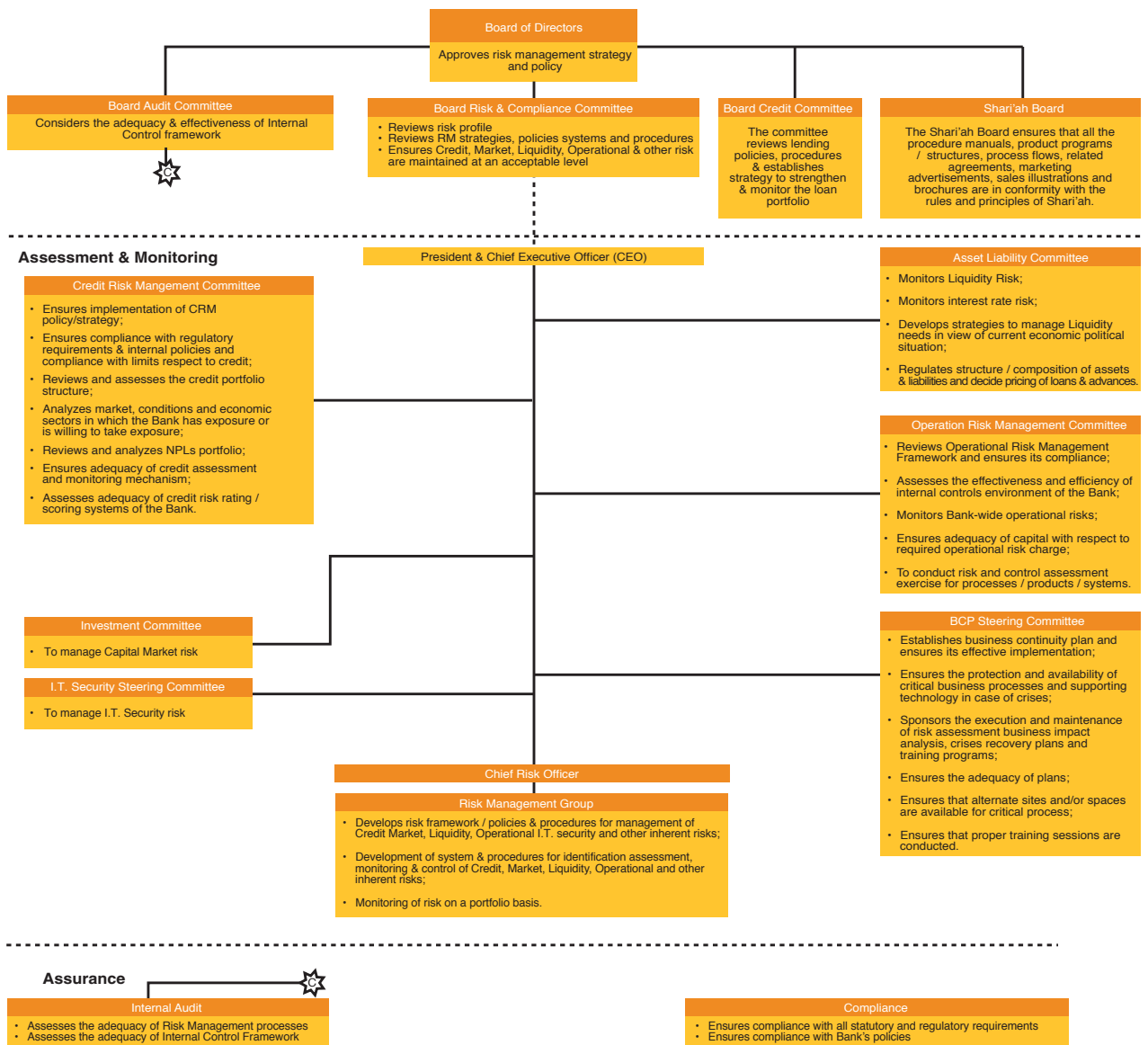
RISK MANAGEMENT

The primary goal of risk management is to identify, assess and monitor risks inherent in the activities of the Bank and take adequate measures to manage and control these risks on a timely basis. This will help in achieving sustainable business growth, financial and non-financial targets with better protection and soundness. The Bank's aim is to achieve an appropriate balance between risk and return and to minimize potential adverse effects on the Bank's financial performance.

The Bank's risk management framework encompasses the culture, processes and structure and is directed towards the effective management of potential opportunities and threats to the Bank. The prime objective of the Bank's risk management strategy is to abandon the traditional approach of 'managing risk by silos' and to put in place integrated risk and economic capital management capabilities that will enable the Bank to achieve integrated view of risks across its various business operations and to gain strategic advantage from its risk management capabilities.

The Board of Directors (BOD) keeps an oversight on the Bank-wide risk management framework and approves the risk management strategy and policies of the Bank. The Board Risk & Compliance Committee (BRCC), ensures that the Bank maintains a complete and prudent integrated risk management framework at all times and ensures that the risk exposures are maintained within acceptable levels. Moreover, the Credit Risk Management Committee (CRMC), Operational Risk Management Committee (ORMC) and all other senior management committees are mainly responsible for ensuring the compliance of the BOD approved risk management policy and for monitoring and managing risk levels in relevant areas of the Bank.

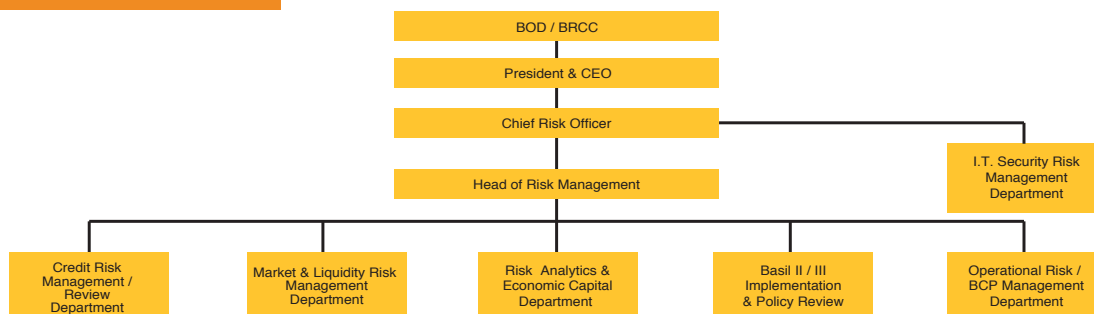
The Bank's risk management policy, formulated on regulatory guidelines, covers all major types of risk that the Bank is exposed to. The policy is laid down on key risk management principles which includes management oversight and control culture, risk recognition and assessment, control activities and segregation of duties, information and communication and monitoring activities and correcting deficiencies.





The Bank has a well-established risk management structure, with an active Board of Directors and Board Risk Management Committee supported by an experienced senior management team and a centralized risk management group which is independent of the business lines.

RISK MANAGEMENT FUNCTION



47.1 Credit risk

The Bank has undertaken a number of initiatives in the areas of assessment, measurement and monitoring of credit risk, market risk, funding liquidity risk, operational risk and IT security risks. These measures are providing competitive advantage to the Bank besides preparing the Bank for the full implementation of Basel-III.

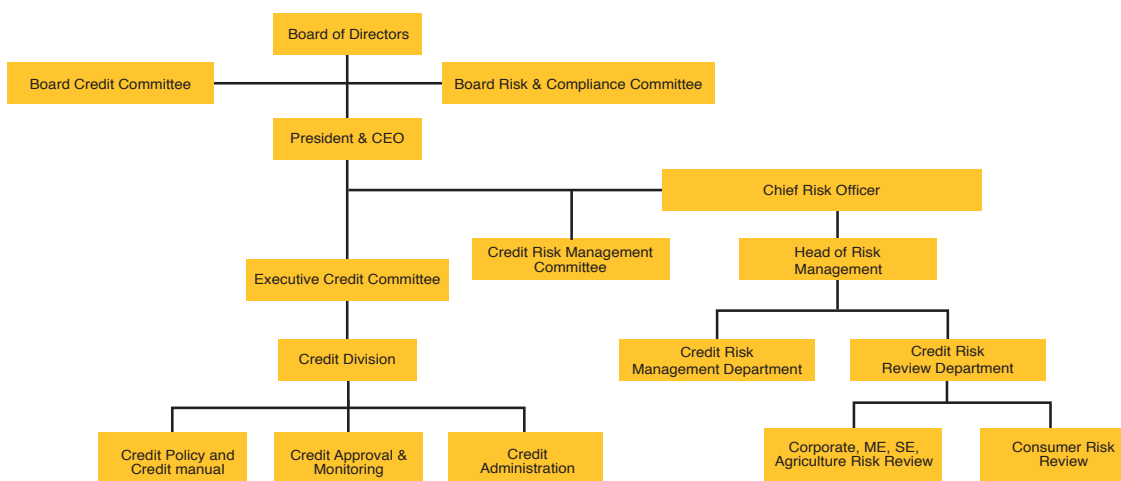
Credit Risk Management Objectives and Organisation

Lending of money is the core business activity, a major source of revenue and a significant exposure for the Bank. Lendings are mainly funded from depositors' money. Therefore, in order to protect the stakeholders' wealth, the Bank has deployed considerable resources and adequate controls to manage, monitor and control credit risk throughout the Bank.

The main objective of the credit risk management process is to identify, assess, measure and monitor credit risk in all the financial exposures of the Bank. The Bank has established a rigorous credit risk management framework to timely and effectively manage credit risk in each and every credit transaction as well as at portfolio level. The automated loan originating system coupled with credit risk ratings developed on Avra by AFS provides information / analysis in making better credit decisions, measured risk-taking, better loan pricing and efficient capital allocation thereagainst thus resulting in efficient and effective use of funds and increase in profitability of the Bank.

The Bank has an organisational structure for managing credit risk, established on internal control environment and equipped with adequate level of expertise and resources.

CREDIT RISK MANAGEMENT STRUCTURE



Credit Approval Authorities and Credit Standards

The Board of Directors have delegated lending powers to different tiers of credit approving authorities, constituted at central and regional levels. Extension of credit is executed, in strong internal control environment, in the light of the Bank's credit policies and procedures and regulatory requirements. The approval mechanism also accounts for Internal Rating of the borrower, thus high risk clients are only approved at senior level.

Credit Portfolio Management

Besides managing credit risk at transaction level, the Bank regularly monitors credit risk at portfolio level and ensures that no undue concentration of risk is present in the overall credit exposure at Bank level. The Bank has a well established and rigorous management information set-up which allows efficient and effective assessment, monitoring and management of its credit risk profile in various dimensions.

Credit Risk Rating

The Credit risk Rating System provides solid grounds for the assessment and measurement of credit risk against each obligor in addition to fulfilling regulatory requirements. Internal Obligor Risk Rating System for Agriculture, Corporate, ME/SE and Consumer borrowers have been approved by the BoD of the Bank. This rating system is an empirical risk rating system which will help to assess the Probability of Default (PD) of these obligors; risk based pricing, risk diversification and portfolio management as per the requirement of SBP/Basel Accords and also has the capability to track historical defaults and loss experiences.

These Credit Risk Rating Systems are now incorporated with Bank's Credit Approval Processing Systems (CAPs) for its Corporate, SE/ME, Agri and Consumer borrowers; resultantly this facility would reduce the TAT in Credit Risk Review process and approvals and establish a single platform for initiation and monitoring the Bank's portfolio.

The ORR assigns risk grades to customers, in accordance with the regulatory requirements, in twelve grades, out of which top nine grades refer to regular customers whereas remaining three grades pertain to defaulted ones. Whereas, FRR assigns each loan facility in six categories, in accordance with regulatory requirements. Business Units assign credit risk rating to every customer and loan facility as an integral part of the Bank's credit approval process.

Credit Risk Management Policy

A sound credit risk management framework forms part of the overall business strategy and credit operations of the Bank. The principles for credit risk management have been laid down in the Bank's credit policy, credit manual, and credit risk procedural manual. The policy has been developed in accordance with the requirements of the State Bank of Pakistan and is reviewed and updated (where required) on a periodic basis.

Credit Risk Assessment

The Bank has a well established and rigorous pre-approval evaluation process of credit risk embedded in each credit transaction executed by the Business Units. The entire process broadly encompasses, gathering relevant information on the borrower, credit investigations and visits, detailed credit appraisal and credit risk assessment / measurement.

Credit Risk Limit Structure

In addition to monitoring credit limits specified in the Prudential Regulations of the State Bank of Pakistan, the credit limit structure of the Bank includes internal limits as established by the senior management and the BOD. Internal limits include limits with respect to BOD approved risk appetite, industry / sector, credit approval authority, large exposures limits, linkage ratio limits for corporate borrowers, exposure with banks and NBFIs, exposure with insurance companies and foreign countries. All these limits are monitored on a regular basis and any exceptions are reported to the relevant authorities for their timely action where necessary.

Collateral

Collateral act as mitigants in case of default by the borrower. Therefore, most of the facilities extended by the Bank are backed by appropriate and quality collaterals. Similarly, lendings to financial institutions and DFIs are backed by securities viz., Treasury Bills and Pakistan Investment Bonds. Clean facilities are provided, under strict control environment, only to the extent permissible under the Prudential Regulations of the State Bank of Pakistan. The credit manual of the Bank contains list of approved collaterals that the Bank can take and internal control standards for the management of collaterals obtained against credit facilities.

Early Warning System

The Bank has an effective early warning system which enables the Business Units / credit managers / credit administration personnel to identify and report problem loans on a prompt basis. Reports are received from Business Units on a regular basis, which are escalated to the concerned authority for necessary action on a timely basis.

Remedial Management and allowances for impairment

The Bank has standards for identification and classification of credit facilities, restructuring as well as related provisioning requirements and write-off policy, with clear responsibilities pertaining to all processes that are required to be followed.

Non-performing loans beyond certain aging / classification category are required to be referred to Remedial Management Group which initiates recovery proceedings against the borrowers in accordance with the applicable laws.



47.1.1	Lendings to financial institutions	Gross lendings		Non-performing lendings		Provision held	
		2022	2021	2022	2021	2022	2021
	Credit risk by public / private sector	----- (Rupees in '000) -----					
	Public / Government	-	-	-	-	-	-
	Private	52,338,662	22,113,121	-	-	-	-
		52,338,662	22,113,121	-	-	-	-
		<hr/>					
47.1.2	Investment in debt securities	Gross investments		Non-performing investments		Provision held	
		2022	2021	2022	2021	2022	2021
	Credit risk by industry sector	----- (Rupees in '000) -----					
	Textile	25,215	25,215	25,215	25,215	25,215	25,215
	Chemical and Pharmaceuticals	7,147	7,440	7,147	7,440	7,147	7,440
	Services	407,602	578,629	-	-	-	-
	Construction	6,560	6,560	6,560	6,560	6,560	6,560
	Power (electricity), Gas, Water, Sanitary	1,459,454	1,843,853	19,860	19,860	19,860	19,860
	Financial	253,656,923	321,993,953	-	-	-	-
		255,562,901	324,455,650	58,782	59,075	58,782	59,075
		<hr/>					
	Credit risk by public / private sector	Gross investments		Non-performing investments		Provision held	
		2022	2021	2022	2021	2022	2021
		----- (Rupees in '000) -----					
	Public / Government	253,940,128	322,637,198	-	-	-	-
	Private	1,622,773	1,818,452	58,782	59,075	58,782	59,075
		255,562,901	324,455,650	58,782	59,075	58,782	59,075
		<hr/>					
47.1.3	Advances	Gross advances		Non-performing advances		Provision held	
		2022	2021	2022	2021	2022	2021
	Credit risk by industry sector	----- (Rupees in '000) -----					
	Agriculture, Forestry, Hunting and Fishing	2,522,424	3,209,024	123,519	158,647	108,856	136,104
	Food and Allied	53,407,779	18,409,467	1,311,159	1,448,696	775,021	653,802
	Textile	36,227,170	36,244,688	4,137,566	4,202,405	3,168,292	3,777,084
	Chemical and Pharmaceuticals	10,270,580	8,287,524	520,145	545,109	520,145	537,869
	Cement	3,538,153	1,643,924	-	-	-	-
	Sugar	12,481,382	10,206,622	-	-	-	-
	Footwear and Leather garments	3,062,323	2,372,867	56,321	56,321	56,321	56,321
	Automobile and transportation equipment	3,307,671	2,213,936	31,882	-	1,957	-
	Electronics and electrical appliances	5,825,731	4,753,615	48,198	53,312	48,198	53,312
	Construction	7,926,947	7,684,309	73,674	102,192	21,635	29,804
	Power (electricity), Gas, Water, Sanitary	21,938,306	23,097,233	668,973	833,216	262,366	362,946
	Wholesale and Retail Trade	9,584,200	7,952,075	396,746	423,715	263,282	224,674
	Exports/Imports	7,140,755	11,680,653	590,663	216,089	134,031	97,317
	Financial	714,023	1,185,802	132,167	132,167	132,167	132,167
	Services	8,023,022	7,022,135	195,346	198,587	146,261	150,696
	Individuals	12,154,472	11,219,069	206,861	196,734	146,182	134,380
	Education	1,728,876	2,111,837	-	-	-	-
	Iron & Steel	7,059,650	7,347,801	212,458	226,256	157,208	154,213
	Paper & Printing	3,039,381	1,550,698	2,437	48,669	2,437	48,669
	Plastic Products	1,394,642	1,528,160	346,342	350,277	305,920	312,170
	Ship Breaking	1,132,632	1,182,786	1,033,246	1,057,246	977,786	974,056
	Others	3,294,273	2,538,217	80,932	64,386	54,041	56,107
		215,774,392	173,442,442	10,168,635	10,314,024	7,282,106	7,891,691

	Gross advances		Non-performing advances		Provision held	
	2022	2021	2022	2021	2022	2021
----- (Rupees in '000) -----						
Credit risk by public / private sector						
Public/ Government	41,671,036	13,206,447	-	-	-	-
Private	174,103,356	160,235,995	10,168,635	10,314,024	7,282,106	7,891,691
	<u>215,774,392</u>	<u>173,442,442</u>	<u>10,168,635</u>	<u>10,314,024</u>	<u>7,282,106</u>	<u>7,891,691</u>

47.1.4 Contingencies and Commitments

Credit risk by industry sector

	2022	2021
----- (Rupees in '000) -----		
Agriculture, Forestry, Hunting and Fishing	199,182	217,391
Food and Allied	20,375,371	9,231,506
Textile	7,877,442	8,766,096
Chemical and Pharmaceuticals	9,476,428	2,245,330
Cement	185,742	3,173,418
Sugar	81,735	446,450
Footwear and Leather garments	188,489	223,518
Automobile and transportation equipment	1,163,268	2,169,904
Electronics and electrical appliances	3,077,134	3,367,053
Construction	6,018,588	3,879,980
Power (electricity), Gas, Water, Sanitary	5,610,793	5,615,426
Wholesale and Retail Trade	9,483,764	8,675,826
Exports/Imports	2,207,543	1,908,089
Financial	94,550,935	166,853,435
Services	14,858,197	5,100,641
Education	4,571	54,571
Iron & Steel	2,753,224	1,909,577
Paper & Printing	1,332,380	756,160
Plastic Products	1,195,592	1,482,207
Ship Breaking	185,918	834,485
Others	2,580,267	1,233,869
	<u>183,406,563</u>	<u>228,144,932</u>

Credit risk by public / private sector

Public / Government	126,822	262,569
Private	183,279,741	227,882,363
	<u>183,406,563</u>	<u>228,144,932</u>

47.1.5 Concentration of advances

The Bank's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 60,856 million (2021: Rs. 31,149 million) and are as following:

	2022	2021
----- (Rupees in '000) -----		
Funded	51,496,394	24,028,154
Non-funded	9,359,786	7,120,843
Total exposure	<u>60,856,180</u>	<u>31,148,997</u>

The sanctioned limits against these top 10 exposures aggregated to Rs. 110,789 million (2021: Rs. 36,996 million).

As at 31 December 2022, none of the top 10 exposures are classified and no provision is required / held thereagainst.



47.1.6 Advances - province / region-wise disbursement & utilization

2022

Province / region	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	AJK including Gilgit-Baltistan	Islamabad
----- (Rupees in '000) -----							
Punjab	342,158,064	333,005,798	2,229,283	523,770	-	6,399,213	-
Sindh	375,068,556	16,896,228	351,146,576	4,541,909	1,878,315	-	605,528
KPK including FATA	3,367,525	-	-	3,367,525	-	-	-
Balochistan	38,706	-	-	-	38,706	-	-
AJK including Gilgit-Baltistan	5,822,038	-	-	-	-	5,822,038	-
Islamabad	69,318,385	22,444,008	8,600,063	19,962,762	-	-	18,311,552
Total	795,773,274	372,346,034	361,975,922	28,395,966	1,917,021	12,221,251	18,917,080

2021

Province / region	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	AJK including Gilgit-Baltistan	Islamabad
----- (Rupees in '000) -----							
Punjab	272,713,032	253,892,573	1,807,140	8,148,277	-	4,333,801	4,531,241
Sindh	332,778,161	13,750,658	315,153,054	1,661,792	2,174,687	-	37,970
KPK including FATA	4,591,022	106,063	-	4,484,959	-	-	-
Balochistan	321,689	-	-	-	321,689	-	-
AJK including Gilgit-Baltistan	5,557,543	-	12	-	-	5,557,531	-
Islamabad	51,727,288	13,765,553	5,352,326	13,656,055	-	-	18,953,354
Total	667,688,735	281,514,847	322,312,532	27,951,083	2,496,376	9,891,332	23,522,565

47.2 Market Risk

47.2.1 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 / or commodity prices resulting in a loss to earnings and capital.

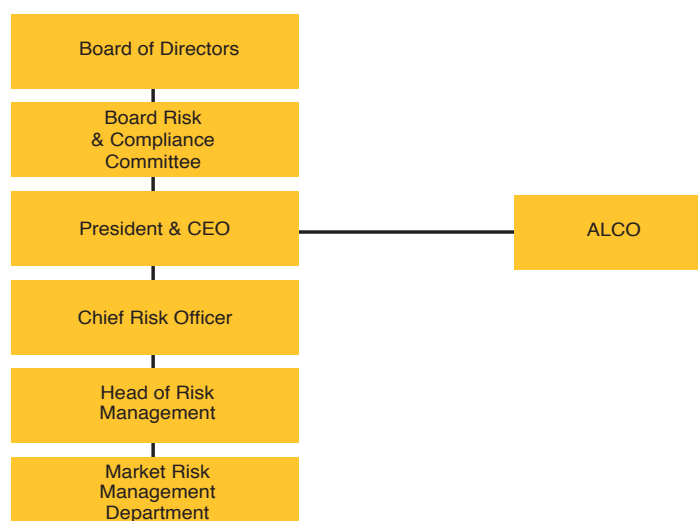
Market risk management objective and organisation

The Risk Management Framework requires that strong risk management practices are integrated in key strategic, capital and financial planning processes and day-to-day business processes across the Bank.

The Bank has established a rigorous market risk management framework to efficiently and effectively monitor and manage market risk in every transaction as well as on a portfolio level.

The Bank has a sound organisation structure for managing market risk, established on strong internal control environment and equipped with adequate level of expertise and resources. The Board Risk & Compliance Committee (BRCC), a BOD level sub-committee, is primarily responsible to monitor and manage market risk in all the financial exposures of the Bank, supported by senior management committees namely Asset and Liability Management Committee (ALCO).

MARKET RISK MANAGEMENT STRUCTURE



Market Risk Monitoring

The Bank's market risk policies set out risk management parameters, governance and control frameworks as well as reporting arrangements for key risk indicators. The Bank has a well-established structure of internal limits with respect to its treasury and investment operations. The Treasury Middle Office (TMO), within the Market Risk Management Department, monitors each and every transaction executed through treasury, monitors risk limits, reports breaches, off market rates, rate reasonability against benchmark rates, tolerance PV01 limits and assesses market risk in money market transactions, investments in equity securities, monitors impairments in equity securities and its stop loss limit and foreign exchange transactions. In order to mitigate unnecessary risk and ensure minimum business losses, Earmarking Policy has also been implemented to ensure risk migration from high risk to low risk transactions.

Portfolio Analysis and Management

Besides managing market risk at transaction level, the Bank regularly monitors market risk at portfolio level and ensures that no undue concentration of risk and adverse correlation is present in the overall financial exposures at the Bank level. The Bank has a well established management information set-up which allows efficient and effective assessment, monitoring and management of its market risk profile in various dimensions.

Marking-to-Market

The Bank is marking-to-market (MTM) its investment in tradable and available for sale securities, i.e., equity securities, debt securities and foreign exchange ready and forward transactions, on a regular basis. The same is independently reviewed by the Risk Management Group.

Market Risk Assessment and Measurement

The Bank is assessing and measuring market risk in all of its financial exposures using various types of measurement and analytical tools like Value at Risk (VaR), duration and convexity, interest rate gap and duration gap. The Bank is using Standardized Approach for exposures in its balance sheet, to calculate market risk capital charge and risk weighted asset for Capital Adequacy Ratio (CAR) calculation purposes.

The Bank's principle market risk measurement methodology are VAR and stress testing. Historical financial market rates, prices and volatility serve as the basis for the statistical VAR model underlying the potential loss estimation. The Bank uses ten days as well as 30 days holding period at 99% confidence level to model risk in different portfolios. The main assumptions and scenarios of our stress analysis includes:

1. Parallel shift in yield curve by 2%, 3% and 4%.
2. Change in the slope of yield curve by changing short-term, medium-term and long-term maturities by different rates.
3. Gain or loss depending on net long or net short position in foreign currency exposure.
4. Fall in general equity price upto 50%.

47.2.2 Statement of financial position split by trading and banking books

	2022			2021		
	Banking book	Trading book	Total	Banking book	Trading book	Total
----- (Rupees in '000) -----						
Cash and balances with treasury banks	27,420,328	-	27,420,328	35,196,898	-	35,196,898
Balances with other banks	1,939,303	-	1,939,303	2,427,478	-	2,427,478
Lendings to financial institutions	52,338,662	-	52,338,662	22,113,121	-	22,113,121
Investments	255,565,220	2,441,826	258,007,046	304,830,121	22,595,066	327,425,187
Advances	208,434,160	-	208,434,160	165,494,796	-	165,494,796
Fixed assets	12,592,776	-	12,592,776	11,145,057	-	11,145,057
Intangible assets	327,901	-	327,901	432,894	-	432,894
Deferred tax assets	890,621	-	890,621	178,221	-	178,221
Other assets	17,809,034	-	17,809,034	15,074,897	-	15,074,897
	577,318,005	2,441,826	579,759,831	556,893,483	22,595,066	579,488,549



47.2.3 Foreign exchange risk

Foreign exchange risk is the probability of loss resulting from adverse movements in exchange rates. Exchange position arising from trading activities is monitored through foreign exchange limits on aggregate and individual currency basis. Hedging strategies and mark-to-market valuations are used to mitigate exchange risk resulting from open position. Overall exchange position risk is maintained in accordance with the regulatory requirements prescribed by the State Bank of Pakistan.

	2022				2021			
	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure
----- (Rupees in '000) -----								
United States dollar	8,936,343	15,938,450	7,097,491	95,384	12,559,483	21,927,051	9,542,112	174,544
Great Britain pound	383,059	3,006,440	2,625,628	2,247	398,057	2,737,474	2,341,144	1,727
Japanese Yen	2,761	82	-	2,679	19,971	73	(18,396)	1,502
Euro	663,330	1,040,547	363,829	(13,388)	489,974	836,432	357,648	11,190
Chinese Yuan	8,496	-	-	8,496	93,355	-	(92,617)	738
Other currencies	55,414	6,035	6,142	55,521	51,373	6,912	(2)	44,459
	10,049,403	19,991,554	10,093,090	150,939	13,612,213	25,507,942	12,129,889	234,160

	2022		2021	
	Banking book	Trading book	Banking book	Trading book
----- (Rupees in '000) -----				
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	-	1,509	-	2,342
- Other comprehensive income	-	-	-	-

47.2.4 Equity position risk

The Bank invests mainly in blue chip securities depending upon market mispricing through arbitrage. Further, the risk arising from investments in equity securities lies in both its banking and trading books which is measured and assessed using the Value at Risk (VaR) approach. The VaR of the portfolio is reported to the BRCC, ALCO and other authorities on a periodical basis.

	2022		2021	
	Banking book	Trading book	Banking book	Trading book
----- (Rupees in '000) -----				
Impact of 5% change in equity prices on				
- Profit and loss account	-	-	-	-
- Other comprehensive income	-	122,091	-	148,376

47.2.5 Yield / Interest rate risk in the Banking book (IRRBB) - Basel II Specific

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in interest rates, including changes in the shape of the yield curve.

Interest rate risk is inherent in the Bank's business and arises due to the mismatches in the contractual maturities or repricing of on- and off-balance sheet assets and liabilities. The Bank is exposed to interest rate risk in both the Trading and Banking Books. The Bank uses duration gap models to measure and monitor the interest rate sensitivity on the potential earnings and the Bank's economic value of equity. Overall potential impact of the mismatches on the earnings in short term is not material and is being managed within the tolerance limits approved by the Board.

	2022		2021	
	Banking book	Trading book	Banking book	Trading book
----- (Rupees in '000) -----				
Impact of 1% change in interest rates on				
- Profit and loss account	1,907,794	-	2,383,724	62,224
- Other comprehensive income	-	-	-	-

47.2.6 Mismatch of Interest Rate Sensitive Assets and Liabilities

Yield risk is the risk of decline in earnings due to adverse movement of the yield curve. Interest rate risk represents the risk that value of financial instruments will fluctuate due to change in market interest rates. The Bank is exposed to yield / interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off-balance sheet instruments that mature or re-price in a given period. The Bank manages this risk by matching the re-pricing of assets and liabilities and off-balance sheet instruments. The Bank's 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. The Bank quantifies the yield curve risk via duration, PVBP and convexity for rate sensitive assets and liabilities held in banking and trading book. The bank also measure impact on net worth depending on duration gap of rate sensitive assets and liabilities.

2022												
Effective Yield/ Interest rate	Total	Exposed to Yield/ Interest risk									Non-interest bearing financial instruments	
		Upton 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years		
----- (Rupees in '000) -----												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	0%	27,420,328	-	-	-	-	-	-	-	-	-	27,420,328
Balances with other banks	0%	1,939,303	32	-	-	-	-	-	-	-	-	1,939,271
Lending to financial institutions	12.90%	52,338,662	33,188,842	-	19,149,820	-	-	-	-	-	-	-
Investments	11.97%	258,007,046	26,990,920	113,714,812	51,698,593	19,219,332	18,862,073	14,286,406	1,894,600	8,837,384	-	2,502,926
Advances	12.59%	208,434,160	154,488,900	17,902,091	13,353,598	6,333,030	141,339	264,021	1,730,188	5,770,014	5,622,576	2,828,403
Other assets	0%	17,585,399	-	-	-	-	-	-	-	-	-	17,585,399
		565,724,898	214,668,694	131,616,903	84,202,011	25,552,362	19,003,412	14,550,427	3,624,788	14,607,398	5,622,576	52,276,327
Liabilities												
Bills payable	0%	7,386,191	-	-	-	-	-	-	-	-	-	7,386,191
Borrowings	11.01%	115,728,198	26,651,176	71,950,270	8,672,638	35,984	997,013	45,119	949,587	4,988,398	-	1,438,013
Deposits and other accounts	12.37%	409,642,613	116,961,833	111,182,288	20,731,870	23,161,212	923,612	1,869,164	732,700	-	-	134,079,934
Liabilities against assets subject to finance lease	0%	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	15.34%	8,000,000	-	-	8,000,000	-	-	-	-	-	-	-
Other liabilities	0%	17,619,614	-	-	-	-	-	-	-	-	-	17,619,614
		558,376,616	143,613,009	183,132,558	37,404,508	23,197,196	1,920,625	1,914,283	1,682,287	4,988,398	-	160,523,752
On-balance sheet gap		7,348,282	71,055,685	(51,515,655)	46,797,503	2,355,166	17,082,787	12,636,144	1,942,501	9,619,000	5,622,576	(108,247,425)
Non financial net assets		13,797,909	-	-	-	-	-	-	-	-	-	-
Total net assets		21,146,191	-	-	-	-	-	-	-	-	-	-
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions		81,387,261	32,228,826	21,922,391	6,152,221	8,942,088	5,525,627	621,414	797,925	1,059,900	4,136,869	-
Commitments in respect of:												
- forward foreign exchange contracts purchase		48,479,318	23,206,530	24,114,943	1,061,641	96,204	-	-	-	-	-	-
- forward foreign exchange contracts sale		(38,303,130)	(18,094,580)	(19,802,822)	(309,524)	(96,204)	-	-	-	-	-	-
- forward government securities transactions		-	-	-	-	-	-	-	-	-	-	-
- forward equities securities transactions		-	-	-	-	-	-	-	-	-	-	-
- forward lending		3,185,490	-	-	-	3,185,490	-	-	-	-	-	-
- acquisition of fixed assets		365,741	-	-	-	365,741	-	-	-	-	-	-
- acquisition of intangibles		2,427	-	-	-	2,427	-	-	-	-	-	-
Off-balance sheet gap		95,117,107	37,340,776	26,234,512	6,904,338	12,495,746	5,525,627	621,414	797,925	1,059,900	4,136,869	-
Total yield/ interest risk sensitivity gap		108,396,461	(25,281,143)	53,701,841	14,850,912	22,608,414	13,257,558	2,740,426	10,678,900	9,759,445	(108,247,425)	
Cumulative yield / interest risk sensitivity gap		108,396,461	83,115,318	136,817,159	151,668,071	174,276,485	187,534,043	190,274,469	200,953,369	210,712,814		



2021

Effective Yield/ Interest rate	Total	Exposed to Yield/ Interest risk									Non-interest bearing financial instruments	
		Upton 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years		
----- (Rupees in '000) -----												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	0.00%	35,196,898	-	-	-	-	-	-	-	-	-	35,196,898
Balances with other banks	0.00%	2,427,478	32	-	-	-	-	-	-	-	-	2,427,446
Lending to financial institutions	8.99%	22,113,121	20,729,439	1,383,682	-	-	-	-	-	-	-	-
Investments	8.99%	327,425,187	69,714,124	74,730,851	75,741,632	46,774,306	19,057,589	19,490,671	10,000,473	8,886,929	-	3,028,612
Advances	8.84%	165,494,796	107,983,810	21,199,920	12,264,399	9,776,188	384,082	611,741	2,726,746	4,046,634	4,134,898	2,366,378
Other assets	0.00%	14,888,517	-	-	-	-	-	-	-	-	-	14,888,517
		567,545,997	198,427,405	97,314,453	88,006,031	56,550,494	19,441,671	20,102,412	12,727,219	12,933,563	4,134,898	57,907,851
Liabilities												
Bills payable	0.00%	6,900,897	-	-	-	-	-	-	-	-	-	6,900,897
Borrowings	6.34%	124,584,868	21,642,449	87,972,460	4,965,406	4,112,727	77,943	1,031,866	781,610	2,747,351	569,841	683,215
Deposits and other accounts	8.44%	403,036,554	134,118,496	129,098,347	10,349,408	18,456,727	460,973	648,408	410,520	-	-	109,493,675
Liabilities against assets subject to finance lease	0.00%	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	11.29%	6,992,800	2,992,800	-	4,000,000	-	-	-	-	-	-	-
Other liabilities	0.00%	16,172,923	-	-	-	-	-	-	-	-	-	16,172,923
		557,688,042	158,753,745	217,070,807	19,314,814	22,569,454	538,916	1,680,274	1,192,130	2,747,351	569,841	133,250,710
On-balance sheet gap		9,857,955	39,673,660	217,070,807	68,691,217	33,981,040	18,902,755	18,422,138	11,535,089	10,186,212	3,565,057	(75,342,859)
Non financial net assets		11,777,586										
Total net assets		21,635,541										
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions		60,834,942	22,189,498	14,140,126	9,599,640	6,847,140	5,535,836	1,140,143	358,249	737,216	287,094	-
Commitments in respect of:												
- forward foreign exchange contracts purchase		86,975,369	32,575,649	34,424,581	19,184,159	790,980	-	-	-	-	-	-
- forward foreign exchange contracts sale		(74,812,602)	(23,126,728)	(29,873,108)	(21,812,766)	-	-	-	-	-	-	-
- forward government securities transactions		249,104	249,104	-	-	-	-	-	-	-	-	-
- forward equities securities transactions		1,903	1,903	-	-	-	-	-	-	-	-	-
- forward lending		2,675,230	-	-	-	2,675,230	-	-	-	-	-	-
- acquisition of fixed assets		117,194	-	-	-	117,194	-	-	-	-	-	-
- acquisition of intangibles		15,960	-	-	-	15,960	-	-	-	-	-	-
Off-balance sheet gap		76,057,100	31,889,426	18,691,599	6,971,033	10,446,504	5,535,836	1,140,143	358,249	737,216	287,094	-
Total yield/ interest risk sensitivity gap		71,563,086	(101,064,755)	75,662,250	44,427,544	24,438,591	19,562,281	11,893,338	10,923,428	3,852,151	(75,342,859)	
Cumulative yield / interest risk sensitivity gap		71,563,086	(29,501,669)	46,160,581	90,588,125	115,026,716	134,588,997	146,482,335	157,405,763	161,257,914		

- (a) The effective interest rate is a historical rate (for December month) for a fixed rate instrument carried at amortised cost and a current market rate for a floating rate instrument.
- (b) The effective interest rate has been computed by excluding non-performing advances.
- (c) The effective interest rate has been computed by excluding non-remunerative deposits.

47.2.7 Operational risk

Operational risk 'OpRisk' is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. This includes legal risk as well as the reputational consequences of failures in operational risk management. The Bank uses Basic Indicator approach for assessing capital charge for operational risk.

Operational Risk Management Objective and Organisation



The main objective of the operational risk management is to minimise expected and unexpected losses arising out of operational activities of the Bank.

The Bank has established a rigorous operational risk management framework to efficiently and effectively monitor and manage operational risk in each business and support activity of the Bank as well as those arising from external events like from natural disasters, outsourcing, etc.

The Bank has a sound organisation structure for managing operational risk, established on strong internal control environment and equipped with adequate level of expertise and resources. The Bank has also formed an Operational Risk Management Committee (ORMC), a senior management committee to assist the Board Risk & Compliance Committee (BRCC), to ensure the compliance of BoD approved operational risk management framework, supported by the Risk Management Division (RMD)



Operational risk assessment

The Bank has been conducting risk and control self assessment (RCSA) exercise for each business and support function of the Bank in order to identify and assess operational risks inherent in existing activities, processes and systems. Through the RCSA exercise, the Bank has been able to develop inventory of risks, controls and key risk indicators (KRI) and has identified gaps in its operating activities which are rectified on a priority basis.

Operational risk monitoring

Operational risk monitoring is conducted through KRIs, identified in the RCSA exercise for each process. All branches, offices, Groups / departments furnish KRI reports on a periodical basis to the Operational Risk Management Department (within the Risk Management Group).

Operational risk measurement

The Bank keeps a detailed track of its operational loss events and maintains a database. This helps the Bank to step towards advanced approach of Basel II accord and also allows the Bank to formulate strategy to rectify the gap of reoccurrence of the incident. The Bank has, in compliance of BPRD Circular No. 04 of 2014 "Implementation of Operational Risk Management Framework" created separate Op-Loss general ledgers in the Bank's system which are being used for reporting of operational losses and are bifurcated into 7 operational loss categories as per the requirement of Basel II accord.

Operational risk assessment for new products and services

Operational risk in all new products, systems and processes are identified and assessed by the RMG so that risk associated can be mitigated to an acceptable level. Assessment comprises of:

- review of new process flows and their control activities;
- conduct RCSA exercise; and
- identification, adequate assessment and ranking of all risks and controls.

Business Continuity Plan

In order to ensure continuity of the Bank's operations, the Bank has in place a well developed, BoD approved Business Continuity Plan (BCP) which has been implemented across the Bank. The BCP has been well communicated down the line and regular trainings and testing is conducted across the country. Permanent back up sites have also been established and related testing carried out by critical staff to their designated back up sites. The BCP Steering Committee, a senior management committee, is responsible to ensure the adequacy of the BCP of the Bank as well as to ensure its effective implementation and compliance. The committee reports to the Board Risk Management Committee.

47.2.8 Liquidity risk

Liquidity risk is the potential inability to meet contractual and contingent financial obligations, either on or off balance sheet, as they become due. Primary liquidity objective of the Bank is to provide adequate funding for businesses throughout market cycles, including periods of financial stress.



Liquidity Management

Day to day funding, is managed by Treasury Division through net cash flows from payment systems, fresh deposits mobilised by branches, maturing money market deposits, etc.

The Bank maintains a portfolio of highly marketable assets viz., Market Treasury Bills and Pakistan Investment Bonds, that can either be sold in the open market or funds can be arranged there against under repo arrangements. This is further supported by investments in short term securities viz., Certificate of Investments etc. In line with its liquidity risk management policy, the Bank maintains a cushion over and above the minimum statutory liquidity requirement prescribed by SBP for maintaining liquidity reserves to ensure continuity of cash flows.

Liquidity risk monitoring

The Bank monitors its liquidity risk through various liquidity ratios and liquidity risk indicators and any deviations or breaches are reported to the relevant authorities for timely action. Moreover, Asset and Liability Management Committee (ALCO), a senior management committee, also reviews the liquidity position of the Bank on at least monthly basis and takes appropriate measures where required.

Liquidity risk assessment

The Bank's ALCO is responsible for the formulation of overall strategy and oversight of asset and liability management. Liquidity Risk measures are chosen using a range of metrics, including Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), liquidity gaps and various liquidity ratios.

Sources of liquidity are regularly reviewed / monitored by the Asset and Liability Management Committee (ALCO). The ALCO reviews the current economic situation, projected cash flows and asset / liability mix and approves strategy for managing appropriate liquidity. The liquidity risk management policy of the Bank encompasses liquidity contingency plan for actions to be taken in case of liquidity crises.

Mandatory stress tests of SBP are conducted, on a periodic basis, to test the adequacy of liquidity contingency plan and to identify the extent of liquidity stress that the Bank is able to take in current conditions.

Liquidity management framework allows the Bank to run stress analysis on the balance sheet and off-balance positions, which include, but are not limited to, the following:

1. Significant withdrawals from corporate clients deposits.
2. Withdrawal of top ten, top fifteen, and top twenty deposits.
3. Loss in the funding value of unencumbered assets.
4. Shock to Liquidity Coverage Ratio and Net Stable Funding Ratio



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

	2022													
	Total	Upton 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
(Rupees in '000)														
Assets														
Cash and balances														
with treasury banks	27,420,328	27,420,328	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	1,939,303	1,939,303	-	-	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	52,338,662	-	29,201,127	3,987,715	-	9,897,190	23,560,908	23,534	37,083,786	59,242,920	49,800,203	36,595,097	19,780,330	11,855,464
Investments	258,007,046	-	-	-	-	9,897,190	23,560,908	23,534	37,083,786	59,242,920	49,800,203	36,595,097	19,780,330	11,855,464
Advances	208,434,160	81,320,085	2,809,032	5,470,717	10,917,447	10,516,718	10,810,266	18,658,273	4,367,143	5,396,712	4,930,547	6,116,290	14,156,151	32,964,779
Fixed assets	12,592,776	3,690	22,110	25,795	62,645	114,001	113,287	337,765	1,152,437	326,469	1,253,903	1,150,745	1,735,896	6,294,033
Intangible assets	327,901	872	5,216	6,085	14,779	26,831	26,374	54,802	34,971	33,041	95,862	29,068	-	-
Deferred tax assets	890,621	-	-	-	-	-	-	-	-	890,621	-	-	-	-
Other assets	17,809,034	12,312,576	223,310	289,943	668,591	1,885,273	540,154	35,179	810	728,459	3,241	3,241	12,711	1,105,546
	579,759,831	122,996,854	32,260,795	9,780,255	21,560,652	36,103,731	11,513,615	75,319,625	64,798,281	57,175,505	42,878,650	27,079,674	27,760,222	50,531,972
Liabilities														
Bills payable	7,386,191	7,386,191	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	115,728,198	1,631,487	25,866,202	407,500	184,000	52,772,257	19,178,013	8,672,638	11,848	24,136	997,013	45,119	949,587	4,988,398
Deposits and other accounts	409,642,613	324,454,710	4,286,575	7,907,518	9,555,152	4,030,413	11,989,687	20,731,870	7,705,610	15,455,602	923,612	1,869,164	732,700	-
Subordinated debt	8,000,000	-	-	-	-	-	-	-	-	-	-	-	-	8,000,000
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	17,856,638	9,262,356	234,135	302,571	699,260	1,941,199	596,080	202,958	168,589	863,869	674,354	657,599	1,026,638	1,227,030
	558,613,640	342,734,744	30,386,912	8,617,589	10,438,412	58,743,869	31,763,780	29,607,466	7,886,047	16,343,607	2,594,979	2,571,882	2,708,925	14,215,428
Net assets	21,146,191	(219,737,890)	1,873,883	1,162,666	11,122,240	(22,640,138)	(20,250,165)	45,712,159	56,912,234	40,831,898	40,283,671	24,507,792	25,051,297	36,316,544
Share capital	11,024,636													
Reserves	3,917,964													
Surplus on revaluation of assets	(784,204)													
Unappropriated profit	6,987,795													
	21,146,191													

	2021													
	Total	Upton 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
(Rupees in '000)														
Assets														
Cash and balances														
with treasury banks	35,196,898	35,196,898	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	2,427,478	2,427,478	-	-	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	22,113,121	-	17,831,908	508,827	2,388,704	1,383,682	-	-	-	-	-	-	-	-
Investments	327,425,187	-	-	27,459,263	-	11,820,984	62,202,717	23,812,386	37,798,580	9,099,773	99,279,431	20,029,807	25,414,965	10,507,281
Advances	165,494,796	45,055,403	1,615,904	3,482,662	5,393,502	14,795,269	10,361,474	19,006,780	2,852,234	6,504,238	8,249,361	7,115,536	13,001,587	28,060,846
Fixed assets	11,145,057	3,189	19,140	22,330	54,231	97,612	97,369	290,712	602,740	285,748	1,097,075	1,001,802	1,512,823	6,060,286
Intangible assets	432,894	622	3,718	4,338	10,534	19,203	19,203	57,530	57,496	57,087	137,925	48,983	16,255	-
Deferred tax assets	178,221	-	-	-	-	-	-	-	-	178,221	-	-	-	-
Other assets	15,074,897	7,876,350	471,720	280,072	1,058,552	1,498,520	1,420,661	143,108	8,376	1,169,799	3,797	3,797	13,823	1,126,322
	579,488,549	90,559,940	19,942,390	31,757,492	8,905,523	29,615,270	74,101,424	43,310,516	41,319,426	17,294,866	108,767,589	28,199,925	39,959,453	45,754,735
Liabilities														
Bills payable	6,900,897	6,900,897	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	124,584,868	683,215	17,830,352	2,886,149	925,948	52,974,853	34,997,607	4,965,406	2,528,008	1,584,719	77,943	1,031,867	781,610	3,317,191
Deposits and other accounts	403,036,554	281,812,851	7,853,942	8,990,384	30,863,713	13,250,396	29,939,232	10,349,408	6,995,505	11,461,222	460,973	648,408	410,520	-
Subordinated debt	6,992,800	-	600	-	-	-	-	-	600	-	2,991,600	-	-	4,000,000
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	16,337,889	7,379,500	480,390	290,187	1,083,115	1,543,312	1,465,453	277,484	142,752	797,532	541,302	527,852	824,078	984,932
	557,853,008	296,776,463	26,165,284	12,166,720	32,872,776	67,768,561	66,402,292	15,592,298	9,666,865	13,843,473	4,071,818	2,208,127	2,016,208	8,302,123
Net assets	21,635,541	(206,216,523)	(6,222,894)	19,590,772	(23,967,253)	(38,153,291)	7,699,132	27,718,218	31,652,561	3,451,393	104,695,771	25,991,798	37,943,245	37,452,612
Share capital	11,024,636													
Reserves	3,541,315													
Surplus on revaluation of assets	(12,164)													
Unappropriated profit	7,081,754													
	21,635,541													

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

2022

Total	Up to 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
----- (Rupees in '000) -----									
Assets									
Cash and balances with treasury banks	27,420,328	14,556,393	3,676,746	3,984,513	5,202,676	-	-	-	-
Balances with other banks	1,939,303	1,939,303	-	-	-	-	-	-	-
Lending to financial institutions	52,338,662	33,188,842	-	19,149,820	-	-	-	-	-
Investments	258,007,046	9,897,190	23,584,442	37,083,786	109,043,123	36,595,097	19,780,330	11,855,464	10,167,614
Advances	208,434,160	55,892,168	41,810,642	38,410,373	14,153,210	4,930,547	6,116,290	14,156,151	23,855,621
Fixed assets	12,592,776	114,240	227,288	337,765	1,478,906	1,253,903	1,150,745	1,735,896	2,548,475
Intangible assets	327,901	26,952	53,205	54,802	68,012	95,862	29,068	-	-
Deferred tax assets	890,621	-	-	-	890,621	-	-	-	-
Other assets	17,809,034	13,494,420	2,425,427	35,179	729,269	3,241	3,241	12,711	16,206
	579,759,831	129,109,508	71,777,750	99,056,238	131,565,817	42,878,650	27,079,674	27,760,222	36,587,916
Liabilities									
Bills payable	7,386,191	7,386,191	-	-	-	-	-	-	-
Borrowings	115,728,198	28,089,189	71,950,270	8,672,638	35,984	997,013	45,119	949,587	4,988,398
Deposits and other accounts	409,642,613	78,289,176	56,289,417	61,001,186	79,650,744	97,551,838	36,127,552	732,700	-
Subordinated debt	8,000,000	-	-	-	-	-	-	-	8,000,000
Deferred tax liabilities	-	-	-	-	-	-	-	-	-
Other liabilities	17,856,638	10,431,924	2,537,279	202,958	1,098,857	674,354	657,599	1,026,638	1,227,029
	558,613,640	124,196,480	130,776,966	69,876,782	80,785,585	99,223,205	36,830,270	2,708,925	14,215,427
Net assets	21,146,191	4,913,028	(58,999,216)	29,179,456	50,780,232	(56,344,555)	(9,750,596)	25,051,297	22,372,489
Share capital account	11,024,636								
Reserves	3,917,964								
Surplus on revaluation of assets	(784,204)								
Unappropriated profit	6,987,795								
	21,146,191								

2021

Total	Up to 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
----- (Rupees in '000) -----									
Assets									
Cash and balances with treasury banks	35,196,898	16,866,631	7,928,043	4,121,675	6,280,549	-	-	-	-
Balances with other banks	2,427,478	2,427,478	-	-	-	-	-	-	-
Lending to financial institutions	22,113,121	20,729,439	1,383,682	-	-	-	-	-	-
Investments	327,425,187	27,459,263	74,023,701	23,812,386	46,898,353	99,279,431	20,029,807	25,414,965	10,507,281
Advances	165,494,796	23,693,186	35,256,883	25,610,717	19,068,144	13,687,897	7,115,536	13,001,587	18,008,180
Fixed assets	11,145,057	98,891	194,980	290,712	888,488	1,097,075	1,001,802	1,512,823	2,244,115
Intangible assets	432,894	19,212	38,406	57,530	114,583	137,925	48,983	16,255	-
Deferred tax assets	178,221	-	-	-	178,221	-	-	-	-
Other assets	15,074,897	9,686,694	2,919,181	143,108	1,178,175	3,797	3,797	13,823	18,987
	579,488,549	100,980,794	121,744,876	54,036,128	74,606,513	114,206,125	28,199,925	39,959,453	30,778,563
Liabilities									
Bills payable	6,900,897	6,900,897	-	-	-	-	-	-	-
Borrowings	124,584,868	22,325,664	87,972,460	4,965,406	4,112,727	77,943	1,031,866	781,610	2,747,351
Deposits and other accounts	403,036,554	93,388,178	79,136,834	41,142,092	62,691,729	62,046,341	22,984,675	36,492,182	5,154,523
Subordinated debt	6,992,800	600	-	-	600	2,991,600	-	-	4,000,000
Deferred tax liabilities	-	-	-	-	-	-	-	-	-
Other liabilities	16,337,889	9,233,193	3,008,765	277,484	940,284	541,302	527,852	824,078	984,931
	557,853,008	131,848,532	170,118,059	46,384,982	67,745,340	65,657,186	24,544,393	38,097,870	8,886,805
Net assets	21,635,541	(30,867,738)	(48,373,183)	7,651,146	6,861,173	48,548,939	3,655,532	1,861,583	21,891,758
Share capital account	11,024,636								
Reserves	3,541,315								
Surplus on revaluation of assets	(12,164)								
Unappropriated profit	7,081,754								
	21,635,541								



48 GENERAL

48.1 Comparative

Comparative information has been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and better presentation. There were no significant reclassifications during the current year.

48.2 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

49 EVENTS AFTER THE REPORTING DATE

49.1 The Board of Directors in its meeting held on 22 February 2023 has proposed a cash dividend in respect of the year ended 31 December 2022 of Re. 1.00 per share (2021: Rs. 1.50 per share). This appropriation will be approved in the forthcoming Annual General Meeting. The financial statements for the year ended 31 December 2022 do not include the effect of this appropriation which will be accounted for in the financial statements of the Bank for the year ending 31 December 2023.

50 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 22 February 2023 by the Board of Directors of the Bank.

Alauddin Feerasta
Chairman

Muhtashim Ahmad Ashai
President & Chief Executive Officer

Mirza Zafar Baig
Chief Financial Officer

Ahmed A. Feerasta
Director

Jamil Hassan Hamdani
Director

STATEMENT SHOWING WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF OF FIVE HUNDRED THOUSAND RUPEES AND ABOVE PROVIDED DURING THE YEAR ENDED 31 DECEMBER 2022

(Rs. in million)

S. No.	Name and address of borrower	Name of Individuals/ partners/ directors (with CNIC No.)	Father/ Husband's Name	Outstanding liabilities at beginning of the year				Principal Written off	Mark-up Written off/ Waived	Other Financial Relief Provided	Total
				Principal	Mark-up	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12=9+10+11
1	Asiatics P-151-M & 152-M, Main Industrial Estate, Kot Lakhpat Area, Township Scheme, Lahore	Malik Nadeem Ahmed CNIC No. 35200-6930180-7	Malik Abdul Majeed	250.230	18.928	0.115	269.273	-	18.928	0.115	19.043
2	Sweetly Textile (Pvt) Ltd 28 Saeed Khan Markte, Katchehry Bazar, Faisalabad	Mr. Mian Ghulam Fareed CNIC No. 33100-3585605-9 Mr. Muhammad Adnan Farid CNIC No. 33100-6327745-1 Mrs. Firdous Akhtar CNIC No. 33100-2798435-2	Mr. Haji Ali Muhammad Mr. Ghulam Farid W/O. Mr. Ghulam Fareed	60.555	73.787	0.802	135.144	60.555	73.787	0.802	135.144
3	Muhammad Yousaf Qila Sujjan Singh, Dak Khana, Qila Deedar Singh, Gujranwala	Mr. Muhammad Yousaf CNIC No. 34101-0467495-9	Mr. Muhammad Malik	0.754	1.093	0.115	1.962	-	0.943	-	0.943
4	AKN Protein Farms Thokar Niaz Baig, Lahore	Mr. Muhammad Kashif Munawar CNIC No. 35202-4349339-9 Mr. Zulfiqar Ali Haider CNIC No. 35202-2982928-5	Mr. Munawar Ahmed Sial Mr. Muhammad Ali	-	2.434	0.085	2.519	-	1.980	-	1.980
5	DHA Cogen Ltd 2-B, East Street, Pakistan Defence Officers Housing Authority, Phase-I, Katrachi	Mr. Mansoor M.Khan CNIC No. 42301-4543451-3 Mr. Saeed Iqbal CNIC No. 42201-1992656-9 Mr. Khalid Mohsin Shaikh CNIC No. 61101-0142651-9 Mr. Fareed Vardag CNIC No. 42000-0504128-9 Mrs. Tayaba Rasheed CNIC No. 42301-0986480-4 Mr. Mansoor Ahmed CNIC No. 35201-1635432-5 Mr. Muhammad Seraj Ul Haq CNIC No. 54400-0734835-5	Mr. Masood Ahmed Khan Mr. Zafar Iqbal Siddiqui Mr. Muhammad Mohsin Shaikh Mr. Ijaz Ahmed Khan W/O. Abdul Rasheed Mr. Muhammad Usman Mr. Muhammad Izhar UL Haq	140.377	163.471	2.190	306.038	140.377	163.471	2.190	306.038
6	Muhammad Jahangir Khan DHA, Lahore	Mr. Muhammad Jahangir Khan CNIC No. 35202-8380120-5	Mr. Sardar Muhammad Hanif Khan	-	0.634	0.015	0.649	-	0.634	-	0.634
7	Jannat Rice Mills Yousaf Shah Road, Jhang	Mr. Inam Ilahi CNIC No. 35202-3373094-7 Mr. Saleem Ahmed CNIC No. 33202-1152742-9	Mr. Ahmed Baksh Haji Ahmed Baksh	-	6.744	0.112	6.856	-	6.744	0.112	6.856
8	Friends Impex Near Bahu Motors, Peero Shaheed Darbar, Gujranwala	Mr. Abdul Jabbar CNIC No. 34101-1464476-9	Mr. Muhammad Latif	-	1.689	-	1.689	-	1.689	-	1.689
9	Ittehad Commission Shop Wadala Sindhwa, Daska, Siakot	Mr. Shahid Mehmood CNIC No. 34601-2108707-7	Mr. Abdul Sattar	-	3.521	0.179	3.700	-	3.521	0.079	3.600
10	Shan Associates (Pvt) Ltd 8 Rana Manzil, Venus Hall, Sargodha	Mr. Rana Sohail Ahmed CNIC No. 38403-2064326-1 Mr. Rana Sajeel Ahmed CNIC No. 38403-2064324-5 Mr. Rana Raheel Ahmed CNIC No. 38403-2064326-5 Mr. Rana Jawaid Akhtar CNIC No. 35200-9935879-7	Mr. Rana Saeed Akhtar Mr. Rana Saeed Akhtar Mr. Rana Saeed Akhtar Mr. Abdul Majeed	-	1.612	0.150	1.762	-	0.651	0.150	0.801
11	Rosh Rice Mills 7 KM, Kolo Tarar, Halizabad	Mr. Muhammad Tariq CNIC No. 34301-2160665-7 Mr. Hamid Nasir CNIC No. 34301-5963850-3 Mr. Muhammad Waqas CNIC No. 34301-2222833-1	Mian Allah Rakha Chatha Mr. Muhammad Aslam Mr. Jamil Wahid	-	3.234	0.210	3.444	-	3.234	-	3.234
12	Kohsar Traders 94 Ghalla Mandi, Okara	Mrs. Farah Naz CNIC No. 35302-3418907-6 Mr. Ghulam Sarwar CNIC No. 35302-1939374-1 Mr. Usman Khalid CNIC No. 38401-8930273-5	W/O. Abdul Rauf Mr. Muhammad Bashir Mr. Khalid Pervaiz	-	1.908	0.085	1.993	-	1.878	-	1.878
13	Bismillah Medical Store Fehmania Market Rashid Abad, Multan	Mr. Muhammad Tariq CNIC No. 36302-7472192-9	Sheikh Allah Dewaya	-	0.966	0.066	1.032	-	0.966	0.066	1.032
14	City Steel Industries 17 KM, Sheikhoura Road, Lahore	Mr. Muhammad Asad CNIC No. 35202-2352972-7 Mr. Muhammad Shoaib Arshad CNIC No. 35202-2304493-3	Mr. Muhammad Arsahd Mr. Muhammad Arsahd	-	51.142	3.764	54.906	-	51.142	1.139	52.281
15	Asif Brothers Shop # 4, Ground Floor, Zaib Commercial Centre, Circular Road, Lahore	Mr. Muhammad Asif CNIC No. 35202-0713473-5	Mr. Malik Muhammad Bashir	-	2.496	0.465	2.961	-	2.496	0.421	2.917



(Rs. in million)

S. No.	Name and address of borrower	Name of Individuals/ partners/ directors (with CNIC No.)	Father/ Husband's Name	Outstanding liabilities at beginning of the year				Principal Written off	Mark-up Written off/ Waived	Other Financial Relief Provided	Total
				Principal	Mark-up	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12=9+10+11
16	Syed Aun Muhammad Naqvi Kashna Naqvi Iftikhar Street , Nadeem Shaheed Road, Samanabad, Lahore	Syed Aun Muhammad Naqvi CNIC No. 35200-1447817-3	Syed Alamdar Hussain Naqvi	1.097	0.434	0.135	1.666	-	0.434	0.136	0.570
17	Major Fahim Anjum Farooqi C/O 14 GL Section, Karachi	Major Fahim Anjum Farooqi CNIC No. 34101-8448065-9	Mr. Rafiq Ahmed	0.254	0.480	0.013	0.747	0.044	0.480	0.013	0.537
18	Ghulam Haider, Ghulam Muhammad, & Muhammad Ilyas Chak # 108 P , Teh & Distt: Rahimyar Khan	Mr. Ghulam Haider CNIC No. 31303-6913132-7 Mr. Ghulam Muhammad CNIC No. 31303-9731623-3 Mr. Muhammad Ilyas CNIC No. 31303-0389554-7	Mr. Ghulam Rasool Mr. Ghulam Rasool Mr. Ghulam Rasool	0.397	0.703	0.078	1.178	-	0.703	-	0.703
19	Muhamamd Sajjad Basti Suraj Kund, PO Khas Kayyan Pur, Teh & Distt: Multan	Mr. Muhammad Sajjad CNIC No. 36302-3700387-1	Mr. Baqir Ali	-	0.631	0.171	0.802	-	0.631	0.171	0.802
20	Ejaz Haider Malik Ward # 6, Muslim, House No. EX/508, Samanabad, Multan	Mr. Ejaz Haider Malik CNIC No. 36302-2888885-1	Mr. Imdad Ali Malik	0.950	0.992	0.125	2.067	-	0.992	0.125	1.117
21	Abid Ali Ward No.1, Mohalla Shahbaz Colony, District Badin	Mr. Abid Ali CNIC No. 41101-2970082-7	Haji Adam Khan	1.958	1.060	0.019	3.037	-	1.060	0.019	1.079
22	Nadeem Zari House Mohallah Rehmanpura, Near Jamia Masjid Sultania, Garjakh, Gujranwala	Mr. Muhammad Nadeem CNIC No. 34101-2521850-7	Mr. Muhammad Shafi	0.448	2.175	0.263	2.886	-	2.088	-	2.088
23	Luqman Rehman Commission Shop Ghallah Mandi, Tehsil & District Gujranwala	Mr. Badar Mehmood Butt CNIC No. 34104-2210905-3	Mr. Bashir Ahmed Butt	0.999	0.649	0.112	1.760	-	0.649	-	0.649
24	Shahzad Munir Hajvery Centre Main Buolavard Defence, Lahore	Mr. Shahzad Munir CNIC No. 35200-1503192-5	Mr. Muhammad Munir	0.169	0.328	0.004	0.501	0.169	0.328	0.004	0.501
25	Ali Asghar Hashmi Asteha Wali Gali Block-5, Sargodha	Mr. Ali Asghar Hashmi CNIC No. 38403-4167923-1	Mr. Ikrum Elahi Hashmi	0.151	0.373	0.004	0.528	0.151	0.373	0.004	0.528
26	Waseem Amir House No. 73 Street No. 2 Cheema Colony, Sargodha	Mr. Waseem Amir CNIC No. 38403-2509244-3	Mr. Allah Ditta Khokhar	0.155	0.365	0.003	0.523	0.155	0.365	0.003	0.523
27	Masood Ahmed Khan House # 99, A-1 Area, Malir # 15, Karachi	Mr. Masood Ahmed Khan CNIC No. 42501-5535989-1	Mr. Mansoor Ahmed Khan	0.154	0.414	0.004	0.572	0.154	0.414	0.004	0.572
28	Aamir Shahzad Awan PNS Haider / NTS(L)Uni Landhi#5, Karachi	Mr. Aamir Shahzad Awan CNIC No. 42201-8459603-7	Mr. Qazi Muhammad Ghafoor Awan	0.136	0.363	0.004	0.503	0.136	0.363	0.004	0.503
29	Mohabbat Khan Khilji H # 1021-A Gulshan-E-Hadid Phase I, Near Masjid Kaba, Karachi	Mr. Mohabbat Khan Khilji CNIC No. 55402-4225941-5	Mr. Haji Yaar Muhammad	0.159	0.368	0.003	0.530	0.159	0.368	0.003	0.530
30	Rice Kings 01-KM, Off Sundar Raiwind Road, Near Gaba Trust Mosque, Sundar Raiwind, Lahore	Ch. Mohammed Shahzad Ashraf CNIC No. 35202-7229803-7	Mr. Mohammed Ashraf	-	7.546	0.025	7.571	-	3.773	0.025	3.798
31	Al Hamd Traders H # 28-A, Patiala House, Jinnah Street, DC Road, Gujranwala	Choudhary Khurram Shah Nawaz CNIC No. 34101-2458031-5	Mr. Shah Nawaz Choudhary	4.498	5.616	0.236	10.350	-	4.750	-	4.750
32	Shahid Cable Industry House No.481, Mohalla Haji Tajdin Road, Chohan Park, Islampura, Lahore	Choudhry Shahid Latif CNIC No. 35202-2691735-9	Choudhry Hashmat Ali	2.414	1.588	0.225	4.227	-	1.588	-	1.588
33	Sadaqat Builders House No.65-A, Mohalla Sabzazar Scheme, Multan Road, Lahore	Mr. Liaqat Ali CNIC No. 35202-9984214-3	Choudhry Ghulam Majeed	1.100	2.293	0.225	3.618	-	2.293	0.225	2.518
34	Adeel Ikram House No.157, Block-B, Sabzazar Scheme, Multan Road, Lahore	Mr. Adeel Ikram CNIC No. 35202-3765575-5	Mr. Muhammad Ikram	5.118	2.003	0.317	7.438	-	2.003	0.317	2.320
35	Muhammad Salman Sabir Khan House P-14, St.No.1, Madina Town, Block-Y, Faisalabad	Mr. Muhammad Salman Sabir Khan CNIC No. 33102-8677847-1	Mr. Ghulam Sabir Khan	1.453	0.363	0.196	2.012	0.078	0.363	0.196	0.637
TOTAL				473.526	362.403	10.515	846.444	201.978	356.082	6.323	564.383

ISLAMIC BANKING BUSINESS

The Bank is operating with 40 Islamic Banking Branches (31 December 2021: 35) and 15 Islamic Banking Windows (31 December 2021: 15). The statement of financial position and profit and loss account of these branches and windows (including Islamic Banking Division) are as follows:

	Note	2022 ------(Rupees in '000)-----	2021
ASSETS			
Cash and balances with treasury banks		2,310,935	1,969,622
Balances with other banks		405,834	237,576
Due from financial institutions	1	5,000,000	4,592,509
Investments	2	17,794,997	17,220,848
Islamic financing and related assets- net	3	11,991,542	11,184,427
Fixed assets		789,905	624,710
Intangible assets		-	-
Due from head office		-	-
Other assets		1,243,792	1,034,647
Total assets		39,537,005	36,864,339
LIABILITIES			
Bills payable		315,862	399,583
Due to financial institutions		1,066,727	705,360
Deposits and other accounts	4	32,839,723	31,925,206
Due to head office		1,828,465	815,280
Other liabilities		1,301,897	1,029,871
Total liabilities		37,352,674	34,875,300
NET ASSETS		2,184,331	1,989,039
REPRESENTED BY:			
Islamic banking fund		2,000,000	2,000,000
Accumulated profit	6	255,273	(72,277)
Surplus on revaluation of assets - net of tax		(70,942)	61,316
		2,184,331	1,989,039
CONTINGENCIES AND COMMITMENTS			
	7		
	Note	2022 ------(Rupees in '000)-----	2021
Profit / return earned	8	3,909,338	2,141,090
Profit / return expensed	9	2,882,948	1,481,854
Net profit / return		1,026,390	659,236
Other income			
Fee and commission Income		93,218	72,438
Foreign exchange income		86,299	36,956
Loss on securities		-	(1,135)
Other income		1,782	966
Total other income		181,299	109,225
		1,207,689	768,461
Other expenses			
Operating expenses		776,364	588,210
Other charges		502	80
Total other expenses		776,866	588,290
Profit before provisions		430,823	180,171
Provisions and write offs - net		(175,550)	(252,448)
Profit / (loss) before tax		255,273	(72,277)


1 Due from Financial Institutions

	2022			2021		
	In local Currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
Bai Muajjal receivable from other financial institutions	-	-	-	1,892,509	-	1,892,509
Musharaka placement	5,000,000	-	5,000,000	2,700,000	-	2,700,000
	5,000,000	-	5,000,000	4,592,509	-	4,592,509

2 Investments by segments:

	2022				2021			
	Cost/ amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	----- (Rupees in '000) -----							
Federal Government securities:								
-Ijarah sukuks	16,020,360	-	(147,560)	15,872,800	15,000,000	-	(57,200)	14,942,800
Non-Government debt securities								
-Listed	925,000	-	-	925,000	925,000	-	57,825	982,825
-Unlisted	978,713	(19,860)	38,344	997,197	1,292,666	(19,860)	22,417	1,295,223
	1,903,713	(19,860)	38,344	1,922,197	2,217,666	(19,860)	80,242	2,278,048
Total Investments	17,924,073	(19,860)	(109,216)	17,794,997	17,217,666	(19,860)	23,042	17,220,848

3 Islamic financing and related assets

	Note	2022	2021
		----- (Rupees in '000) -----	
Ijarah	3.1	615,478	519,339
Murabaha	3.2	1,213,618	565,514
Musharaka		2,182,144	1,597,708
Diminishing Musharaka		4,348,470	4,103,748
Istisna		661,000	568,838
Salam		251,530	324,515
Other islamic modes		14,434	45,374
Advances against islamic assets			
Murabaha		490,035	323,510
Ijarah		290,272	79,624
Diminishing musharakah		-	149,971
Salam		2,113,729	3,068,804
Istisna		419,011	270,110
Gross Islamic financing and related assets		12,599,721	11,617,055
Less: Provision against Islamic financing			
- Specific		608,179	432,628
- General		-	-
		608,179	432,628
Islamic financing and related assets - net of provision		11,991,542	11,184,427

3.1 Ijarah

	2022						Book Value as at 31 December 2022
	Cost			Depreciation			
	As at 01 January 2022	Additions/ (deletions)/ adjustment	As at 31 December 2022	As at 01 January 2022	Charge for the year	As at 31 December 2022	
	----- (Rupees in '000) -----						
Plant & Machinery	-	-	-	-	-	-	-
Vehicles	747,700	352,486 (154,729)	945,457	228,361	186,097 (84,479)	329,979	615,478
Total	747,700	352,486 (154,729)	945,457	228,361	186,097 (84,479)	329,979	615,478

	2021						Book Value as at 31 December 2021
	Cost			Depreciation			
	As at 01 January 2021	Additions/ (deletions)/ adjustment	As at 31 December 2021	As at 01 January 2021	Charge for the year	As at 31 December 2021	
	----- (Rupees in '000) -----						
Plant & Machinery	-	-	-	-	-	-	-
Vehicles	534,580	377,396 (164,276)	747,700	225,384	129,472 (126,495)	228,361	519,339
Total	534,580	377,396 (164,276)	747,700	225,384	129,472 (126,495)	228,361	519,339

3.1.1 Future ijarah payments receivable

	----- 2022 -----				----- 2021 -----			
	Not later than 1 year	Later than 1 year and less than 5 years	Over five years	Total	Not later than 1 year	Later than 1 year and less than 5 years	Over five years	Total
	----- (Rupees in 000) -----							
Ijarah rental receivables	29,133	583,541	2,804	615,478	71,908	434,444	12,987	519,339

3.2 Murabaha

Note 2022 2021
----- (Rupees in '000) -----

Murabaha financing	3.2.1	1,213,618	565,514
Advances for Murabaha		490,035	323,510
		<u>1,703,653</u>	<u>889,024</u>
3.2.1 Murabaha receivable - gross	3.2.2	1,256,583	573,606
Less: Deferred murabaha income	3.2.4	42,965	8,092
Murabaha financings		<u>1,213,618</u>	<u>565,514</u>

3.2.2 The movement in Murabaha financing during the year is as follows:

Opening balance	573,606	1,126,919
Sales during the year	2,990,372	1,998,982
Adjusted during the year	(2,307,395)	(2,552,295)
Closing balance	<u>1,256,583</u>	<u>573,606</u>



		2022		2021			
		------(Rupees in '000)-----					
3.2.3	Murabaha sale price	2,990,372		1,998,982			
	Murabaha purchase price	(2,810,187)		(1,934,902)			
		<u>180,185</u>		<u>64,080</u>			
3.2.4	Deferred murabaha income						
	Opening balance	8,092		6,299			
	Arising during the year	180,185		64,080			
	Less: Recognised during the year	(145,312)		(62,287)			
	Closing balance	<u>42,965</u>		<u>8,092</u>			
4	Deposits and other accounts	2022			2021		
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
		------(Rupees in '000)-----					
	Customers						
	Current deposits	1,941,351	383,857	2,325,208	2,123,492	438,219	2,561,711
	Savings deposits	16,450,760	-	16,450,760	10,199,614	-	10,199,614
	Others	894,702	-	894,702	462,789	-	462,789
	Term deposits	2,070,093	-	2,070,093	4,761,117	-	4,761,117
		<u>21,356,906</u>	<u>383,857</u>	<u>21,740,763</u>	<u>17,547,012</u>	<u>438,219</u>	<u>17,985,231</u>
	Financial Institutions						
	Current deposits	36,090	18,533	54,623	63,509	42,262	105,771
	Savings deposits	9,509,337	-	9,509,337	10,180,504	-	10,180,504
	Term deposits	1,535,000	-	1,535,000	3,653,700	-	3,653,700
		<u>11,080,427</u>	<u>18,533</u>	<u>11,098,960</u>	<u>13,897,713</u>	<u>42,262</u>	<u>13,939,975</u>
		<u>32,437,333</u>	<u>402,390</u>	<u>32,839,723</u>	<u>31,444,725</u>	<u>480,481</u>	<u>31,925,206</u>
4.1	Composition of deposits			2022		2021	
		------(Rupees in '000)-----					
	- Individuals			7,530,241	6,738,976		
	- Government / Public Sector Entities			1,808,073	1,747,711		
	- Public Sector Entities			3,922	3,782		
	- Banking Companies			20,928	2,350,036		
	- Non-Banking Financial Institutions			11,101,818	11,570,140		
	- Private Sector			12,374,741	9,514,561		
				<u>32,839,723</u>	<u>31,925,206</u>		
4.2	This includes deposits eligible to be covered under insurance arrangements amounting to Rs 8,672 million (2021: 8,013 million) .						
5	Charity Fund			2022		2021	
		------(Rupees in '000)-----					
	Opening balance			-	-		
	Additions during the year						
	Received from customers on account of delayed payment			930	720		
				<u>930</u>	<u>720</u>		
	Payments / utilization during the year						
	Health			883	720		
				<u>883</u>	<u>720</u>		
	Closing balance			<u>47</u>	<u>-</u>		

6	Islamic Banking Business - Unappropriated Profit	2022	2021
		----- (Rupees in '000) -----	
	Opening balance	(72,277)	(147,121)
	Add: Islamic Banking profit / (loss) for the year	255,273	(72,277)
	Less: Transferred / remitted to Head Office	72,277	147,121
	Closing balance	<u>255,273</u>	<u>(72,277)</u>
7	CONTINGENCIES AND COMMITMENTS		
	-Guarantees	1,403,195	802,184
	-Other contingent liabilities	1,781,619	976,459
		<u>3,184,814</u>	<u>1,778,643</u>
8	Profit / Return Earned of Financing, Investments and Placement		
	Financing	1,408,530	744,867
	Investments	2,284,013	1,039,317
	Placements	216,795	356,906
		<u>3,909,338</u>	<u>2,141,090</u>
9	Profit on Deposits and Other Dues Expensed		
	Deposits and other accounts	2,625,970	1,334,836
	Due to financial institutions	23,176	7,009
	Others	233,802	140,009
		<u>2,882,948</u>	<u>1,481,854</u>

9.1 Deposits and other accounts include redeemable capital of Rs. 29,565.190 million (31 December 2021: Rs.28,794.935 million) and deposits on Qard basis of Rs. 3,274.533 million (31 December 2021: Rs. 3,130.271 million). Remunerative deposits which are on Mudaraba basis are considered as Redeemable capital and non-remunerative deposits are classified as being on Qard basis.

10	Pool Management	2022			2021		
		Normal Pool	Special Pool	Total	Normal Pool	Special Pool	Total
----- (Rupees in '000) -----							
	Chemical and Pharmaceuticals	1,664,639	600,228	2,264,867	834,751	731,471	1,566,222
	Textile	751,010	4,500	755,510	-	995,697	995,697
	Sugar	1,376,379	261,712	1,638,091	2,482,026	60,000	2,542,026
	GOP Bai Muajjal / Ijarah Sukuk	15,553,439	7,370,634	22,924,073	5,876,693	15,933,482	21,810,175
	Automobile and transportation equipment	119,400	283,541	402,941	-	153,408	153,408
	Financial	33,570	34,179	67,749	2,753	-	2,753
	Electronics and electrical appliances	531,220	-	531,220	80,414	284,235	364,649
	Production and transmission of energy	195,181	2,388,662	2,583,843	813,431	1,977,418	2,790,849
	Exports Imports	199,623	-	199,623	-	-	-
	Wholesale & Retail Trade	175,291	308,435	483,726	-	-	-
	Construction	221,376	659,444	880,820	7,999	22,736	30,735
	Food and allied	101,995	684,054	786,049	781,429	-	781,429
	Services	209,151	74,946	284,097	581,030	645,562	1,226,592
	Individual	173,401	123,812	297,213	-	-	-
	Others	-	387,879	387,879	530,552	632,142	1,162,694
		<u>21,305,675</u>	<u>13,182,026</u>	<u>34,487,701</u>	<u>11,991,078</u>	<u>21,436,151</u>	<u>33,427,229</u>

Musharaka investments from the SBP under Islamic Export Refinance Scheme (IERS) are channelled towards the export sector of the economy and other financings as per SBP guidelines.



10.1 Key features and risk and reward characteristics of all pools

The 'Mudaraba Pool' for Local Currency caters to all Soneri Bank Limited - Islamic Banking depositors and provides profit / loss based on Mudaraba.

The IERS Pool caters to the 'Islamic Export Refinance' requirements based on the guidelines issued by the SBP.

The risk characteristic of each pool mainly depends on the asset and liability profile of each pool.

Jointly financed by the Bank and unrestricted investments / PLS deposit account holders

This represents all earning assets of the Bank except those tagged to the Islamic Export Refinance Scheme. Major categories include:

	Funded Income	Expenses	Gains / (loss) on sale of securities	Total
----- (Rupees in '000) -----				
Islamic financing and related assets	1,402,558	-	-	1,402,558
Investments	2,284,013	-	-	2,284,013
Due from financial institutions	203,661	-	-	203,661
Others	13,133	(5,474)	-	7,659
	<u>3,903,365</u>	<u>(5,474)</u>	<u>-</u>	<u>3,897,891</u>

10.2 Incentive profits (Hiba)

The Bank paid an aggregate amount of Rs. 147.802 million as incentive profits (Hiba), which includes Rs. 94.423 million for normal pool and Rs. 53.378 million for special pool during the period ended 31 December 2022. The following guidelines are approved by the Bank's Sharia Advisor for determination of incentive profits (Hiba):

- Special weightage deposits in designated tiers / slabs in Mudaraba Pool shall be offered extra weightages outside the Mudaraba Pool, provided the specified parameters are met ;
- The deposit deal shall be at least of Rs 100 thousands ;
- In case a Term Deposit is pre-maturely encashed, profit shall be paid at the expected rate of completed tenor;
- The payment of Hiba on deposits will be at the sole discretion of the Bank and could be decreased or / and removed any time during the tenure of the deposit, under intimation to the customer, if the customer fails to meet the prerequisites at any time during the tenure of the deposit and / or the profit rate no longer remains sustainable from Bank's share; and
- The Bank shall ensure that all the operational procedures and controls to the satisfaction of Shariah are in place.

10.3 Contractual maturities of mudaraba based deposit accounts

Particulars	2022							
	Total	Up to 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years
----- (Rupees in '000) -----								
Fixed Deposits	3,605,093	111,201	1,792,500	19,300	1,561,431	106,148	14,513	-
Savings Deposits	21,717,226	21,717,226	-	-	-	-	-	-
Current Account								
- Remunerative	4,242,871	4,242,871	-	-	-	-	-	-
	<u>29,565,190</u>	<u>26,071,298</u>	<u>1,792,500</u>	<u>19,300</u>	<u>1,561,431</u>	<u>106,148</u>	<u>14,513</u>	<u>-</u>

10.4 Profit / (loss) distribution to depositor's pool

General Remunerative Depositor's Pools	Profit Sharing Ratio (Depositor: Mudarib)	Profit rate return earned	Mudarib Share transferred to the Depositors through Hiba (Rs. in '000)	Mudarib Share transferred to the Depositors through Hiba (Percentage)	Mudarib share Net of Hiba (Rs. in '000)	Mudarib share Net of Hiba Percent	Profit rate and weightage announcement period	Profit rate return distributed
--	---	---------------------------	--	---	---	-----------------------------------	---	--------------------------------

Mudaraba Pool

Normal Pool	59:41%	8.68%	94,423	29.36%	224,134	29.10%	Monthly	6.15%
Special Pool	95:05%	13.92%	53,378	42.58%	62,290	2.87%	Monthly	12.92%
Total	86:14%	12.09%	147,801	32.73%	286,424	9.74%	Monthly	10.54%

IERS Musharaka Pool	Ratio of weightage of Bank to SBP	Share of profit to SBP (Rupees in '000)	HIBA (Rupees in '000)	Profit rate and weightage announcement period	Profit rate return earned by SBP
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Musharaka Pool SBP's Islamic Export Refinance Scheme

0.3015	4,472	-	Quarterly	1.84%
0.1911	5,682	-	Quarterly	2.21%
0.3905	13,566	-	Quarterly	5.22%
0.7203	23,343	-	Quarterly	8.83%

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

Income generated from relevant assets, calculated at the end of each month is first set aside for the Musharaka pool arrangement between the Bank and the State Bank of Pakistan. It is then allocated between the participants of the pool as per the agreed weightages and rates.

The Mudaraba Pool profit is divided between the Bank and depositors in the ratio of Bank's average equity (pertaining to Islamic banking branches) and average depositors balances commingled in each pool on a pro-rata basis. The depositors' share of profit is allocated amongst them on the basis of weightages declared before start of each month, after deduction of a mudarib fee. During the period ended 31 December 2022, the Bank charged 9.74% (2021: 30.25%) of the profit as Mudarib fee. These weightages are declared by the Bank in compliance with the requirements of the SBP and Shariah.

The allocation (of income and expenses to different pools) is made on a pre-defined basis and accounting principles / standards. Provisions against any non-performing assets of the pool are not passed on to the pool.

10.5 Allocation of Income and Expenses to Depositors' Pools

a) Following are material items of revenues, expenses, gains and losses

	2022 ------(Rupees in '000)-----	2021
Profit / return earned on financings, investments and placements	3,114,242	1,834,449
Other income (including other charges)	-	-
Directly related costs attributable to pool	(128,523)	(54,432)
	<u>2,985,719</u>	<u>1,780,017</u>

The Bank shares all its revenue generated through banking operations with the deposit account (pertaining to Islamic Operation) holders.



b) Following weightages have been assigned to different products under the Mudaraba Pool during the year:

	Percentage of total Mudaraba based deposits	Minimum weightage	Maximum weightage
Savings - Soneri Munafa Account	73%	0.3645	1.0471
Savings - Soneri Bachat Account	1%	0.3645	0.3645
Savings - Assan Account	0%	0.3645	0.3645
Current Account - Remunerative	14%	0.0033	0.0033
Time Deposits - Soneri Meadi	12%	0.3645	1.0524

The Bank shares all its revenue generated through banking operations with the deposit account (pertaining to Islamic Operation) holders.

Disposal of fixed assets (refer note 10.3.3)

Disposals / deletions of property and equipment with original cost or book value in excess of rupees one million or two hundred fifty thousand respectively (whichever is less):

Particulars	Cost	Book value	Sale price/ insurance proceeds	Mode of settlement / disposal	Particulars of buyers / insurance companies
	----- (Rupees in '000) -----				
Leasehold Improvement	1,600	689	-	Write off	
----- do -----	4,469	1,126	353	Tender	Mr.Naeem Javaid
----- do -----	2,277	1,114	118	Tender	Mr.Naeem Javaid
----- do -----	1,844	1,414	-	Write off	
----- do -----	1,468	1,125	-	Write off	
----- do -----	1,447	364	114	Tender	Mr.Naeem Javaid
----- do -----	1,257	581	-	Write off	
----- do -----	1,198	919	-	Write off	
----- do -----	944	413	-	Write off	
----- do -----	933	715	-	Write off	
----- do -----	908	696	-	Write off	
----- do -----	845	577	-	Write off	
----- do -----	652	500	-	Write off	
----- do -----	717	490	-	Write off	
----- do -----	619	474	-	Write off	
----- do -----	617	473	-	Write off	
----- do -----	907	397	-	Write off	
----- do -----	566	387	-	Write off	
----- do -----	849	385	-	Write off	
----- do -----	554	378	-	Write off	
----- do -----	572	280	30	Tender	Mr.Naeem Javaid
----- do -----	602	278	-	Write off	
----- do -----	581	250	-	Write off	
Items with WDV of below Rs. 250,000/- and cost of less than Rs. 1,000,000	3,544	1,800	35	various	various
	29,970	15,825	650		
Furniture and fixtures					
Items with WDV of below Rs. 250,000/- and cost of less than Rs. 1,000,000	16,257	1,497	1,798	various	various
	16,257	1,497	1,798		
Electrical office and computer equipment	1,180	-	8	Trade off	M/s.Touchpoint
----- do -----	1,096	-	8	Trade off	M/s.Touchpoint
----- do -----	1,085	-	8	Trade off	M/s.Touchpoint
----- do -----	1,080	-	8	Trade off	M/s.Touchpoint
----- do -----	1,064	-	8	Trade off	M/s.Touchpoint
----- do -----	1,064	-	8	Trade off	M/s.Touchpoint
----- do -----	1,050	-	8	Trade off	M/s.Touchpoint
----- do -----	1,044	-	8	Trade off	M/s.Touchpoint
----- do -----	1,029	-	8	Trade off	M/s.Touchpoint
----- do -----	1,026	-	8	Trade off	M/s.Touchpoint
----- do -----	1,010	-	8	Trade off	M/s.Touchpoint
----- do -----	1,007	-	8	Trade off	M/s.Touchpoint
----- do -----	1,006	-	9	Trade off	M/s.Touchpoint



Particulars	Cost	Book value	Sale price/ insurance proceeds	Mode of settlement / disposal	Particulars of buyers / insurance companies
----- (Rupees in '000) -----					
----- do -----	2,426	-	345	Tender	M/s.Blue Star Traders
----- do -----	2,379	40	610	Insurance Claim	M/s.EFU General Insurance
----- do -----	2,052	137	274	Tender	M/s.Blue Star Traders
----- do -----	1,980	-	274	Tender	Mr.Waqar Hussain
----- do -----	1,854	-	-	Write off	
----- do -----	1,380	-	726	Tender	M/s.Fayyaz and Co.
----- do -----	1,320	-	415	Tender	Mr.Waqar Hussain
----- do -----	1,231	-	150	Tender	M/s.Haram Generator
----- do -----	1,137	-	138	Tender	M/s.Haram Generator
----- do -----	1,089	-	151	Tender	Mr.Waqar Hussain
----- do -----	398	291	79	Insurance Claim	M/s.EFU General Insurance
Items with WDV of below Rs. 250,000/- each and cost of less than Rs. 1,000,000	61,374	2,009	8,922	various	various
	92,361	2,477	12,189		
Motor vehicles	1,752	-	2,095	Tender	Mr.Ayub Ali
----- do -----	1,538	-	1,711	Tender	Mr.Gul Dad
----- do -----	1,424	-	1,500	Tender	Mr.M.Aamir Khan
----- do -----	1,054	-	700	Insurance Claim	M/s.EFU General Insurance
----- do -----	1,054	-	1,039	Tender	Mr.Tahir Ali
----- do -----	1,054	-	993	Tender	Mr.Tahir Ali
----- do -----	1,054	-	901	Tender	Mr.Aamir Khan
----- do -----	1,034	-	985	Tender	Mr. M.Anwar
----- do -----	1,029	-	819	Tender	Mr.Sheraz Khan
----- do -----	1,005	-	962	Tender	Mr.Maaz Saleem
----- do -----	1,005	-	969	Tender	Mr.Sheraz Khan
----- do -----	1,005	-	1,004	Tender	Mr.Najamuddin
----- do -----	970	-	815	Tender	Mr. M.Anwar
----- do -----	970	-	828	Tender	Mr.Najamuddin
----- do -----	970	-	768	Tender	Mr.Najamuddin
----- do -----	970	-	732	Tender	Mr.Hafiz M.Umais
----- do -----	905	-	575	Tender	Mr.Mubeen Akhter
----- do -----	905	-	730	Tender	Mr.Naveed Rauf
----- do -----	883	-	554	Tender	Mr.Khurram Ayub
----- do -----	883	-	777	Tender	Mr.Tahir Ali
----- do -----	647	-	435	Tender	Mr.Aamir Khan
Items with WDV of below Rs. 250,000/- each and cost of less thanRs. 1,000,000	67	-	20	various	various
	22,178	-	19,912		
	160,766	19,799	34,549		

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty First (31st) Annual General Meeting (AGM) of Soneri Bank Limited will be held on Monday, 27 March 2023, at 10:00 a.m., at 2nd Floor, 307-Upper Mall Scheme, Lahore, as well as through video-link (Zoom facility) to transact the following business:

Ordinary Business

- 1) To confirm the minutes of the 30th Annual General Meeting held on 25 March 2022.
- 2) To receive, consider, and adopt Annual Audited Accounts together with the Directors' and Auditors' Reports thereon for the year ended 31 December 2022.
- 3) To approve and declare the final cash dividend of Re 1/- per share (i.e. 10%) for the financial year ended 31 December 2022 as recommended by the Board of Directors in its 196th meeting held on 22 February 2023.
- 4) To elect seven (7) Directors of the Bank, as fixed by the Board under the provisions of Section 159 (1) of the Companies Act, 2017 ("the Act") for a term of three years, including one female Director, in compliance of the Listed Companies (Code of Corporate Governance) Regulations, 2019, commencing from 28 March 2023. Following are the retiring Directors, who are eligible to offer themselves for re-election, subject to the approval of the State Bank of Pakistan:
 - i. Mr. Alauddin J. Feerasta
 - ii. Mr. Nooruddin Feerasta
 - iii. Mr. Ahmed A. Feerasta
 - iv. Mr. Muhammad Rashid Zahir
 - v. Mr. Manzoor Ahmed (NIT Nominee)
 - vi. Mr. Jamil Hassan Hamdani
 - vii. Ms. Navin Salim Merchant
- 5) To appoint Auditors of the Bank for the year ending 31 December 2023 till the conclusion of the next Annual General Meeting and fix their remuneration. The retiring auditors, M/s. KPMG Taseer Hadi & Company, Chartered Accountants, being eligible, have offered themselves for re-appointment.
- 6) To transact such other ordinary business as may be placed before the meeting with the permission of the Chair.

Special Business

- 7) To increase the Authorized Share Capital of the Bank from Rs 18,000,000,000 (Rupees Eighteen Billion) to Rs 21,000,000,000 (Rupees Twenty One Billion) and to pass with or without modification(s) the following Resolution, as a Special Resolution:

"RESOLVED THAT the Authorized Share Capital of the Bank be and is hereby increased from Rs 18,000,000,000 (Rupees Eighteen Billion) to Rs 21,000,000,000 (Rupees Twenty One Billion) by the creation of 300,000,000 new ordinary shares of the face value of Rs. 10/- each.

FURTHER RESOLVED THAT clause V of the Memorandum and Articles of Association of the Bank be altered by substituting the words and figures "Rupees Eighteen Billion" (Rs. 18,000,000,000) and "One Billion Eight Hundred Million (1,800,000,000)" appearing respectively in clause V of the Memorandum of Association, with the words and figures "Rupees Twenty One Billion (Rs 21,000,000,000)" and "Two Billion One Hundred Million (2,100,000,000)" respectively.

FURTHER RESOLVED THAT the Chief Executive Officer and the Company Secretary of the Bank be and are hereby authorized singly, to do all acts, deeds, and things, take any and all necessary steps, to fulfill the legal, corporate and procedural formalities and file all the necessary documents/returns as deemed necessary on this behalf and the matters ancillary thereto to fully achieve the object of the aforesaid Resolution."
- 8) To consider and approve the conversion terms of Tier 2 Term Finance Certificates (TFC-III) of the Bank, issued in 2022 in the amount of Rs 4,000,000,000 (Rupees Four Billion) into Ordinary Shares of the Bank upon the occurrence of a conversion event, if so required by the State Bank of Pakistan.
- 9) To consider and approve amendments made in existing Articles of Association of the Bank, as circulated to the members with the Notice, and if deemed fit, to pass with or without modification(s) the following Resolution, as a Special Resolution:

"RESOLVED THAT on the recommendation of the Board of Directors made in its 195th meeting convened on 28 December 2022, amendments made in existing Articles of Association of the Bank be and are hereby reviewed and approved subject to obtaining of regulatory approvals, in order to align the same with the applicable provisions of the Companies Act, 2017 as well as all the other applicable Laws, Rules, and Regulations.

FURTHER RESOLVED THAT the Chief Executive Officer and the Company Secretary of the Bank be and are hereby authorized singly, to do all acts, deeds, and things, take any and all necessary steps, to fulfill the legal, corporate and procedural formalities and file all the necessary documents/returns as deemed necessary on this behalf and the matters ancillary thereto to fully achieve the object of the aforesaid Resolution."
- 10) To consider and approve amendments made in the existing Remuneration Policy for Non-Executive Directors in compliance of the Corporate Governance Regulatory Framework issued by the State Bank of Pakistan vide BPRD Circular No. 05 dated 22 November 2021 and if deemed fit, to pass with or without modification(s) the following Resolution, as an Ordinary Resolution



“RESOLVED THAT on the recommendation of the Board of Directors made in its 191st and 196th meetings both convened on 24 March 2022 and 22 February 2023 respectively, amendments made in the existing Remuneration Policy for the Non-Executive Directors be and are hereby reviewed and approved effective from 24 March 2022 and 21 February 2023 respectively, in compliance of the Corporate Governance Regulatory Framework issued by the State Bank of Pakistan vide BPRD Circular No. 05 dated 22 November 2021.”

Statements under Section 166(3) of the Companies Act, 2017 for Item No.4 and under Section 134(3) in respect of the Special Business contained in Items No.7, 8, 9, & 10 are Annexed. Further, disclosure requirements as stipulated in S.R.O.423(I)/2018 dated 03 April 2018 have also been complied with under the respective Agenda Items.

BY ORDER OF THE BOARD

Muhammad Altaf Butt
Company Secretary

Lahore: 22 February 2023

NOTES:

1. The Share Transfer Books of Soneri Bank Limited (the “Bank”) will remain closed from 21 March 2023 to 27 March 2023 (both days inclusive). Transfers received in order at the office of our Shares Registrar M/s. THK Associates (Pvt.) Ltd., Plot No. 32-C, Jami Commercial Street 2, DHA, Phase-7, Karachi – 75500, Pakistan, by the close of business on 20 March 2023, will be considered in time for the purpose of attending and voting in the Annual General Meeting as well as entitled to the payment of cash dividend.
2. 2.1. In accordance with Section 159 (1) of the Companies Act, 2017 (“the Act”), the number of Directors to be elected has been fixed as seven (7). The retiring Directors are eligible to offer themselves for re-election. The President & Chief Executive Officer shall continue to be a deemed Director in terms of Article 54 of the Articles of Association of the Bank read with Sub-section (3) of Section 188 of the Act.
2.2. Any person/member, whether major shareholder or minority shareholder, who seeks to contest the election to the office of a Director (“the Candidate”), whether he/she is a retiring Director or otherwise, is encouraged to file with the Company Secretary of the Bank at its Central Office, 10th Floor, PNSC Building, M.T. Khan Road, Karachi, not later than fourteen (14) days before the date of the meeting at which the elections are to be held, the following documents:
 - (a) Notice of his/her intention to offer himself/herself for the election in terms of Section 159(3) of the Act. The Candidate should also confirm that:
 - (i) He/She is not ineligible to become a Director of the Bank in terms of Sections 153 and 177 of the Companies Act, 2017 issued by the Securities and Exchange Commission of Pakistan (“SECP”) as well as other applicable Laws, Rules, and Regulations of the State Bank of Pakistan and Pakistan Stock Exchange.
 - (ii) Neither he/she nor his/her spouse is engaged in the business of brokerage or is a sponsor, director, or officer of a corporate brokerage house.
 - (iii) He/She is not serving as a director, or nominated including as an alternate director in more than seven listed companies simultaneously in terms of Regulation (3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“the CCG”) read with Section 155 of the Act.
 - (iv) In case of an Independent Director, a declaration of independence in terms of requirements of Section 166(2) of the Act read with Regulation 6(3) of the CCG as well as the criteria laid down under Appendix-III of “Fit & Proper Test Proforma” contained in the Corporate Governance Regulatory Framework, should be provided.
 - (b) Consent to act as Director in Form 28 under Section 167 of the Act.
 - (c) A detailed profile of the Candidate including his/her office address (the same shall be placed on the Bank’s website as per requirements of SECP’s notification S.R.O.1196 (I)/2019 dated 3 October 2019).
 - (d) Fit and Proper Test proforma, affidavit on non-judicial stamp paper, declarations, and questionnaire as per the requirement of SBP Corporate Governance Regulatory Framework.
 - (e) Attested copy of CNIC/passport and degrees/certificates, if not already provided.
 - (f) Attested copy of income tax clearance certificate/latest acknowledgement of tax return submission.
- 2.3 The Candidate shall undertake and confirm to the Bank in addition to confirmations made under Para 2.2 (a) above, that such person fulfills all the requirements and criteria for being elected to the office of a Director of the Bank and that such person does not violate any of the provisions or conditions prescribed by SBP for holding such office and further that such person shall fully comply with all the SBP directives issued or to be issued by the SBP in the form of circulars, notifications, directions, letters, instructions, and other orders. In addition, he/she will also be evaluated on the basis of the Bank’s “Standing Operating Procedure (“SOP”) for conducting prior Self-assessment for Prospective Sponsor Shareholder and Appointment of Director on the Board of the Bank” and may be asked to provide such further information, as may be deemed necessary.

It is also pertinent to highlight that under the SBP regulations, a person is not permitted to be a Director of more than one financial institution (save for NIT nominee), and that the Director shall not assume the charge of the respective office unless his/her FPT is cleared by the SBP in writing. In case of re-appointment for the next term, a Board member, to whom FPT clearance had earlier been granted by the SBP in the previous consecutive term, may attend Board/Committee(s) meeting(s) during the pendency of his/her fresh FPT clearance with the SBP unless otherwise directed by the SBP.

As per the Articles of Association of the Bank, a Director is required to hold at-least 500 qualification shares of the Bank in his/her own name, except for a nominee Director. The Candidate is required to advise his/her Folio/CDC sub Account and Participant ID numbers.

Further, the Minority Shareholder who qualifies the criteria as enlisted in the above paras shall be encouraged to contest the election of Directors and shall be facilitated in terms of the requirements of Regulation 5 of the CCG.

A copy of the relevant documents may be obtained from the office of the Company Secretary of the Bank or may be downloaded from the websites of SECP and SBP.

3. Participation in AGM – Physically / Virtually

AGM will be convened on the 2nd Floor, 307-Upper Mall Scheme, Lahore. However, in view of the regulatory instructions, a virtual facility (Zoom link) shall also be provided to the shareholders desirous to attend the meeting virtually. In order to attend the meeting through video-link, members and their proxies are requested to register themselves by sharing the requested particulars through link **AGM/Corporate Briefing Session Registration Form - Soneri Bank Limited**. Further, a valid copy of the Computerized National Identity Card (“CNIC”), both sides/Passport, or the attested copy of the Board Resolution/Power of Attorney (in case of corporate shareholders) shall also be required to be emailed at cs@soneribank.com by 20 March 2023.

Post due verification of the information, the members who are registered with us shall be sent a video link by the Bank to their registered email address. The Login facility will remain open from the start of the meeting till its proceedings are concluded. The shareholders who wish to send their comments/ suggestions on the agenda of the AGM can email us at cs@soneribank.com. The Bank shall ensure that comments/ suggestions of the shareholders will be read out at the meeting and the responses will be made part of the minutes of the meeting.

4. Members’ Right to Appoint Proxy

A member of the Bank is entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. Proxies, in order to be effective, must be received at our email cs@soneribank.com or at the Registered Office of the Bank located at 2nd Floor, 307-Upper Mall Scheme, Lahore-54000 not less than 48 hours before the time of the meeting. Proxy form shall be duly signed and stamped and witnessed by two persons whose names, addresses, and CNIC numbers shall be mentioned on the form. Proxy form, both in English and Urdu language is being separately sent to the members, along with the Notice of AGM. Further, proxy form may also be downloaded from the following link:-
<https://www.soneribank.com/about-us/investor-relations/shareholders-information/>

5. Change in Address

Shareholders are requested to notify change in their addresses, if any, to our Share Registrar M/s. THK Associates (Pvt.) Ltd., Plot No.32-C, Jami Commercial Street 2, DHA, Phase -7, Karachi – 75500, Pakistan.

6. CNIC/NTN Number on Electronic Dividend (Mandatory)

As per S.R.O.831(1)/2012 dated 05 July 2012 issued by SECP, the electronic Dividend should also bear the CNIC number of the registered shareholder.

As per Regulation No.6 of S.R.O. 1145(1)/2017 dated 06 November 2017, the Bank shall be constrained to withhold the payment of dividend to the shareholders, in case of non-availability of identification number (CNIC or NTN) of the shareholder or the authorized person.

Accordingly, the shareholders, who have not yet submitted a copy of their valid CNIC or NTN, are once again requested to immediately submit the same to the Share Registrar.

7. Transmission of Audited Financial Statements & Notice of Annual General Meeting Through E-Mail and CD/DVD

SECP through its Notification No.S.R.O.787(1)2014 dated 08 September 2014, has allowed companies to circulate their annual balance sheet and profit & loss account, auditor’s report and directors’ report etc. (“Audited Financial Statements”) along with Notice of AGM (“Notice”) to their shareholders through email. The shareholders who wish to receive Annual Audited Financial Statements and Notice of AGM through email are requested to fill the consent form given in the link mentioned below and return it to our Share Registrar.
<https://www.soneribank.com/about-us/investor-relations/shareholders-information/>

In terms of SECP S.R.O. No. 470(I)/ 2016 dated 31 May 2016 and its subsequent approval in the 25th AGM of the Bank held on 28 March 2017, the Annual Report is being transmitted to shareholders through CD/DVD instead of sending in book form/hard copy. However, the Bank will provide one hard copy free of cost to the requesting shareholder at their registered address within one week of the request.



8. Deduction of Tax on Cash Dividend Income

The shareholders are hereby informed that pursuant to the amendments in Section 150 of the Income Tax Ordinance, 2001 through Finance Act, 2020, Income Tax will be deducted at source @15% for person appearing in the Active Tax Payers' List ("ATL") and @30% for person not appearing in the ATL [determined as per ATL available on Federal Board of Revenue's ("FBR") website] from the dividend amount, if any.

In case of a joint account, each holder is to be treated individually as either a filer or non-filer, and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows to our Share Registrar. In case no such

Bank Name	Folio/CDS A/c No.	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

The CNIC number/NTN details are now mandatory and are required for checking the tax status as per the ATL issued by the FBR from time to time.

9. Payment of Cash Dividend through Electronic Mode (Mandatory)

In terms of Section 242 of the Act and Companies (Distribution of Dividends) Regulations, 2017, every listed company is required to pay dividend, if any, to their shareholders compulsorily through electronic mode by directly crediting the same in their bank account.

In this respect, the Bank has previously communicated this requirement to the shareholders individually along with newspaper publications requesting to provide the International Bank Account Number ("IBAN"); however response from very few shareholders was received.

Shareholders are again requested to update their record. In this connection, CDC shareholders may submit their IBAN details to their investor account services or their brokers where shares are placed electronically. In case of physical holding, the shareholders are requested to submit their bank mandate details to the Bank's Share Registrar. For providing the Bank Mandate details to CDC/Share Registrar, the requisite form may be downloaded from the Bank's website, direct link of which is:
https://www.soneribank.com/wp-content/uploads/2020/03/Mandate_Form.pdf

10. Unclaimed Dividends and Shares

Pursuant to Section 244 of the Act, any shares issued or dividends declared by the Bank, which remain unclaimed or unpaid for a period of three years from the date they became due and payable shall rest with the Federal Government after compliance of procedures prescribed under the Act. In this respect, we had already initiated the process and concerned shareholders were advised vide our letter dated 04 October 2017 followed by a reminder on 08 June 2021, to claim their unclaimed dividends/shares. Post submission of this notice, every year shareholders have been continuously communicated requirements of Section 244 to claim their pending entitlements vide Notice of AGM, but only few shareholders have lodged their claims.

In order to further this process, a "Final Notice of Unclaimed Shares and Dividends to vest with the Federal Government" was published in the daily Business Recorder and the Nawa-i-Waqt on 01 February 2021 in their countrywide circulations. This notice was also posted to the PSX for information of all the stakeholders in addition to placement of the same on the website of the Bank.

A reminder letter has again sent to the Shareholders on 20 January 2023, requesting them to claim their pending entitlements as well as update their records. In case no reply is received, the Bank shall proceed ahead in terms of requirement of Section 244(2) (a) & (b) of the Act. Statement of such unclaimed dividends/shares is available on the Bank's website, which may be accessed by surfing the following link:
<https://www.soneribank.com/about-us/investor-relations/shareholders-information/>

11. Deposit of Physical Shares into CDC Account

The SECP, through its letter No.CSD/ED/Misc/2016-639-640 dated 26 March 2021, has advised the listed companies to adhere with the provisions of the Section 72 of the Act, which requires all the existing companies to replace shares issued by them in Physical Form with shares to be issued in Book-Entry Form in a manner as may be specified and from the date notified by the SECP but not exceeding four years from the date of promulgation of the Act.

Shareholders were apprised about this requirement vide our letter dated 08 June 2021 followed by a reminder letter dated 20 January 2023. Further, we are also continuously informing our shareholders, since this requirement was first inserted in the Act, along with the benefits of maintaining their shares in scrip-less form vide AGM Notices, are hereby again advised to open CDC sub-account with any of the brokers or Investor Account directly with the CDC, to place their shares in scrip-less form. This will facilitate them in many ways; including safe custody and sale of shares at any time they want, as the trading of physical shares is not permitted as per existing regulations of PSX and avoidance of formalities required for issuance of duplicate shares.

12. Video Conference Facility for Attending Annual General Meeting

The members who wish to attend AGM via video conference, may send their consent on the below format to the Bank at its registered office address.

If the Bank receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least seven (7) days prior to date of the meeting, the Bank will arrange video conference facility in that city subject to availability of such facility in that city.

The Bank will intimate members regarding venue of video-link facility at least five (5) days before the date of the AGM along with complete information necessary to enable them to access such facility.

Consent Form for Video Conference Facility	
"I/We -----of-----, being a member of Soneri Bank Limited, holder of-----	
Ordinary shares as per registered Folio/CDC Account No.-----hereby opt for video conference facility at-----	
------(geographical location).	
	_____ Signature of Member

13. Requirement of Companies (Postal Ballot) Regulations, 2018

Pursuant to Companies (Postal Ballot) Regulations, 2018, for any other agenda item subject to the requirements of Section 143 and 144 of the Act, members present in person, through video-link or by proxy, and having not less than one-tenth of the total voting power can also demand a poll and exercise their right of vote through postal ballot, that is voting by post or through any electronic mode (e-Voting), in accordance with requirements and procedure contained in the aforesaid regulations.

14. Placement of AGM Notice and Financial Statements on the Bank's website

Notice of 31st AGM along with Annual Report of the Bank for the year ended 31 December 2022 including financial statements and other mandatory reports, have also been made available on the Bank's website www.soneribank.com, in addition to its dispatch to the shareholders through CD/DVDs in line with the regulatory requirements. AGM notice was also published in the newspapers in addition to its notification to the PSX.

Statement under Section 166(3) of the Companies Act, 2017

Agenda Item No. 4

Election of Directors of the Bank in accordance with the provisions of Section 159(1) of the Companies Act, 2017

Statement under Section 166(3) of the Companies Act, 2017 in respect of Election of Independent Directors of the Bank:

Independent Directors will be elected through the process of election of Directors in terms of Section 159 of the Act and they shall meet the criteria laid down under Section 166(1 & 2) of the Act read with Regulation 6(3) of the CCG as well as criteria given in Appendix-III of "Fit & Proper Test Proforma" contained in Corporate Governance Regulatory Framework.

Further, disclosure requirements as stipulated in SRO 1196(I)/2019 dated 03 October 2019 pertaining to Election of Directors shall be duly complied with.

Statements under Section 134(3) of the Companies Act, 2017 and S.R.O.423(I)/2018 dated 03.04.2018

These statements set out the material facts concerning the special business to be transacted at Thirty First (31st) Annual General Meeting of Soneri Bank Limited to be held on 27 March 2023.

Agenda Item No. 7

Increase in the Authorized Share Capital of the Bank

Board of Directors in its 193rd meeting convened on 28 August 2022 have proposed to increase the Authorized Share Capital of the Bank from existing Rs 18,000,000,000 (Rupees Eighteen Billion) to Rs 21,000,000,000 (Rupees Twenty One Billion) by the creation of 300,000,000 new ordinary shares of the face value of Rs 10/- each.

Purpose of making this cushion available for further issue of Capital, is to comply with the Basel-III guidelines of the State Bank of Pakistan communicated vide BPRD Circular No. 06 dated 15 August 2013, which require the banks to fulfill conditions of loss absorbency, with which the TFC issuer should highlight the maximum number of shares to be issued in case Point of Non-viability (PONV) is reached.

Statement under S.R.O.423(I)/2018 dated 03.04.2018

Reasons for Alteration in Authorized Share Capital	In order to create cushion to accommodate further issuance of shares, in case Point of Non-viability (PONV) is reached in accordance with Basel-III guidelines of State Bank of Pakistan BPRD Circular No. 06 dated 15.08.2013.
Existing Share Capital	Rs 18,000,000,000 (Rupees Eighteen Billion) divided into 180,000,000 Shares having face value of Rs. 10 each.
Amount with which Authorized Share Capital is proposed to be increased.	Rs 3,000,000,000 (Rupees Three Billion) divided into 300,000,000 Shares having face value of Rs. 10 each.



Agenda Item No. 8

To consider and approve the conversion terms of Tier 2 Term Finance Certificates (TFC-III) of the Bank, issued in 2022 in the amount of Rs 4,000,000,000 (Rupees Four Billion) into Ordinary Shares of the Bank upon occurrence of a conversion event, if so required by the State Bank of Pakistan.

In order to contribute towards its Tier 2 Capital, Soneri Bank Limited (the “Bank”) has issued on 26 December 2022 redeemable capital in the form of Term Finance Certificates (“TFCs”) amounting to Rs. 4,000,000,000/- (Rupees Four Billion), pursuant to the terms of the TFC Issuance Agreement in accordance with the Basel III Capital Instructions issued by SBP vide BPRD Circular No. 6 dated 15 August 2013. Pursuant to the Basel III Capital Instructions, if SBP determines that a Point of Non-Viability (“PONV”) has occurred, it may direct a bank to convert its Tier 2 Capital instruments (or any part thereof), including TFCs, into ordinary shares of the bank at such time or times and for such consideration and on such terms and conditions as may be determined by SBP, under and pursuant to and in accordance with the Basel III Capital Instructions and any other instructions issued by SBP. In accordance with the requirements of SBP Circular, the Bank has agreed with the SBP for the issuance of a maximum of 484,000,000 ordinary shares (i.e. Four Hundred and Eighty Four Million) against the Tier 2 (TFC - III), in case of occurrence of the conversion events.

In order to proceed with issuance of these additional shares under PONV, the Bank will be required to obtain prior approvals including seeking of approval of the Securities and Exchange of Pakistan in accordance with Section 83(1)(b) of the Companies Act, 2017.

Additional information required to be disclosed as per applicable laws and regulations as well as under S.R.O.423(I)/2018 dated 03 April 2018, is as follows:

Name of the persons to whom shares will be issued	The shares will be issued to the TFC Holders (at that time).
Price at which the proposed shares will be issued	At a price equivalent to market value of the shares of the Bank on the date of trigger of PONV as declared by SBP.
Purpose of the issue, utilization of the proceeds of the issue and benefits to the Bank and its shareholders with necessary details	The funds raised through the TFC issue will contribute towards the Bank’s Tier II Capital as per the Basel III Guidelines set by the SBP. The proceeds from the issue will be utilized for the Bank’s on-going banking operations as permitted by its Memorandum of Association. In the case of a PONV event, the shares so converted will be offered to the TFC holders (at that time) other than by way of rights in accordance with Section 83(1)(b) of the Companies Act 2017.
Existing shareholding of the persons to whom the proposed shares will be issued	Not Applicable
Total shareholding of the persons after the proposed issue of shares	Not Applicable
Whether the persons have provided written consent for purchase of such shares	The terms of the TFC Issuance Agreement for the TFC issue contain the details regarding such conversion.
Justification as to why proposed shares are to be issued otherwise than rights and not as rights shares	This is in accordance with the requirements of SBP vide its Circular No. 6 of Banking Policy and Regulation Department (“BPRD”) dated 15 August 2013.
Justification, with details of the latest available market price and break-up value per share, if such price differs from par value	Not Applicable
Details of the average market price during the last 3 (three) months and 6 (six) months preceding the Board announcement as well as the latest available market price	Not Applicable

Therefore, for the purpose of the above, the Board of Directors has recommended that Shareholders may pass the following Resolution, as a Special Resolutions:

“RESOLVED THAT the Term Finance Certificates (“TFCs”) of Soneri Bank Limited in the amount of Rs 4,000,000,000/- (Rupees Four Billion) issued on 26 December 2022 pursuant to the terms of the TFC Issuance Agreement for the purpose of Tier 2 Capital under Basel III Capital Instructions of the State Bank of Pakistan (“SBP”), may be converted into ordinary shares of the Bank subject to a maximum of 484,000,000 (i.e. Four Hundred and Eighty Four Million) additional ordinary shares being issued upon such conversion, if so directed by SBP on the occurrence of a point of non-viability as determined by SBP, at a price equivalent to the market value of the shares of the Bank on the date of trigger of the point of non-viability as declared by SBP, in accordance with the applicable rules and regulations of SBP, and all such ordinary shares shall be issued other than by way of rights in accordance with Section 83(1)(b) of the Companies Act, 2017 and shall further be subject to the approval of Securities and Exchange Commission of Pakistan in accordance with Section 83(1)(b) of the Companies Act, 2017.

FURTHER RESOLVED THAT the Board of Directors of the Bank (“the Board”) or such officers or officers of the Bank as may be authorized by the Board, be and are hereby authorized to take all steps necessary, ancillary, and incidental to the above-mentioned conversion, as and when required, and are further authorized to sign, execute, and deliver all necessary documents, agreements, and letters on behalf of the Bank, as may be deemed appropriate and as may be required for the purposes above-mentioned.”

The ordinary shares issued will rank pari passu in all respects with the existing shares of the Bank.



Agenda Item No. 9

To consider and approve amendments made in existing Articles of Association of the Bank

The existing Articles of Association of Soneri Bank Limited (“Bank”) were required to be revised to align it with legislative changes and requirements brought about by the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations 2017 read with Securities Act 2015, Pakistan Stock Exchange Rules, other applicable laws, rules & regulations and ensure its conformity with the Banking Companies Ordinance 1962, and various other requirements of State Bank of Pakistan.

Statement under S.R.O.423(I)/2018 dated 03.04.2018

Comparative analysis of existing clause with proposed amendment along with reasons for the change.	Comparative analysis of each clause along with reasons of change, is annexed with this Notice as Annexure –I.
Reasons for each change in the Articles of Association.	
Statement from the Board	Board of Directors in its 195th meeting held on 28 December 2022 has reviewed each of the change in Articles of Association of the Bank along with justification and agreed so as to bring them in conformity with the applicable regulatory requirements subject to approval by the Shareholders in 31st Annual General Meeting scheduled to be convened on 22 March 2023.

Soft copy of the comparative analysis of Articles of Association of the Bank as referred above is available on the Bank’s website.

<https://www.soneribank.com/about-us/investor-relations/shareholders-information/>. Further, this has also circulated to the shareholders as annexure to the notice of Annual General Meeting.

Agenda Item No. 10

Approval of amendments made in existing Remuneration Policy for Non-Executive Directors

In compliance with the requirements of BPRD Circular No. 3 dated 17 August 2019 (now superseded by Corporate Governance Regulatory Framework) issued by State Bank of Pakistan, the Bank had formed the “Remuneration Policy for Non – Executive Directors” which was approved by the Shareholders in their 28th AGM convened on 26 March 2020, which was subsequently amended in 30th AGM held on 25 March 2022.

In the current Policy, Board in its 191st meeting convened on 24 March 2022 has recommended to amend clause 3.1 by upward revising the scale of remuneration for attending the Board and Board Committee Meetings keeping in view the precious time the Non-executive Director give to the Bank as well as the rising trend of inflation. In this respect, shareholders have also entrusted authority to the Board to determine, alter or revise the scale of remuneration approved by them by abiding the maximum thresholds prescribed by the State Bank of Pakistan in their 28th AGM convened on 26 March 2020. Followings are the amendments being recommended by the Directors in the subject Policy:-

Clause 3.1

- Meeting Fee for Non–Executive Directors including Independent Directors other than the Chairman of the Bank and Committees’ Chairmen.
 - From existing Rs 150,000/- to Rs 250,000/- per meeting (gross).
- Meeting Fee for Chairman of the Bank and Committees’ Chairmen
 - 20% additional Meeting Fee i.e. (Rs 250,000 + Rs 50,000) Rs. 300,000/- per meeting.
- Effective from 24 March 2022.

Considering the current hyperinflation, Board in its 196th meeting convened on 22 February 2023 has further increased the scale of remuneration for attending the Board and Board Committee Meetings, as per below:-

Clause 3.1

- Meeting Fee for Non–Executive Directors including Independent Directors other than the Chairman of the Bank and Committees’ Chairmen.
 - From existing Rs 250,000/- to Rs 300,000/- per meeting (gross).
- Meeting Fee for Chairman of the Bank and Committees’ Chairmen
 - 20% additional Meeting Fee i.e. (Rs 300,000 + Rs 60,000) Rs. 360,000/- per meeting.
- Effective from 21 February 2023.

Revised Policy is being presented before the Shareholders for their approval in compliance of the Corporate Governance Regulatory Framework issued by the State Bank of Pakistan vide BPRD Circular No. 05 dated 22 November 2021.

We confirm that there is no other change being proposed in this Policy for approval of the Shareholders, that would require explicit disclosure.

Inspection of Documents

The copies of the latest annual audited financial statements, Memorandum & Articles of Association, Remuneration Policy for Non-Executive Directors and other documents / information have been kept at the registered office of the Bank which may be inspected on any working day during business hours till the date of 31st Annual General Meeting.

Interest of Directors

The Directors of the Bank have no direct or indirect interest in the above mentioned special businesses that would require further disclosure except to the extent of their meeting fee as well as shareholding in the Bank.

FINANCIAL CALENDAR



Financial Calendar for the Year 2022:

1 st Quarter Results issued on	26 April 2022
2 nd Quarter Results issued on	28 August 2022
3 rd Quarter Results issued on	27 October 2022
Annual Results issued on	22 February 2023
31 st Annual General Meeting scheduled to be held on	27 March 2023

Financial Calendar for the Year 2021:

1 st Quarter Results issued on	28 April 2021
2 nd Quarter Results issued on	24 August 2021
3 rd Quarter Results issued on	26 October 2021
Annual Results issued on	17 February 2022
30 th Annual General Meeting held on	25 March 2022

PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS

AS ON 31 DECEMBER 2022

No. of Shareholders	From	To	Total Shares Held	Percentage
937	1	100	32075	0.0029
1220	101	500	333186	0.0302
1046	501	1000	827867	0.0751
1977	1001	5000	4500680	0.4082
1371	5001	10000	11254253	1.0208
539	10001	15000	6328716	0.5741
142	15001	20000	2482667	0.2252
67	20001	25000	1536869	0.1394
29	25001	30000	794626	0.0721
37	30001	35000	1223218	0.1110
18	35001	40000	678523	0.0615
10	40001	45000	424863	0.0385
19	45001	50000	918511	0.0833
17	50001	55000	894823	0.0812
11	55001	60000	631353	0.0573
6	60001	65000	369002	0.0335
4	65001	70000	268647	0.0244
8	70001	75000	580234	0.0526
6	75001	80000	464493	0.0421
4	80001	85000	330816	0.0300
2	85001	90000	175470	0.0159
7	90001	95000	654902	0.0594
11	95001	100000	1091054	0.0990
2	100001	105000	205729	0.0187
3	105001	110000	322858	0.0293
4	110001	115000	448563	0.0407
3	115001	120000	355791	0.0323
4	120001	125000	488026	0.0443
1	125001	130000	129000	0.0117
3	130001	135000	399224	0.0362
1	135001	140000	137875	0.0125
2	140001	145000	283664	0.0257
3	145001	150000	447502	0.0406
1	155001	160000	159950	0.0145
4	160001	165000	652848	0.0592
3	170001	175000	516190	0.0468
1	175001	180000	178000	0.0161
2	185001	190000	377835	0.0343
2	195001	200000	400000	0.0363
2	200001	205000	403502	0.0366
1	210001	215000	214864	0.0195
1	225001	230000	230000	0.0209
1	235001	240000	235962	0.0214
2	240001	245000	486269	0.0441
1	245001	250000	249000	0.0226
1	260001	265000	264000	0.0239
1	270001	275000	273493	0.0248
1	285001	290000	287342	0.0261
1	290001	2950003	291035	0.0264
2	295001	00000	595838	0.0540
1	335001	340000	337000	0.0306



No. of Shareholders	From	To	Total Shares Held	Percentage
2	350001	355000	708209	0.0642
1	365001	370000	366300	0.0332
1	395001	400000	400000	0.0363
1	410001	415000	412873	0.0374
1	415001	420000	416085	0.0377
2	460001	465000	925571	0.0840
1	500001	505000	504134	0.0457
1	570001	575000	571046	0.0518
2	600001	605000	1208661	0.1096
1	620001	625000	620500	0.0563
1	635001	640000	636427	0.0577
2	695001	700000	1399000	0.1269
1	795001	800000	800000	0.0726
1	995001	1000000	996000	0.0903
1	1040001	1045000	1040500	0.0944
1	1065001	1070000	1070000	0.0971
1	1125001	1130000	1129647	0.1025
1	1220001	1225000	1225000	0.1111
1	1615001	1620000	1618500	0.1468
1	1945001	1950000	1948500	0.1767
1	1995001	2000000	2000000	0.1814
1	2765001	2770000	2766216	0.2509
3	2995001	3000000	9000000	0.8164
1	3400001	3405000	3400150	0.3084
1	3440001	3445000	3441416	0.3122
1	3500001	3505000	3501000	0.3176
1	3590001	3595000	3591580	0.3258
1	4255001	4260000	4257000	0.3861
1	4645001	4650000	4649000	0.4217
1	4650001	4655000	4650500	0.4218
2	4995001	5000000	10000000	0.9071
1	5040001	5045000	5044000	0.4575
1	5490001	5495000	5494500	0.4984
1	5995001	6000000	5996522	0.5439
1	8430001	8435000	8430965	0.7647
1	9475001	9480000	9477018	0.8596
1	13545001	13550000	13546734	1.2288
1	16265001	16270000	16267000	1.4755
1	22290001	22295000	22291500	2.0220
1	24630001	24635000	24631642	2.2342
1	37280001	37285000	37280242	3.3815
1	37505001	37510000	37508988	3.4023
1	43130001	43135000	43133684	3.9125
1	48445001	48450000	48449500	4.3947
1	51385001	51390000	51386588	4.6611
1	53695001	53700000	53700000	4.8709
1	86005001	86010000	86008806	7.8015
1	101755001	101760000	101759549	9.2302
1	109205001	109210000	109208514	9.9059
1	307425001	307430000	307425706	27.8853
Total	7599		1,102,463,481	100.000

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouses and minor children			
DIRECTORS			
Mr. Alauddin Feerasta	2	10,080,679	0.9144
Mr. Nooruddin Feerasta	1	14,048	0.0013
Mr. Ahmed A. Feerasta	1	5,401	0.0005
Mr. Muhammad Rashid Zahir	1	10,065	0.0009
Mr. Jamil Hassan Hamdani	1	1,000	0.0001
Ms. Navin Salim Merchant	1	1,000	0.0001
CHIEF EXECUTIVE OFFICER			
Mr. Muhtashim Ahmad Ashai		-	-
DIRECTORS' SPOUSES AND MINOR CHILDREN			
Mrs. Aziza A. Feerasta w/o Mr. Alauddin Feerasta	1	5,401	0.0005
Mrs. Aymna N. Feerasta w/o Mr. Nooruddin Feerasta	1	7,021	0.0006
	9	10,124,615	0.9184
Associated Companies, undertakings and related parties			
Trustees Alauddin Feerasta Trust	2	393,434,512	35.6869
Trustees Feerasta Senior Trust	2	160,595,102	14.5669
Trustees Alnu Trust	2	80,413,926	7.2940
Mr. Amir Feerasta	2	62,140,630	5.6365
Executives	2	625,901	0.0568
<u>National Investment Trust Limited (NIT) and ICP</u>			
NIT	2	102,458,549	9.2936
Banks, Development Financial Institutions, Non Banking Financial Institutions.	13	76,294,813	6.9204
Insurance Companies	3	13,562,912	1.2302
Modarabas	3	4,813	0.0004
<u>Mutual Funds</u>			
Safeway Mutual Fund Ltd.	1	6,820	0.0006
Tri-Star Mutual Fund Ltd.	1	276	0.0000
Crescent Standard Business Mgt. (Pvt.) Ltd.	1	1	0.0000
Joint Stock Companies	44	60,062,043	5.4480
Foreign Companies	6	45,216	0.0041
Others	9	3,734,946	0.3388
General Public:			
a) Local	6,329	131,020,101	11.8843
b) Foreign	1,168	7,938,305	0.7201
Total:	7,599	1,102,463,481	100



Shareholders Holding Five Percent or More Voting Interest in the Bank

	Shares Held	Percentage
Trustees Alauddin Feerasta Trust	393,434,512	35.6869
Trustees Feerasta Senior Trust	160,595,102	14.5669
National Investment Trust Limited (NIT) and ICP	102,458,549	9.2936
Trustees Alnu Trust	80,413,926	7.2940
Mr. Amir Feerasta*	62,140,630	5.6365
Total:	<u>799,042,719</u>	<u>72.4779</u>

* Voting rights on shares are restricted up to five percent only.

Trading in shares during the year 2022:

Directors CEO, CFO, HOA, Company Secretary and Executives-NIL.

Notes:

- There has been no trade in the shares of the Bank carried out by its Directors, CEO, CFO, HOA, Company Secretary, Executives, their spouses and minor children, and substantial shareholders.
- For the purposes of clause 5.6.1 and 5.6.4 of the Rule Book of Pakistan Stock Exchange Ltd. (PSX), the expression "executive" means the CEO, Chief Operating Officer, Chief Financial Officer, Head of Internal Audit and Company Secretary by whatever name called, and other employees of the Bank with banking grade EVP and above.

CODE OF CONDUCT

This Code of Conduct (Code) outlines the principles, policies, and laws that govern the activities of Soneri Bank Limited (Bank), and to which the Board members, employees and others who work with the Bank or represent the Bank directly or indirectly must adhere. All employees are required to read, understand, sign, and follow the Code of Conduct.

Soneri Bank Limited (Bank) expects all of its employees to act in full compliance with the policies and guidelines set forth in this Code of Conduct. It is the employee's responsibility to make oneself familiar with the following and other policies related to their own business unit:

1. No employee shall engage directly or indirectly, in any other business but shall faithfully and diligently, perform the duties entrusted to him/her from time to time and devote maximum time and attention to the work of the Bank, and ensure his/her best endeavours to promote its interest and welfare. Neither shall take up any activity which will bring him/her any reward or remuneration or benefit, directly or indirectly other than from the job at the Bank.
2. No employee or his/her immediate family shall enter into speculative and trading activity in stocks, shares, bonds, or any other securities or commodities, either on his/her own account or that of any other person, firm, company nor shall involve in other speculative activity(ies) including betting/gambling. Further, an employee and his/her immediate family shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Bank, which is not in the public domain and thus constitutes inside information. All the employees are required to comply with the applicable company law on the prevention of inside trading.
3. No employee shall accept any presents either in cash or kind from the Bank's clients, suppliers, vendors and contractors or others, by way of illegal gratification or otherwise. Any such instance where business judgement has been compromised due to such monetary or non-monetary gifts will be considered a violation of this code. Accepting gifts and benefits that may appear as engaging others in bribery or influencing for consideration for an official or business favour is prohibited.
4. No Employee shall give or take bribes or engage in any form of corruption.
5. No payment or transaction should be made or undertaken, by an employee or authorised or instructed to be made or undertaken by any other person or the Bank if the consequence of that transaction or payment would be the violation of any law in force.
6. No employee shall take part in, subscribe to, be of any aid to, assist in or take part in, any political activity whatsoever. No employee shall canvass or otherwise, interfere or use his/her influence in connection with or take part in any election to a legislative or local body, whether in Pakistan or elsewhere. Provided that a Bank employee who is qualified to vote at such an election may exercise his/her right to vote.
7. An employee must not peruse such outside business activity(ies) and relationships using the Bank's resources (including but not limited to physical space, office supplies, office communication equipment or time) or allow any outside business, civic or charitable activities to interfere with his/her job performance. The employee must never compromise on integrity, either for personal or professional benefit. Each employee is also personally responsible for the integrity of the information, reports, and records under his/her control.
8. The employee shall not commit any act of subversion or misconduct or misbehaviours; and will also not act in any manner, which could be prejudicial or detrimental to the interest of the Bank. The Bank shall be entitled to dispense with the services of any employee, at any time, per the law of his/her employment and/or repeated negligence, disobedience, dishonesty, breach of trust, acts of any other misconduct or subversion, without any notice.
9. The employee shall avoid, during his/her employment or thereafter, disclosing or divulging to any person whomsoever any information relating to the Bank or its customers, suppliers, employees or any confidential information which he/she may have access to while being in the service of the Bank. All Employees shall be bound to protect the confidentiality of the non-public information at all times.
10. Notwithstanding anything contained hereinabove every employee will abide by all the laws of the land including Labour Laws where applicable.
11. Employees are expected to be at work on time every business day. In the event that an employee is absent or late due to illness, accident or personal reasons, he/she is required to inform his/her supervisor as soon as possible so that the department may make other arrangements for substitute help while the employee is away.
12. In case of resignation every employee will have to attend to his/her duties until the resignation is accepted and the employee is properly relieved by the competent authority. In case he/she fails to attend his/her duty after tendering resignation, the resignation will not be considered and he/she may be dealt with according to the relevant HR Policy.
13. All employees are expected to comply with ethical standards as a critical element of their responsibilities. It is encouraged to raise possible ethical issues and the Bank prohibits any retaliatory action against any individual for raising legitimate concerns regarding ethics, discrimination or harassment matters or for reporting suspected violations. In case of any issue that has been reported, an investigation/inquiry shall be held, and all employees are required to fully cooperate with any appropriately authorised internal or external investigations.
14. Employees are expected to dress in a manner consistent with the nature of the work performed. While at work, all employees are expected to dress neatly and appropriately in normal office attire, as per the Dress Code Policy of the Bank. Use of Jeans, T-shirts, shirts without a collar, fancy colour shirts, and



see-through fabrics, clothes with advertising logos or logos promoting offensive messages i.e., cigarettes, alcohol, and/or drugs, joggers, sandals, and slippers are strictly prohibited.

15. All employees are expected to abide by the personal hygiene requirements. This includes taking care of body odour, bad breath, teeth, nails, ears, eyes, nose, hair, hands, feet, and health.
16. All employees are responsible for safeguarding the tangible and intangible assets of the Bank and its customers, suppliers and distributors that are under their control. The Bank's assets may be used only for proper company purposes. Misappropriation, carelessness or waste of the Bank's assets is a breach of one's duty to the Bank and should be avoided at all costs.
17. An employee must not:
 - Steal, embezzle or misappropriate money, funds or anything of value from the Bank, doing so shall subject him/her to potential disciplinary action according to the Bank's policy.
 - Use Bank assets for personal gain or advantage.
 - Remove the Bank's assets from its premises and facilities unless properly authorised by the relevant competent authority.
 - Use the Bank's stationery or corporate documents, Bank's brand name for non-official purposes since such implies endorsement from Soneri Bank.
18. The employee at the time of separation from the Bank should return the Bank's assets, facilities (Blackberry, laptop, mobile, etc.), visiting and Identity Cards, stamps, etc.
19. If employees are supplied with an identification card, this must be worn visibly when on the Bank's premises. Each employee is also responsible for the safekeeping of his/her ID card.
20. The Bank's telephone, e-mail, voice-mail, computer, systems, etc, are primarily for business purposes. Employees may not use these systems in a manner that could be harmful or embarrassing to the Bank. Personal communications using these systems must be kept to a minimum. In case of his/her separation from the Bank, all rights to property and information generated or obtained as part of an employment relationship will remain the exclusive property of the Bank only.
21. Records are very important business assets. The Bank is committed to managing its records in a consistent, systematic, and reliable manner; records provide evidence for business activities and decisions and are often required to meet legal and regulatory requirements. Employees are required to retain the records in accordance with their importance and applicable statutory record retention requirements and Bank policies.
22. The Bank is also committed to accuracy in tax-related records and tax reporting in compliance with the overall intent and applicable laws. Tax returns must be filed on a timely basis and taxes due paid on time.
23. The Bank believes that diversity in the staff is critical to its success and is fully committed to equal employment opportunity, compliance with fair employment practices and non-discrimination laws. The Bank prohibits sexual or any other kind of discrimination, harassment or intimidation, whether committed by or against a supervisor, co-worker, customer, vendor or visitor.
24. Where husbands, wives or other relatives are employed in the same or related areas, no employee should allow personal and/or domestic circumstances to impinge upon or affect either the working relationship or the breach of the Bank's employment regulations regarding confidentiality and fidelity.
25. An employee must never use the Bank's systems to transmit or receive electronic images or text of a sexual nature or containing ethnic slurs, racial epithets or any other material of a harassing, offensive or lewd nature.
26. Selling, manufacturing, distributing, possessing, using or being under the influence of illegal drugs on the job is prohibited.
27. To protect the well-being of the Bank's valued customers and employees, smoking and eating betel leaf within the premises of the Bank is strictly prohibited.
28. All employees must comply with all the applicable health and safety policies.
29. No employee may take unfair advantage of anyone through manipulation, concealment, abuse of confidential information, misrepresentation of facts or other unfair dealing practices.
30. No employee other than the authorised personnel is allowed to publish, make speeches, give interviews or make public appearances that are connected to the Bank's business interests, else approval is required from the HR, Head of Compliance and the President.
31. Employees responsible for buying assets on the Bank's behalf should purchase all goods and services on the basis of quality, price, availability, terms and services. Employees responsible for customer relationships must never lead a supplier or customer to believe that they can inappropriately influence any procurement decisions at the Bank. Employees shall ensure to abide by all the provisions of the Fixed Asset Management and Expenditure Control Policies of the Bank.
32. Real or perceived conflicts of Interest in any process or form should be disclosed and avoided. An employee or any of his/her relatives/associates should not derive any undue personal benefit or advantage by virtue of his/her position or relationship with the Bank. Any dealings with a related party must be conducted in such a way that no preferential treatment is given and adequate disclosures are made as required by the law and as per the applicable policies of the Bank.



33. Employees should also take steps to ensure that business-related paperwork and documents that are produced, copied and faxed are properly filed and stored or if not needed, should be properly discarded to minimise the risk that an unauthorised person might obtain access to confidential information. Access to work areas and systems should also be properly controlled.
34. Employees of the Bank are strictly prohibited to disclose the fact to the customer or any other quarter that a suspicious transaction or related information is being or has been reported to any authority, except if required by law.
35. Employees must be sensitive to any activities, interests or relationships that might interfere with or even appear to interfere with his/her ability to act in the best interests of the Bank and its customers.
36. If any personal investment that affects or appears to affect an employee's ability to make an unbiased business decision for the Bank should be avoided.
37. An employee must notify the authorised person or HR of any business relationship or proposed business transaction the Bank may have with any company in which he/she or a related party has a direct or indirect interest or from which he/she or the related party may derive a benefit. Even if the related party or relative is employed, this may raise conflict of interest. Therefore, it should be avoided.
38. Bank employee and their families are encouraged to use the Bank for their personal financial services' needs.
39. The Code of Conduct is subject to variances, modifications, and amendments, from time to time through the resolution of the Board of Directors.
40. In case of the breach of any of the above 'Code of Conduct', the employee shall be liable to disciplinary action. This shall be without prejudice to any other rights and remedies of the Bank.
41. All employees are responsible to safeguard their passwords and ensure that they maintain honesty and integrity at all times. Password is unique to an individual and its sharing is strictly prohibited. In an event where it is reported that employees have shared their login credentials (User ID/Password) with other employees, both parties would be accountable and liable to strict disciplinary action which may result in termination from employment.

Failure to observe these policies may result in disciplinary action, up to and including immediate termination of employment or any other relationship with the Bank. Furthermore, violations of this Code may also be violations of the law and may result in civil or criminal penalties.

If an employee has any questions about these policies or would like to report a violation of the Code of Conduct, he/she may approach the Head of Compliance Division or the Head of Human Resources for further guidance and advice

DECLARATION: I hereby acknowledge that I have received the 'Code of Conduct' document. I further acknowledge that I have read and clearly understood the standards of conduct contained in the code and will abide by them. If I am found acting in contravention of the standards of the Code, I may be subjected to disciplinary action as per the Policy and Procedures of the Bank.

LIST OF BRANCHES

AS AT 31 DECEMBER 2022



REGISTERED OFFICE

2nd Floor, 307 - Upper Mall Scheme,
Lahore-54000, Pakistan.
Tel. No.: (021) 32444401-05 & 111-567-890

CENTRAL OFFICE

10th Floor, PNSC Building,
M.T. Khan Road Karachi.
Tel. No.: (021) 32444401-5 & 111-567-890
Swift: SONEPKKAXXX

CENTRAL REGION

1. **Main Branch, Lahore**
Tel. No.: (042) 36368141-8 & 111-567-890
2. **Defence Branch, Lahore**
Tel. No.: (042) 35730760-1, 3574616 & 35691037-9
3. **Gulberg Branch, Lahore**
Tel. No.: (042) 35713445-8, 35759273 & 35772294-5
4. **Circular Road Branch, Lahore**
Tel. No.: (042) 37670483, 86, 89 & 37379319
5. **Model Town Branch, Lahore**
Tel. No.: (042) 35889311-2 & 35915666
6. **PECO Road Branch, Lahore**
Tel. No.: (042) 35222306-7, 35203050-1, 35177804 & 35173392
7. **Cavalry Ground Branch, Lahore**
Tel. No.: (042) 36653728-30 & 36619702
- Islamic Banking**
8. **Temple Road Branch, Lahore**
Tel. No.: (042) 36376341, 2 & 6
9. **Allama Iqbal Town Branch, Lahore**
Tel. No.: (042) 37812395-7
10. **Baghbanpura Branch, Lahore**
Tel. No.: (042) 36832811-3
11. **Thokar Niaz Baig Branch, Lahore**
Tel. No.: (042) 35313651, 3 & 4, 35963292-3 & 0317-4484542-3
12. **Ghazi Chowk Branch, Lahore**
Tel. No.: (042) 35188505-7 & 35185661-3
- Islamic Banking**
13. **New Garden Town Branch, Lahore**
Tel. No.: (042) 35940611-616
14. **DHA Phase-III Branch, Lahore**
Tel. No.: (042) 35734081, 2, 3 & 5
15. **Chungi Amer Sadhu Branch, Lahore**
Tel. No.: (042) 35922182, 184 & 186
16. **Johar Town Branch, Lahore**
Tel. No.: (042) 35204191-3
17. **Wahdat Road Branch, Lahore**
Tel. No.: (042) 37424821-7 & 37420591
18. **Gunpat Road Branch, Lahore**
Tel. No.: (042) 37361607-9
19. **Airport Road Branch, Lahore**
Tel. No.: (042) 35700115-8
20. **Timber Market Branch, Lahore**
Tel. No.: (042) 37725353-8
21. **Shahdara Branch, Lahore**
Tel. No.: (042) 37920085, 37941741-3 & 37921743-8
22. **Manga Mandi Branch, Lahore**
Tel. No.: (042) 35383516-9
23. **Badian Road Branch, Lahore**
Tel. No.: (042) 37165390-2
24. **Mughalpura Branch, Lahore**
Tel. No.: (042) 36880892-4
25. **Upper Mall (Corporate) Branch, Lahore**
Tel. No.: (042) 35789346, 49, 51 & 55
26. **Islampura Branch, Lahore**
Tel. No.: (042) 37214394-7
27. **Garhi Shahu Branch, Lahore**
Tel. No.: (042) 36294201-3 & 36376096
28. **Zarrar Shaheed Road Branch, Lahore**
Tel. No.: (042) 36635167-8
29. **Hamdard Chowk Kot Lakhpat Branch, Lahore**
Tel. No.: (042) 35140261-3
30. **Kana Kacha Branch, Lahore**
Tel. No.: (042) 35472222 & 0316-8226316-8
31. **Sabzazar Branch, Lahore**
Tel. No.: (042) 37830881-6
32. **DHA Phase-IV Branch, Lahore**
Tel. No.: (042) 35694156-7
33. **College Road Branch, Lahore**
Tel. No.: (042) 35116435-8
34. **Jail Road Branch, Lahore**
Tel. No.: (042) 35408936-8
35. **Badami Bagh Branch, Lahore**
Tel. No.: (042) 37731601, 2 & 4
36. **Montgomery Road Branch, Lahore**
Tel. No.: (042) 36291013-4
- Islamic Banking**
37. **DHA Phase-VI Branch, Lahore**
Tel. No.: (042) 37180535-7
38. **Bahria Town Branch, Lahore**
Tel. No.: (042) 35976354 & 0316-8226346-9
39. **Expo Centre Branch, Lahore**
Tel. No.: (042) 35314087, 88, 90 & 91
40. **WAPDA Town Branch, Lahore**
Tel. No.: (042) 35187611-2
41. **Shah Alam Market Branch, Lahore** Tel. No.: (042) 37376213-4 & 0316-8226277-8
42. **DHA Phase-V Branch, Lahore**
Tel. No.: (042) 35695678 & 0316-8226322-3
43. **Block-L Gulberg-III Branch, Lahore**
Tel. No.: (042) 35861052-4 & 0316-8226326-7
44. **Walton Road Branch, Lahore**
Tel. No.: (042) 36672305, 0316-8226339, 40 & 41
45. **Faisal Town Branch, Lahore**
Tel. No.: (042) 35170540, 0316-8226335, 7 & 8
46. **Karim Block Branch, Lahore**
Tel. No.: (042) 35417757, 0316-8226412, 3 & 4
47. **Defence Road Branch, Lahore**
Tel. No.: 0316-8226415-8
48. **Safari Garden Branch, Lahore**
Tel. No.: 0317-4484537-9
49. **Raiwind Branch, Lahore**
Tel. No.: (042) 35398661-2 & 0317-4484562-4
50. **Main Boulevard Branch, Gulberg, Lahore**
Tel. No.: (042) 35759924-5 & 0316-8226086-9
- Islamic Banking**
51. **Township Branch, Lahore**
Tel. No.: (042) 35113105
52. **EME Housing Society Branch, Lahore**
Tel. No.: 0318-4178733-4
53. **Lake City Branch, Lahore**
Tel. No.: 0318-4178739
54. **Sundar Industrial Estate Branch, Lahore**
Tel. No.: 0315-4980731 & 0315-4980742
- Islamic Banking**
55. **Allama Iqbal Town Branch, Lahore**
Tel. No.: 0310-4031793 & 0310-4031781
56. **Canal View Co-Operative Housing Society Branch, Lahore**
Tel. No.: 0315-4304582-5

57. 'K' Block Model Town Branch, Lahore
Tel. No.: (042) 35880241-5
58. Lalik Chowk Branch, Lahore
Tel. No.: (042) 35749534-5 & 35707640-1
59. Valencia Town Branch, Lahore
Tel. No.: (042) 35210593-5
60. Shadbagh Branch, Lahore
Tel. No.: (042) 37608161-2
61. DHA Phase-VIII Branch, Lahore
Tel. No.: (042) 37139050-3
62. Park Avenue Branch, Lahore
Tel. No.: 0311-8252472 & 0311-8252376
Islamic Banking
63. Johar Town Branch, Lahore
Tel. No.: (042) 35136006 & 35136009
64. State Life Housing Society Branch, Lahore
Tel. No.: (042) 35800492 & 35800983
65. Khayaban-e-Jinnah Road Branch, Lahore
Tel. No.: (042) 35132290-3
66. Fazaia Housing Scheme Phase-1 Branch, Lahore
Tel. No.:
Islamic Banking
67. Bahria Town Branch, Lahore
Tel. No.:
68. DHA RAYA Branch, Lahore
Tel. No.: 0310-7603237 & 0310-8133237
69. Hadyara Branch, Lahore
Tel. No.:
70. Muridke Branch
Tel. No.: (042) 37166511-4 & 37981100
71. Main Branch, Gujranwala
Tel. No.: (055) 3843560-2 & 111-567-890
Islamic Banking
72. Gujranwala Cantt. Branch, Gujranwala
Tel. No.: (055) 3861931-3 & 5
73. WAPDA Town Branch, Gujranwala
Tel. No.: (055) 4291136-7
74. Kamokee Branch, District Gujranwala
Tel. No.: (055) 6813501-6
75. Sheikhupura Road Branch, Gujranwala
Tel. No.: (055) 4219661-5
76. Eminabad More Branch, Gujranwala
Tel. No.: 0311-8252247 & 0310-2282642-3
77. D.C. Colony Branch, Gujranwala Cantt.
Tel. No.: (055) 3783251-4
78. Wazirabad Branch
Tel. No.: (055) 6603703-4 & 6608555
79. Ghakkar Mandi Branch
Tel. No.: (055) 3832611-2
80. Main Branch, Faisalabad
Tel. No.: (041) 2639873, 7-8 & 111-567-890
81. Peoples Colony Branch, Faisalabad
Tel. No.: (041) 8555714 & 8555720
82. Ghulam Muhammadabad Branch, Faisalabad
Tel. No.: (041) 2680114, 110 & 117
Islamic Banking
83. East Canal Road Branch, Faisalabad
Tel. No.: (041) 2421381-2
84. Civil Lines Branch, Faisalabad
Tel. No.: (041) 2648105, 8 & 11
85. Madina Town Branch, Faisalabad
Tel. No.: (041) 8735551-2 & 0316-8226451-3
86. Jaranwala Branch, Faisalabad
Tel. No.: (041) 4312201-6
87. Samundri Branch, Faisalabad
Tel. No.: (041) 3423983-4
88. Painsera Branch, District Faisalabad
Tel. No.: (041) 2557100-11 & 2574300
89. Killianwala Branch, District Faisalabad
Tel. No.: (041) 3214151, 2 & 3
90. Adda Zafar Chowk Branch, District Faisalabad
Tel. No.: (041) 3529051-4
91. Khurrianwala Branch
Tel. No.: (041) 4360701-2
92. Chiniot Branch
Tel. No.: (047) 6333840-4
93. Jhang Branch
Tel. No.: (047) 7651601-2
94. Chenab Nagar Branch, District Chiniot
Tel. No.: (047) 6216217-21
95. Shorkot City Branch, District Jhang
Tel. No.: 0316-8226093, 95, 97 & 98
96. Small Industrial Estate Branch, Sialkot
Tel. No.: (052) 3242607-9
97. Pasrur Road Branch, Sialkot
Tel. No.: (052) 3521655, 755, 855 & 3611655 & 755
Islamic Banking
98. Sialkot Cantt Branch, Sialkot
Tel. No.: (052) 4560023-7
99. Godhpur Branch, Sialkot
Tel. No.: (052) 4563932-3
100. Daska Branch, District Sialkot
Tel. No.: (052) 6617847-8
101. Daska Road Branch, Addah, District Sialkot
Tel. No.: (052) 3525337 & 9
102. Wazirabad Road Branch, Harrar Sialkot
Tel. No.: (052) 3253752-4
103. Pasrur Branch, District Sialkot
Tel. No.: (052) 6443317-8
104. Paris Road Branch, Sialkot
Tel. No.:
105. Smart City Housing Scheme Branch, District Sialkot
Tel. No.:
106. Sheikhupura Branch
Tel. No.: (056) 3810933 & 3813133
107. Sharaqpur Sharif Branch, District Sheikhupura
Tel. No.: (056) 3542963-6
108. Nankana Sahib Branch
Tel. No.: (056) 2876342-3
109. Farooqabad Branch, District Sheikhupura
Tel. No.: (056) 3876041-4
110. Main Branch, Multan
Tel. No.: (061) 4504018, 4504118, 4519927 & 4512884
Islamic Banking
111. Shah Rukn-e-Alam Branch, Multan
Tel. No.: (061) 6784051-4 & 6782081
112. Bosan Road Branch, Multan
Tel. No.: (061) 6210690-2
113. Mumtazabad Branch, Multan
Tel. No.: (061) 6760212-4
114. Gulgasht Colony Branch, Multan
Tel. No.: (061)-6222701 & 0316-8226393-5
115. WAPDA Town Branch, Multan
Tel. No.: (061) 6213011 & 0316-8226441-2
116. Azmat Road Branch, Dera Ghazi Khan
Tel. No.: (064) 2471630-6
117. Lodhran Branch
Tel. No.: (0608) 364766-7
118. Rahim Yar Khan Branch
Tel. No.: (068) 5886042-4
119. Kot Radha Kishan Branch, District Kasur
Tel. No.: (049) 2382040, 2 & 3
120. Phool Nagar Branch, District Kasur
Tel. No.: (049) 4511706 & 7
121. Factory Area Branch, Rahim Yar Khan
Tel. No.: (068) 5906032, 4 & 5
122. Liaqatpur Branch, District Rahim Yar Khan
Tel. No.: (068) 5792041-4
123. Sadiqabad Branch
Tel. No.: (068) 5702162, 5800161, 5800661 & 5801161



124. Bahawalpur Branch
Tel. No.: (062) 2731703-1
125. Satellite Town Branch, Bahawalpur
Tel. No.: (062) 2280602-3
126. Ahmedpur Sharqia Branch,
District Bahawalpur
Tel. No.: (062) 2271345,
0316-8226404, 6 & 8
127. Hasilpur Branch
Tel. No.: (062) 2441481-7 & 2441478
128. Club Road Branch, Sargodha
Tel. No.: (048) 3726021-3
129. Pull-111 Branch, District Sargodha
Tel. No.: (048) 3791403-4,
0316-8226449 & 50
130. Sillanwali Branch, District Sargodha
Tel. No.: 048-6532292-3
131. Jauharabad Branch, District Khushab
Tel. No.: (0454) 723011-2
132. Khushab Branch, District Khushab
Tel. No.: (0454) 710294, 5 & 6
133. Bhalwal Branch
Tel. No.: (048) 6642224 & 0316-8226331-2
134. Khanewal Branch
Tel. No.: (065) 2551560-3
135. Kabirwala Branch, District Khanewal
Tel. No.: (065) 2400910-3
136. Abdul Hakeem Branch, District Khanewal
Tel. No.: (065) 2441888 & 0316-8226310-2
137. Mian Channu Branch
Tel. No.: (065) 2662201-2
138. Depalpur Branch
Tel. No.: (044) 4541341-2
139. Okara Branch
Tel. No.: (044) 2553012-4 & 2552200
140. Hujra Shah Muqem Branch,
District Okara
Tel. No.: (044) 4860401-3 &
0316-8226419-21
141. Haveli Lakha Branch, District Okara
Tel. No.: (044) 4775412-3
142. Renala Khurd Branch, District Okara
Tel. No.: (044) 2621501, 2 & 3
143. Sahiwal Branch
Tel. No.: (040) 4467742-3
144. Farid Town Branch, Sahiwal
Tel. No.: (040) 4272173, 4 & 5
145. Chichawatni Branch, District Sahiwal
Tel. No.: (040) 5484852-3
146. Layyah Branch
Tel. No.: (060) 6414205-7
147. Jampur Branch, District Rajanpur
Tel. No.: (060) 4567787 & 4567325
148. Kharoor Pacca Branch
Tel. No.: (0608) 341041-2
149. Muzaffargarh Branch
Tel. No.: (066) 2422901, 3 & 5
150. Fazal Garh Sanawan Branch,
District Muzaffargarh
Tel. No.: (066) 2250214-5
151. Sheikho Sugar Mills Branch,
District Muzaffargarh
Tel. No.: 0345-8530242-4
152. Kot Addu Branch
Tel. No.: (066) 2239161-3
153. Shahbaz Khan Road Branch, Kasur
Tel. No.: (0492) 764890-3
154. Jalalpur Bhattian Branch, District
Hafizabad
Tel. No.: (0547) 500848-50
155. Hafizabad Branch
Tel. No.: (0547) 541641-4
156. Pattoki Branch
Tel. No.: (049) 4422435-6
157. Ellahabad Branch
Tel. No.: (049) 4751130
158. Khudian Branch
Tel. No.: (049) 2791595-6
159. Sambrial Branch
Tel. No.: (052) 6523451-3
160. Gagoo Mandi Branch, District Vehari
Tel. No.: (067) 3500311-2
161. Mailsi Branch, District Vehari
Tel. No.: (067) 3750140-5
162. Burewala Branch, District Vehari
Tel. No.: (067) 3773110 & 20 & 3355779
163. Vehari Branch
Tel. No.: (067) 3361370-2
164. Tibba Sultanpur Branch, District Vehari
Tel. No.: (067) 3692559-60 & 3692714
165. Mandi Bahauddin Branch
Tel. No.: (0546) 507602, 3 & 8
166. Phalia Branch, District Mandi Bahauddin
Tel. No.: (0546) 586050-3
167. Bahawalnagar Branch
Tel. No.: (063) 2274795-6
168. Haroonabad Branch, District
Bahawalnagar
Tel. No.: (063) 2251664-5
169. Toba Tek Singh Branch
Tel. No.: (046) 2513203-4
170. Gojra Branch, District Toba Tek Singh
Tel. No.: (046) 3516392 & 3515577
171. Kamalia Branch, District Toba Tek Singh
Tel. No.: (046) 3411405-6
172. Pir Mahal Branch
Tel. No.: (046) 3361690 & 5
173. Gujrat Branch
Tel. No.: (053) 3520591, 2 & 4
174. Lalamusa Branch, District Gujrat
Tel. No.:
175. New Metro City Branch, District Gujrat
Tel. No.: 0310-2282646-7
176. Kotla Arab Ali Khan Branch, District Gujrat
Tel. No.: (053) 7575501 & 3
177. Kharian Branch
Tel. No.: (053) 7602904, 5 & 7
178. Pak Pattan Branch, District Pak Pattan
Tel. No.: (0457) 371781-5
179. Arifwala Branch, District Pak Pattan
Tel. No.: (0457) 834013, 5 & 6
180. Chishtian Branch
Tel. No.: (063) 2501141-2 & 0316-8226304-6
181. Khanpur Branch
Tel. No.: (068) 5577719-20 &
0316-8226307-9
182. Narowal Branch
Tel. No.: (0542) 411405 & 0316-8226328-30
183. Rajanpur Branch
Tel. No.: (0604) 688108 & 0316-8226396-8
184. Mianwali Branch
Tel. No.: (0459) 230825, 6 & 7
- SOUTH REGION**
185. Main Branch, Karachi
Tel. No.: (021) 32436990,
32444401-5 & 111-567-890
186. Clifton Branch, Karachi
Tel. No.: (021) 35877773-4, 35861286,
35375448 & 0316-8226066-71
187. Garden Branch, Karachi
Tel. No.: (021) 32232877-8 &
0316-8226125-30
188. F. B. Area Branch, Karachi
Tel. No.: (021) 36373782-3, 36811646
& 0316-8226180-7

189. Korangi Industrial Area Branch, Karachi
Tel. No.: (021) 35113898-9, 35113900-1 & 0316-8226189-92
190. AKU Branch, Karachi
Tel. No.: (021) 34852251-3 & 33102498-9
191. Haidery Branch, Karachi
Tel. No.: (021) 36638617, 36630409-410 & 0316-8226231-8
192. Jodia Bazar Branch, Karachi
Tel. No.: (021) 32441786, 32442208, 32463894 & 0316-8226202-10
193. Shahrah-e-Faisal Branch, Karachi
Tel. No.: (021) 34316128, 34316395, 34322150, 34398430 & 34535545-46, 53-54
194. DHA Branch, Karachi
Tel. No.: (021) 35852209, 35845211 & 35340825
195. Gulshan-e-Iqbal Branch, Karachi
Tel. No.: (021) 34811830-33 & 0316-8226239-45
196. SITE Branch, Karachi
Tel. No.: (021) 32568330, 32550997 & 32550903-4
197. Zamzama Branch, Karachi
Tel. No.: (021) 35375835 & 35293435
198. Gole Market Branch, Karachi
Tel. No.: (021) 36618932, 36618925 & 0316-8226154-62
199. Gulistan-e-Jauhar Branch, Karachi
Tel. No.: (021) 34020943-5
200. M. A. Jinnah Road Branch, Karachi
Tel. No.: (021) 32213972 & 32213498
201. Gulbahar Branch, Karachi
Tel. No.: (021) 36607744 & 0316-8226434-5
202. North Karachi Branch, Karachi
Tel. No.: (021) 36920140-5 & 0316-8226171-2
203. Block-7 Gulshan-e-Iqbal Branch, Karachi
Tel. No.: (021) 34815811-2 & 34833728 & 777
- Islamic Banking
204. Cloth Market Branch, Karachi
Tel. No.: (021) 32442961 & 32442977
205. Paria Street Kharadar Branch, Karachi
Tel. No.: (021) 32201059, 60 & 61
206. SUPARCO Branch, Karachi
Tel. No.: (021) 34970560, 34158325-6, 37080810 & 0316-8226457
207. Chandni Chowk Branch, Karachi
Tel. No.: (021) 34937933 & 34141296
208. Allama Iqbal Road Branch, Karachi
Tel. No.: (021) 34387673-4
209. Nishtar Road Branch, Karachi
Tel. No.: (021) 32239711-3 & 32239678
- Islamic Banking
210. Waterpump Branch, Karachi
Tel. No.: (021) 36312113, 36312108, 36312349 & 36311908
211. APWA Complex Branch, Karachi
Tel. No.: (021) 32253143 & 32253216
212. Clifton Block-2 Branch, Karachi
Tel. No.: (021) 35361115-7
213. Malir Branch, Karachi
Tel. No.: (021) 34517982-3
214. Bahadurabad Branch, Karachi
Tel. No.: (021) 34135842-3
215. New Challi Branch, Karachi
Tel. No.: (021) 32625246 & 32625279
216. Shah Faisal Colony Branch, Karachi
Tel. No.: (021) 34602446-7
217. Zaibunisa Street Saddar Branch, Karachi
Tel. No.: (021) 35220025-7
218. Liaquatabad Branch, Karachi
Tel. No.: (021) 34860723-25
219. Lea Market Branch, Karachi
Tel. No.: (021) 32526193-4
220. Korangi Township No. 2 Branch, Karachi
Tel. No.: (021) 35058041 & 35071181
221. North Karachi Ind. Area Branch, Karachi
Tel. No.: (021) 36962851, 52 & 55
222. F. B. Industrial Area Branch, Karachi
Tel. No.: (021) 36829961-4 & 0316-8226180-6
223. Napier Road Branch, Karachi
Tel. No.: (021) 32713539-40
224. Gulshan-e-Hadeed Branch, Karachi
Tel. No.: (021) 34710252 & 256
225. Metroville Branch, Karachi
Tel. No.: (021) 36752206-7
226. Defence Phase-II Extension Branch, Karachi
Tel. No.: (021) 35386910-12
227. North Karachi Township Branch, Karachi
Tel. No.: (021) 36968604-7
228. Stock Exchange Branch, Karachi
Tel. No.: (021) 32414003-4 & 32415927-8
229. Gulshan-e-Jamal Branch, Karachi
Tel. No.: (021) 34682682-4
230. Alyabad Branch, Karachi
Tel. No.: (021) 36826727 & 36332517
231. Saudabad Branch, Malir, Karachi
Tel. No.: (021) 34111901-5
232. Shireen Jinnah Colony Branch, Karachi
Tel. No.: (021) 34166262-4
- Islamic Banking
233. Al-Tijarah Centre Branch, Karachi
Tel. No.: (021) 34169251-3
234. Barkat-e-Haidery Branch, Karachi
Tel. No.: (021) 36645688-9
235. Shadman Town Branch, Karachi
Tel. No.: (021) 36903038-9
236. Enquiry Office Nazimabad No. 2 Branch, Karachi
Tel. No.: (021) 36601502-5
- Islamic Banking
237. Rashid Minhas Road Branch, Karachi
Tel. No.: (021) 34983878 & 34837443-4
238. Timber Market Branch, Karachi
Tel. No.: (021) 32742491-2
239. Khayaban-e-Ittehad Branch, Karachi
Tel. No.: (021) 35347413-6
240. Bahria Complex-III (Corporate) Branch, Karachi
Tel. No.: (021) 35640731-6 & 35640235-7
241. New M. A. Jinnah Road Branch, Karachi
Tel. No.: (021) 34894941-3
242. DHA Phase-IV Branch, Karachi
Tel. No.: (021) 35311491-2 & 0316-8226285-7
243. Gulberg Branch, Karachi
Tel. No.: (021) 36340553, 549 & 0316-8226291-2
244. New Sabzi Mandi Branch, Karachi
Tel. No.: (021) 36870506-7 & 0316-8226409-11
245. Clifton Block-08 Branch, Karachi
Tel. No.: (021) 35867435-6 & 0316-8226425-7
246. Block-02 Gulshan-e-Iqbal Branch, Karachi
Tel. No.: (021) 34988781-2
247. Garden Market Branch, Karachi
Tel. No.: (021) 32244195-6 & 0316-8226431-3
248. Block-N North Nazimabad Branch, Karachi
Tel. No.: (021) 36641623-4 & 0316-8226436-38
249. Marriott Road Branch, Karachi
Tel. No.: (021) 32461840-42 & 0316-8226428-30
250. SITE-II Branch, Karachi
Tel. No.: (021) 36881235-6 & 0316-8226445-47



251. Shershah Branch, Karachi
Tel. No.: (021) 32583001-3 & 0317-4484534-6
252. DHA Phase-VIII Branch, Karachi
Tel. No.: 0315-4979265, 328 & 445
253. Khalid Bin Waleed Road Branch, Karachi
Tel. No.: (021) 34522044, 5 & 6
254. Bokhari Commercial Branch, Karachi
Tel. No.: (021) 35170651, 2 & 3
255. 26th Commercial Street Branch, Karachi
Tel. No.: (021) 35290094, 5 & 6
256. Bahria Town Branch, Karachi
Tel. No.: 0318-4304576-7
- Islamic Banking
257. Gulistan-e-Jauhar Branch, Karachi
Tel. No.: 0318-4304615, 7 & 8
- Islamic Banking
258. North Karachi Township Branch, Karachi
Tel. No.: (021) 36948010, 1 & 2
- Islamic Banking
259. Korangi Industrial Area Branch, Karachi
Tel. No.: 0312-3995436 & 0312-6255436
- Islamic Banking
260. Dhoraji Colony Branch, Karachi
Tel. No.: (021) 34120053-4
261. Shaheed-e-Millat Road Branch, Karachi
Tel. No.: (021) 34550381-5
262. Nursery Branch, Karachi
Tel. No.: (021) 34374631-2
263. Malir Cantt. Branch, Karachi
Tel. No.:
264. Khayaban-e-Shahbaz Branch, Karachi
Tel. No.:
265. Block-H North Nazimabad Branch, Karachi
Tel. No.:
266. Main Branch, Hyderabad
Tel. No.: (022) 2781528-9, 2782347, 111-567-890 & 0316-8226044-5
267. F. J. Road Branch, Hyderabad
Tel. No.: (022) 2728131, 2785997 & 2780205
268. Latifabad Branch, Hyderabad
Tel. No.: (022) 3816309 & 3816625
269. Qasimabad Branch, Hyderabad
Tel. No.: (022) 2651968 & 70
- Islamic Banking
270. Isra University Branch, District Hyderabad
Tel. No.: (022) 2032322 & 2030161-4
271. Prince Ali Road Branch, Hyderabad
Tel. No.: (022) 2638514 & 2622122
272. S.I.T.E. Branch, Hyderabad
Tel. No.: (022) 3886861-2
273. Faqir Jo Pir Branch, Hyderabad
Tel. No.: (022) 2612685-6 & 0316-8226096
274. Auto Bhan Road Branch, Hyderabad
Tel. No.: (022) 2100062-3 & 0316-8226313-4
275. Matyari Branch, District Matyari
Tel. No.: (022) 2760125-6
276. Tando Allah Yar Branch
Tel. No.: (022) 3890260-4
277. Tando Muhammad Khan Branch
Tel. No.: (022) 3340371-2 & 0316-8226267-8
278. Pano Aqil Branch, District Sukkur
Tel. No.: (071) 5690081, 2 & 3
279. Sukkur Branch
Tel. No.: (071) 5622382, 5622925 & 0316-8226055-63
280. IBA Road Branch, Sukkur
Tel. No.:
281. Sanghar Branch, District Sanghar
Tel. No.: (0235) 543376-7 & 0316-8226246-7
282. Tando Adam Branch, District Sanghar
Tel. No.: (0235) 571640-44
283. Shahdadpur Branch, District Sanghar
Tel. No.: (0235) 841982-4
284. Shahpur Chakar Branch, District Sanghar
Tel. No.: (0235) 846010-12
285. Golarchi Branch, District Badin
Tel. No.: (0297) 853192-4
286. Talhar Branch, District Badin
Tel. No.: (0297) 830387-9
287. Deh. Sonhar Branch, District Badin
Tel. No.: (0297) 870729 & 870781-3
288. Matli Branch
Tel. No.: (0297) 840171-2
289. Buhara Branch, District Thatta
Tel. No.: 0316-8226439-40
290. Dhabeji Branch, District Thatta
Tel. No.: (021) 34420030, 31 & 39
291. Makli Branch, District Thatta
Tel. No.: (0298) 581807, 8 & 9
292. Hub Branch, District Lasbela
Tel. No.: (0853) 310225-7
293. Umerkot Branch
Tel. No.: (0238) 571350 & 356
294. Kunri Branch, District Umerkot
Tel. No.:
295. Nawabshah Branch
Tel. No.: (0244) 363918-9
296. Sakrand Branch, District Nawabshah
Tel. No.: 0318-4244919 & 0318-4244922 & 3
297. Nawab Wali Muhammad Branch, District Shaheed Benazirabad
Tel. No.: (0244) 311069, 70 & 71
298. Mirpurkhas Branch
Tel. No.: (0233) 821221 & 821317-8
299. Digri Branch, District Mirpurkhas
Tel. No.: (0233) 869661, 2 & 3
300. Larkana Branch
Tel. No.: (074) 4058211-13
301. State Life Building Branch, Larkana
Tel. No.:
302. Panjhatti Branch
Tel. No.: (0243) 552183-6
303. Ghotki Branch
Tel. No.: (0723) 680305-6
304. Deharki Branch
Tel. No.: (0723) 644156, 158 & 160
305. Thull Branch
Tel. No.: (0722) 610153-4
306. Kandkhot Branch
Tel. No.: (0722) 572883-6
307. Jacobabad Branch
Tel. No.: (0722) 654041-5
308. Shahdadkot Branch, District Qamber
Shahdadkot
Tel. No.: (074) 4012401-2
309. Dadu Branch
Tel. No.: (025) 4711417-8 & 0316-8226294-6
310. Mehar Branch, District Dadu
Tel. No.: (025) 4731113-4
311. Bhan Sayedabad Branch, District Jamshoro
Tel. No.: 0316-8226296-7
312. Shikarpur Branch
Tel. No.: (0726) 540381-3 & 0316-8226319-21
313. Moro Branch, District Naushero Feroze
Tel. No.: (0242) 4102000, 4102001 & 4102002
314. Mithi Branch, District Tharparkar
Tel. No.: (0232) 261291, 2 & 3
315. Main Branch, Quetta
Tel. No.: (081) 2821610 & 2821641
- Islamic Banking
316. Shahrah-e-Iqbal Branch, Quetta
Tel. No.: (081) 2820227-30 & 37

NORTH REGION

317. Main Branch, Peshawar
Tel. No.: (091) 5277914-8 & 5277394
318. Chowk Yadgar Branch, Peshawar
Tel. No.: (091) 2573335-7 & 2220006
Islamic Banking
319. Khyber Bazar Branch, Peshawar
Tel. No.: (091) 2566811-3
Islamic Banking
320. G. T. Road Branch, Peshawar
Tel. No.: (091) 2263347-8 & 2263323-53
321. University Road Branch, Peshawar
Tel. No.:
322. Ring Road Branch, Peshawar
Tel. No.:
323. Main Branch, Rawalpindi
Tel. No.: (051) 5123123, 4, 5 & 8 & 5123136-7
324. Chandni Chowk Branch, Rawalpindi
Tel. No.: (051) 4571160, 63, 86 & 87 & 4571301
325. 22 Number Chungi Branch, Rawalpindi
Tel. No.: (051) 5563576-7
326. Muslim Town Branch, Rawalpindi
Tel. No.: (051) 5405506 & 4931112-3
327. Pindora Branch, Rawalpindi
Tel. No.: (051) 4419020-22
328. Gulraiz Branch, Rawalpindi
Tel. No.: (051) 5595148-9 & 5974073
Islamic Banking
329. Peshawar Road Branch, Rawalpindi
Tel. No.: (051) 5460113-7
330. Bahria Town Branch, Rawalpindi
Tel. No.: (051) 5733772-3 & 5733768-9
Islamic Banking
331. Chaklala Scheme-III Branch, Rawalpindi
Tel. No.: (051) 5766345-7
332. Adyala Road Branch, Rawalpindi
Tel. No.: (051) 5569091, 96, 97 & 99
333. Bahria Town Phase-VII Branch, Rawalpindi
Tel. No.: (051) 5400259-60, 5400255 & 58
334. Bahria Town Phase-VIII Branch, Rawalpindi
Tel. No.: (051) 5195232, 4, 5 & 6
Islamic Banking
335. Faisal Town Branch, Rawalpindi
Tel. No.: (051) 2720670-5
336. Bewal Branch, District Rawalpindi
Tel. No.: (051) 3360274-5
337. Wah Cantt. Branch, District Rawalpindi
Tel. No.: (051) 4511140-1 & 0317-4484551-3
338. Kallar Syedan Branch, District Rawalpindi
Tel. No.: (051) 3570903
Islamic Banking
339. Satellite Town Branch, Rawalpindi
Tel. No.: 0310-8143237 & 0310-8153237
340. Liaqat Road Branch, Rawalpindi
Tel. No.: (051) 5534111, 22, 33 & 66
341. Top City Branch, District Rawalpindi
Tel. No.:
- Islamic Banking**
342. Central Business District Branch, Rawalpindi
Tel. No.:
343. Chakri Road Branch, District Rawalpindi
Tel. No.:
344. Main Branch, Islamabad
Tel. No.: (051) 2348174 & 78 & 111-567-890
345. G-9 Markaz Branch, Islamabad
Tel. No.: (051) 2850171-3
Islamic Banking
346. I-10 Markaz Branch, Islamabad
Tel. No.: (051) 4101733-5
347. I-9 Markaz Branch, Islamabad
Tel. No.: (051) 4858101-3
348. E-11 Branch, Islamabad
Tel. No.: (051) 2228757-8
349. DHA Phase-II Branch, Islamabad
Tel. No.: (051) 5161967-9 & 5161970-72
Islamic Banking
350. F-8 Markaz Branch, Islamabad
Tel. No.: (051) 2818019-21
351. G-11 Markaz Branch, Islamabad
Tel. No.: (051) 2363366-68
352. F-11 Markaz Branch, Islamabad
Tel. No.: (051) 2101076-7 & 0316-8226282-4
353. DHA Phase-II (Corporate) Branch, Islamabad
Tel. No.: (051) 5419578-9 & 2826573-4
354. PWD Branch, Islamabad
Tel. No.: (051) 5708789, 90 & 91
355. I-8 Markaz Branch, Islamabad
Tel. No.: (051) 2719242-44
356. Gulberg Greens Branch, Islamabad
Tel. No.: 0312-4015609, 0312-4019186
357. Lehrar Road Branch, Tarlai, District Islamabad
Tel. No.: (051) 2241661-5
358. Soan Garden Branch, District Islamabad
Tel. No.: (051) 5738940-2
359. Bahria Enclave Branch, Islamabad
Tel. No.: 0310-4755851-2, 6 & 0316-8226091
360. G-13 Markaz Branch, Islamabad
Tel. No.: (051) 2301101-3
361. Bhara Kahu Branch, District Islamabad
Tel. No.: 0316-8226092, 0311-4463237, 0311-4883237 & 0311-4993237
362. Rawat Branch, District Islamabad
Tel. No.: 0311-6203237 & 0311-6903237
363. Alipur Farash Branch, District Islamabad
Tel. No.: (051) 2616202-3 & 2615418-20
364. B-17 Markaz Branch, Islamabad
Tel. No.:
365. Gujar Khan Branch
Tel. No.: (051) 3516328, 29 & 30
366. Waisa Branch, District Attock
Tel. No.: (057) 2651068-9
367. Attock Branch
Tel. No.: 0316-8226540-2
Islamic Banking
368. Hazro Branch, District Attock
Tel. No.:
- Islamic Banking**
369. Swabi Branch, District Swabi
Tel. No.: (0938) 221741-45
370. Mirpur Branch, (AJK)
Tel. No.: (05827) 444488 & 448044
371. Islamgarh Branch, (AJK)
Tel. No.: (05827) 423981-2
372. Jattlan Branch, District Mirpur (AJK)
Tel. No.: (05827) 403591-4
373. Gilgit Branch
Tel. No.: (05811) 453749, 450504, 450498 & 451838
374. NLI Market (Sub Branch), Gilgit
Tel. No.: (05811) 450802, 4 & 5
375. Denyore Branch, District Gilgit
Tel. No.: (05811) 459986-7
376. Jutial Branch, District Gilgit
Tel. No.: (05811) 457233-5
377. Aliabad Branch, Hunza
Tel. No.: (05813) 455000, 455001 & 455022
378. Gahkuch Branch
Tel. No.: (05814) 450409-10
379. Skardu Branch
Tel. No.: (05815) 450327 & 450188-9



380. **Khaplu Branch**
Tel. No.: (05816) 450872
381. **Benazir Chowk Branch, District Skardu**
Tel. No.:
382. **Abbottabad Branch**
Tel. No.: (0992) 385231-3 & 383073-75
383. **Jhelum Branch**
Tel. No.: (0544) 625794-5
384. **Dina Branch, District Jhelum**
Tel. No.: 0310-4755851, 2 & 6
385. **Chitral Branch, District Chitral**
Tel. No.: (0943) 412078-9
386. **Chakwal Branch**
Tel. No.: (0543) 543128-30 & 0316-8226045
387. **Mardan Branch**
Tel. No.: (0937) 864753-7
388. **Muzaffarabad Branch**
Tel. No.: (0582) 2920025-6
389. **CMH Road Branch, Muzaffarabad (AJK)**
Tel. No.: (0582) 2443535-7
- Islamic Banking
390. **Chillas Branch, District Diamer**
Tel. No.: (05812) 450631-2
- Islamic Banking
391. **Mingora Branch, Swat**
Tel. No.: (0946) 714355, 714400 & 0316-8226273-75
- Islamic Banking
392. **Matta Branch, District Swat**
Tel. No.:
393. **Battagram Branch**
Tel. No.: (0997) 311044-6
394. **Mansehra Branch**
Tel. No.: (0997) 301931-6
- Islamic Banking
395. **Dera Ismail Khan Branch**
Tel. No.: (0966) 718010-4 & 718091-4
396. **Kohat Branch, District Kohat**
Tel. No.: (0922) 511011 & 511033
397. **Dara Adam Khel Branch, District Kohat**
Tel. No.:
- Islamic Banking
398. **Kohat Branch, District Kohat**
Tel. No.:
- Islamic Banking
399. **Nowshera Branch, District Nowshera**
Tel. No.: (0923) 611545-8
- Islamic Banking
400. **Shakas Branch, District Khyber Agency**
Tel. No.: 0316-8226101 & 0316-8226091, 2 & 9
401. **Batkhela Branch**
Tel. No.: (0932) 411115, 6 & 7
- Islamic Banking
402. **Timergara Branch, District Lower Dir.**
Tel. No.: (0945) 822081, 2 & 3
403. **Shigar Branch, District Shigar**
Tel. No.:

FOREIGN CORRESPONDENTS

Country	Name of Bank
Argentina	Banco Credicoop Cooperativo Limitado Banco De Galicia Y Buenos Aires
Australia	Citigroup Pty Limited, Sydney JP Morgan Chase Bank, N.A., Sydney Branch National Australia Bank Limited Standard Chartered Bank, Australia
Austria	Erste Bank Der Oesterreichischen Sparkassen AG Erste Group Bank AG Oberbank AG
Bahrain	Al Baraka Islamic Bank B.S.C Allied Bank Limited, Wholesale Banking Branch Bank Alfalah Limited Bahrain Askari Bank Limited, Bahrain Branch Bank Al Habib Limited Habib Bank Ltd. JS Bank Limited Bahrain MCB Bank Limited Bahrain United Bank Limited Bahrian
Bangladesh	Bank Alfalah Limited (Bangladesh - Dhaka Branch) Brac Bank Limited Eastern Bank Ltd. Habib Bank Ltd. Jamuna Bank Limited Southeast Bank Limited Standard Chartered Bank United Commercial Bank Ltd
Belgium	Commerzbank AG,The,Brussels Branch Deutsche Bank A.G. Belfius Bank SA/NV Habib Bank Ltd. KBC Bank NV
Brazil	Banco Do Brasil S.A. Banco Fibra S.A.
Bulgaria	Unicredit Bulbank Ad
Canada	Citibank Canada Federation Des Caisses Desjardins Du Quebec Habib Canadian Bank Royal Bank Of Canada
Chile	Banco De Credito E Inversiones
China	Agricultural Bank Of China, The Agricultural Development Bank Of China, The Bank Of Beijing Bank Of China Bank Of Communications Bank Of Jiangsu Co Ltd Bank Of Ningbo



Country	Name of Bank
	Bank Of Ningxia (Formerly Yinchuan City Commercial Bank) Bank Of Shanghai Changshu Rural Commercial Bank China Citic Bank China Construction Bank Corporation China Everbright Bank China Merchants Bank Citibank (China) Co., Ltd. Habib Bank Limited Urumqi Branch Hua Xia Bank Industrial And Commercial Bank Of China Jiangsu Jiangyin Rural Commercial Bank Jiangsu Suzhou Rural Commercial Bank Co., Ltd (Formerly Jiangsu Wujiang Rural Commercial Bank) Jinan Rural Commercial Bank Co.,Ltd(Formerly Shandong Jinan Runfeng Rural Cooperative Bank) JP Morgan Chase Bank (China) Company Limited KBC Bank NV Qilu Bank Co., Ltd. Shandong Zhangdian Rural Commercial Bank Shanghai Pudong Development Bank Standard Chartered Bank (China) Limited Sumitomo Mitsui Banking Corporation (China) Limited Hangzhou Branch Weifang Rural Commercial Bank Co., Ltd Zhejiang Tailong Commercial Bank Zhejiang Xiaoshan Rural Commercial Bank Company Limited Zhongshan Rural Commercial Bank Company Limited
Colombia	Bancolombia S.A.
Cyprus	Hellenic Bank Public Company Ltd.
Czechia	Ceskoslovenska Obchodni Banka, A.S. Citibank Europe Plc, Organizacni Slozka Commerzbank AG Unicredit Bank Czech Republic And Slovakia, A.S.
Denmark	Danske Bank A/S
Egypt	Banque Misr Citibank Cairo Mashreq Bank
Ethiopia	Dashen Bank S.C.
Finland	Danske Bank A/S, Finland Branch Op Corporate Bank Plc
France	Banque Palatine CM - CIC Banques Credit Du Nord Credit Mutuel - CIC Banques National Bank Of Pakistan Societe Generale
Germany	Commerzbank AG Commerzbank AG (Formerly Dresdner Bank AG) Danske Bank Deutsche Bank AG



Country	Name of Bank
	DZ Bank AG (Formerly WBZ Bank AG) Hamburg Commercial Bank AG Hamburger Sparkasse AG JP Morgan AG Landesbank Baden-Wuerttemberg M.M.Warburg U. Co (AG U. Co.) KGAA National Bank Of Pakistan, Frankfurt Sparkasse Dortmund Sparkasse Krefeld - Zweckverbandssparkasse Der Stadt Krefeld Und Des Kreises Viersen - Sparkasse Westmuensterland Standard Chartered Bank AG
Greece	Alpha Bank AE Citibank Europe Plc Greece Branch Piraeus Bank SA
Hong Kong	Bank Of America, N.A. Hong Kong Citibank N.A. Deutsche Bank AG Habib Bank Zurich (Hong Kong) Limited JP Morgan Chase Bank, N.A., Hong Kong Branch (Organized Under The Laws Of U.S.A. With Limited Liability) KBC Bank NV, Hong Kong Mashreqbank PSC., Hong Kong Branch National Bank Of Pakistan Hong Kong Shinhan Bank, Hong Kong Branch Standard Chartered Bank (Hong Kong) Limited Sumitomo Mitsui Banking Corporation Unicredit Bank AG Hong Kong Branch Wells Fargo Bank, N.A., Hong Kong Branch (Organized Under The Laws Of U.S.A. With Limited Liability)
Hungary	Raiffeisen Bank Zrt.
India	Citibank N.A. Deutsche Bank AG ICICI Bank Limited JP Morgan Chase Bank, N.A., Mumbai Branch Mashreq Bank Punjab National Bank Standard Chartered Bank The Kalupur Commercial Co-Operative Bank Limited
Indonesia	Bank Mandiri (Persero), PT Citibank, N.A. JP Morgan Chase Bank, N.A., Jakarta Branch MUFG Bank, Ltd. Jakarta Branch Standard Chartered Bank
Ireland	Citibank Europe Plc Danske Bank A/S J.P. Morgan SE, Dublin Branch, Ireland
Italy	Banca Carige Spa - Cassa Di Risparmio Di Genova E Imperia Banca Di Credito Popolare Banca Monte Dei Paschi Di Siena S.P.A. Banca Popolare Di Sondrio Banca Ubae SPA



Country	Name of Bank
	Banco BPM SPA Bper Banca S.P.A. Cassa Di Risparmio Di Fermo Spa Commerzbank AG Deutsche Bank S.P.A. Iccrea Banca - Istituto Centrale Del Credito Cooperativo Unicredit S.P.A.
Japan	Citibank N.A., Tokyo Branch JP Morgan Chase Bank, N.A., Tokyo Branch Mizuho Bank, Ltd. MUFG Bank, Ltd. National Bank Of Pakistan Resona Bank, Ltd., Tokyo Saitama Resona Bank, Limited Standard Chartered Bank Sumitomo Mitsui Banking Corporation
Jordan	Citibank N.A.
Kenya	Habib Bank AG Zurich Kenya KCB Bank Kenya Limited KOREA, REPUBLIC OF Busan Bank Citibank Korea Inc Daegu Bank, Ltd.,The Industrial Bank Of Korea JP Morgan Chase Bank, N.A., Seoul Branch KEB Hana Bank Kookmin Bank National Bank Of Pakistan, Seoul Branch Korea Nonghyup Bank (Formerly Known As National Agricultural Cooperative Federation) Shinhan Bank Standard Chartered Bank Korea Limited Suhyp Bank Woori Bank, Seoul
Kuwait	Citibank N.A. Commercial Bank Of Kuwait KPSC,The National Bank Of Kuwait S.A.K.P.
Latvia	JSC Citadele Banka
Lebanon	Banque Libano Francaise
Luxembourg	J.P. Morgan Bank Luxembourg S.A. Luxembourg
Malaysia	Citibank Berhad Hong Leong Bank Berhad JP Morgan Chase Bank Berhad MUFG Bank (Malaysia) Berhad Standard Chartered Bank Malaysia Berhad
Mauritius	Habib Bank Ltd Mauritius Standard Chartered Bank (Mauritius) Ltd



Country	Name of Bank
Mexico	Banco Nacional De Mexico S.A.
Morocco	Attijariwafa Bank (Formerly Banque Commerciale Du Maroc)
Nepal	Himalayan Bank Ltd.
Netherlands	ABN Amro Bank N.V. Citibank Europe Plc Netherlands Branch Commerzbank AG Kantoor Amsterdam Deutsche Bank AG
New Zealand	Bank Of New Zealand
Norway	Danske Bank A/S DNB Bank Asa
Oman	Bank Dhofar (S.A.O.G.) Habib Bank Oman Sohar International Bank S.A.O.G Standard Chartered Bank
Panama	Banesco S.A.
Philippines	Asian Development Bank MUFG Bank, Ltd., Manila Branch Standard Chartered Bank
Poland	Bank Handlowy W Warszawie Sa
Portugal	Banco BPI SA Caixa Central Credito Agricola Mutuo
Qatar	Dukhan Bank (Formerly Barwa Bank) Doha Bank Mashreq Bank Standard Chartered Bank The Commercial Bank (Q.S.C) United Bank Limited, Doha
Romania	Banca Comerciala Romana S.A Citibank Europe Plc, Dublin-Sucursala Romania Unicredit Bank SA
Saudi Arabia	Al Inma Bank Bank Al Bilad Bank Al-Jazira Emirates NBD PJSC JP Morgan Chase Bank, N.A. Riyadh National Bank Of Pakistan Riyad Bank The Saudi British Bank
Serbia	Unicredit Bank Srbija A.D.



Country	Name of Bank
Singapore	Bank Mandiri (Persero)TBK. PT Bank Of America, N.A. Singapore Citibank,N.A. Commerzbank AG, Singapore Branch Credit Suisse AG, Singapore Branch Deutsche Bank AG Habib Bank Limited JP Morgan Chase Bank, N.A. KBC Bank N.V. Singapore Branch Mizuho Bank, Ltd. Singapore Branch Standard Chartered Bank (Singapore) Limited Sumitomo Mitsui Banking Corporation Toronto Dominion Bank Wells Fargo Bank, Na
Slovakia	Ceskoslovenska Obchodna Banka, A.S.
Slovenia	Unicredit Banka Slovenija D.D.
South Africa	Citibank South Africa Firstrand Bank Limited HBZ Bank Limited Standard Chartered Bank
Spain	Banco De Sabadell, S.A. Caixabank, S.A. Commerzbank AG Deutsche Bank Sociedad Anonima Espanola Kutxabank, S.A.
Sri Lanka	Bank Of Ceylon Commercial Bank Of Ceylon Plc Habib Bank Ltd. Hatton National Bank Plc MCB Bank Ltd. People's Bank, Head Office Standard Chartered Bank
Sweden	Danske Bank Svenska Handelsbanken Ab
Switzerland	Arab Bank (Switzerland) Ltd Banque Cantonale Vaudoise Banque De Commerce Et De Placements S.A. Barclays Bank (Suisse) S.A. CA Indosuez (Switzerland) SA Habib Bank AG Zurich Luzerner Kantonalbank UBS (Switzerland) AG Zuercher Kantonalbank Banque Cantonale De Geneve
Taiwan	Citibank Taiwan Limited JP Morgan Chase Bank, N.A., Taipei Branch Mizuho Bank, Ltd.,Taipei Branch Standard Chartered Bank (Taiwan) Limited



Country	Name of Bank
Thailand	Bank Of Ayudhya Public Company Limited Citibank N.A. Kasikornbank Public Company Limited Krung Thai Bank Public Company Limited Mizuho Bank, Ltd., Bangkok Branch Siam Commercial Bank PCL., The Standard Chartered Bank (Thai) PCL Sumitomo Mitsui Banking Corporation
Tunisia	Tunis International Bank
Turkey	Akbank T.A.S. Aktif Yatirim Bankasi A.S. Albaraka Turk Participation Bank Alternatifbank A.S. Citibank A.S. Denizbank A.S. Habib Bank Ltd. Kuveyt Turk Katilim Bankasi A.S. Odeabank A.S. QNB Finansbank A.S. Turkiye Cumhuriyeti Ziraat Bankasi A.S. Turkiye Vakiflar Bankasi T.A.O. Turkland Bank AS Turkiye Finans Katilim Bankasi A.S. Yapi Ve Kredi Bankasi A.S.
United Arab Emirates	Abu Dhabi Commercial Bank Bank Alfalah Limited (Dubai Branch) Citibank N.A. Deutsche Bank AG, Abu Dhabi Dubai Islamic Bank mirates Islamic Bank First Abu Dhabi Bank PJSC Habib Bank AG Zurich Habib Bank Limited Mashreqbank PSC. MCB Bank Limited National Bank Of Fujairah National Bank Of Ras Al-Khaimah, The Standard Chartered Bank United Bank Ltd.
United Kingdom	Bank Of America, N.A. London Bank Of Ireland (Trade Finance Belfast) Bank Of Ireland (Uk) Plc Citibank N.A. Danske Bank Deutsche Bank AG Habib Bank Zurich Plc



Country	Name of Bank
	HBL Bank Uk Limited JP Morgan Chase Bank, N.A. Mashreq Bank PSC Northern Bank Limited (Trading As Danske Bank) Standard Chartered Bank United National Bank
United States Of America	Bank Of America, N.A. BOKF, Na Citibank N.A. Citizens Bank, NA Comerica Bank Deutsche Bank Trust Company Americas Deutsche Bank AG East-West Bank First Horizon Bank Habib American Bank International Finance Corporation JP Morgan Chase Bank, N.A. Keybank National Association Mashreqbank PSC., New York Branch MUFG Bank Ltd. MUFG Union Bank N.A. National Bank Of Pakistan Peoples United Bank, N.A. PNC Bank, N.A. Regions Bank Standard Chartered Bank The Bank Of New York Mellon Truist Bank U.S. Bank N.A. Wells Fargo Bank, N.A.
Viet Nam	Asia Commercial Bank Citibank N.A. Kookmin Bank Shinhan Bank Vietnam Limited Standard Chartered Bank (Vietnam) Limited Vietnam Export Import Commercial Joint-Stock Bank Vietnam Public Joint Stock Commercial Bank – Pvcombank



Soneri Bank

PROXY FORM

31st Annual General Meeting

I/We _____ of _____ being member(s) of SONERI BANK LIMITED and holder of _____ ordinary shares.

Register Folio No.: _____

CDC Participant I.D. No.: _____

Sub-Account No.: _____

CNIC No.:

or Passport No.: _____

hereby appoint _____ of _____ or failing him/her _____ of _____ who is/are also member(s) of SONERI BANK LIMITED as my/our proxy to attend and vote for me/our behalf at the 31st Annual General Meeting of the Bank to be held on 27 March 2023 or at any adjournment thereof.

Affix Rs. 50 Revenue Stamp

(Signatures should agree with the specimen signature registered with the Bank)

Dated this _____ day of _____ 2023

Signature of Shareholder _____

Signature of Proxy _____

1. WITNESS

2. WITNESS

Signature: _____

Signature: _____

Name: _____

Name: _____

Address: _____

Address: _____

CNIC No.:

CNIC No.:

or Passport No.: _____

or Passport No.: _____

IMPORTANT:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Bank at SONERI BANK LIMITED, 2nd Floor, 307-Upper Mall Scheme Lahore-54000 not less than 48 hours before the time of holding the meeting.
2. No person shall act as Proxy unless he/she himself/herself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
4. CDC Shareholders and their Proxies should attach an attested photocopy of their Computerised National Identity Card (CNIC) or Passport with the Proxy Form before submission to the Company. (Original CNIC/Passport is required to be produced at the time of the meeting).
5. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature of the nominee shall be submitted along with the Proxy Form to the Company.

Soneri Bank Limited

AFFIX
CORRECT
POSTAGE

The Company Secretary
Soneri Bank Limited
2nd Floor, 307-Upper
Mall Scheme Lahore
54000



Soneri Bank

پراکسی فارم

اکنیسواں سالانہ عام اجلاس

میں مستی / مسماة _____ ضلع _____ بحیثیت ممبر سونیری بینک لمیٹڈ اور حق ملکیت رکھتے ہوئے

عام حصص کی جس کا اندراج: _____

رجسٹرڈ فولیو نمبر: _____
سی ڈی سی پارٹنیشن نمبر: _____
شناختی کارڈ نمبر: _____
مستی / مسماة _____ ساکن: _____
سب اکاؤنٹ نمبر: _____
یا پاسپورٹ نمبر: _____
ساکن: _____
یا ان کے نہ جانے پر، مستی / مسماة _____ ساکن: _____

جو خود بھی سونیری بینک کا / کے رکن ہے / ہیں، کولیٹور پراکسی مقرر کرتا ہوں / کرتے ہیں تاکہ وہ میری / ہماری جگہ اور میری / ہماری طرف سے بینک کے اکنیسواں سالانہ عام اجلاس جو بتاریخ ۲۷ مارچ ۲۰۲۳ کو منعقد ہو رہا ہے۔ اس میں یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے اور ووٹ ڈالے۔

(دستخط کا بینک میں رجسٹرڈ نمونے سے مطابقت رکھنا ضروری ہے)

پچاس (50) کی ریونیو اسٹیپ

تاریخ _____ ۲۰۲۳ _____ دستخط حصص داران _____ دستخط پراکسی _____

۲۔ گواہی

۱۔ گواہی

دستخط: _____ نام: _____ پتہ: _____ شناختی کارڈ نمبر: _____ یا پاسپورٹ نمبر: _____
دستخط: _____ نام: _____ پتہ: _____ شناختی کارڈ نمبر: _____ یا پاسپورٹ نمبر: _____

نوٹ:

۱۔ یہ مکمل پُر کردہ اور دستخط شدہ پراکسی فارم، ہمارے رجسٹرڈ آفس سونیری بینک لمیٹڈ، دوسری منزل، 307، اپر مال، اسکیم، لاہور-54000، پراجلاس انعقاد سے ۴۸ گھنٹے قبل موصول ہونا لازمی ہے۔

۲۔ کوئی بھی شخص، کسی دوسرے شخص کی پراکسی کے طور پر نمائندگی نہیں کر سکتا جب تک خود بھی کمپنی کا ممبر نہ ہو سوائے کارپوریٹ ادارے کے جو کسی نان ممبر کو بھی پراکسی منتخب کر سکتے ہیں۔

۳۔ اگر ایک رکن ایک سے زائد پراکسی مقرر کرتا ہے اور کمپنی کے پاس رکن کی طرف سے پراکسی فارم کی ایک سے زائد دستاویزات جمع کروائی جاتی ہیں تو پراکسی کی ایسی تمام دستاویزات کا عدم تصور ہوں گی۔

۴۔ سی ڈی سی حصص داران اور ان کے نامزد اشخاص کے لیے ضروری ہوگا کہ وہ اپنا پراکسی فارم جمع کروانے سے قبل اس کے ساتھ اپنا تصدیق شدہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی کاپی منسلک کریں۔ (تاہم نامزد شخص کو شناخت کی غرض سے اجلاس میں شرکت کے وقت اپنا اصل قومی شناختی کارڈ یا اصل پاسپورٹ مہیا کرنا ہوگا۔)

۵۔ کارپوریٹ ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ نامزد شخص کے دستخط کے ساتھ پراکسی فارم کمپنی کو جمع کروانا ہوگا۔


سونیری بینک لمیٹڈ

درست رتم کا
ٹکٹ چسپاں کریں

کمپنی سیکریٹری
سونیری بینک لمیٹڈ
دوسری منزل، 307،
اپر مال، اسکیم،
لاہور-54000

Registered Office: 2nd Floor, 307 - Upper Mall
Scheme, Lahore-54000, Pakistan.
Phone No.: (021) 32444401-05
UAN: (021) 111-567-890

Central Office: 10th Floor, PNSC Building,
M.T. Khan Road, Karachi-74000, Pakistan.
UAN: (021) 111-567-890

 **24/7 Phone Banking:** 021-111-SONERI (766374)

 **400+ Branches and ATMs**

 **www.soneribank.com**

 **Soneri Digital**  **SoneriBankPK**

 **SoneriBank_Pk**  **soneribankltd**

 **SoneriBankLtd**  **soneribankltd**