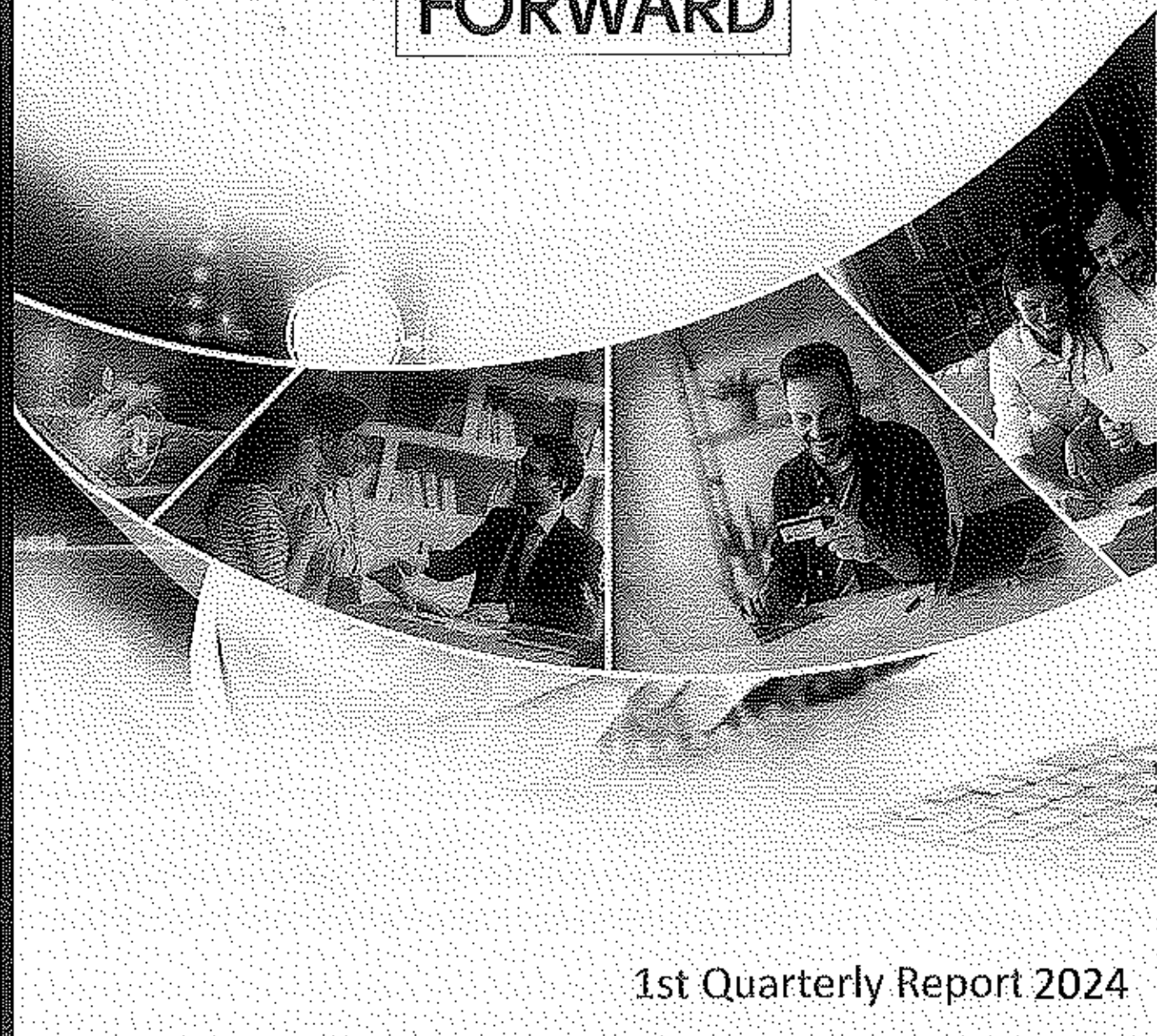


*MOVING*  
**FORWARD**



1st Quarterly Report 2024

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**CORPORATE INFORMATION****Board of Directors**

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

**Company Secretary**

Faiz Ul Hasan Hashmi

**Chief Financial Officer**

Khurram Khan

**Audit Committee**

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

**Nomination, Remuneration & Human Resource Committee**

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

**Risk Management Committee**

Masroor Ahmed Qureshi	Member
Goharulayn Afzal	Member
Chief Risk Officer	Secretary

**Information Technology Committee**

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

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**Auditors**

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

**Legal Advisor**

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

**Registered Office**

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

**Share Registrar**

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

**Director's Report as of March 31, 2024****REPORT**

**Dear Shareholders,**

We are pleased to present the financial statements of the Bank for the first quarter ended March 31, 2024.

**Economic Review:**

Global economic activity showed signs of improvement in early 2024, driven by resilience in the U.S. and select Asian economies, boosting investor optimism. Despite shipping disruptions in the Suez and Panama Canals, manufacturing supply chains remained largely unaffected, with slight improvements in delivery times by February. Brent crude oil prices rose to \$87 per barrel by March-end, supported by strong global demand and OPEC+ supply constraints. Amid these developments, central banks worldwide maintained high interest rates.

Pakistan's economy started the year on a positive trajectory, with key macroeconomic indicators showing improvement. The State Bank of Pakistan (SBP) projects GDP growth between 2% and 3% for FY 2023-24. Despite economic challenges, the SBP kept the policy rate at 22% in Q1 2024, ensuring macroeconomic stability while focusing on growth in IT, mining, SMEs, tourism, exports, and agriculture.

The Large-Scale Manufacturing (LSM) sector recorded 1.8% year-on-year (YoY) growth in January 2024, a significant turnaround from the 5.6% contraction in January 2023. Between July and January FY 2024, 12 out of 22 industries, including food, beverages, pharmaceuticals, petroleum, and machinery, posted positive growth.

Exports in March 2024 increased by 8.43% YoY to \$2.57 billion, while imports rose to \$4.87 billion in Q1 2024, reflecting a 27.82% YoY increase. Consequently, the trade deficit from July 2023 to March 2024 narrowed to \$17.14 billion, compared to \$22.68 billion in the same period last year.

Workers' remittances surged to \$2.95 billion in March 2024 from \$2.25 billion in February. In Q1 2024, remittances reached \$7.6 billion, marking an 8.86% YoY growth. The current account posted a \$54 million surplus in Q1 2024, compared to a \$207 million deficit in Q1 2023. Total liquid foreign exchange reserves stood at \$13.4 billion, with SBP's net reserves at \$8 billion, up from \$9.2 billion and \$4.2 billion, respectively, in 2023. The PKR appreciated by 1.4% in Q1 2024, closing at 277.94 per USD as of March 31, 2024.

Inflation eased to 20.7% in March 2024 from 35.4% in March 2023, with Q1 2024 averaging 23.83% inflation, down from 31.5% in Q1 2023. The decline was primarily due to a high base effect and a stabilized exchange rate, with expectations of a further slowdown in inflation.

**Silkbank Limited**

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Clifton 75600, Karachi-Pakistan

PABX: 021-111-00-7455

Website: [www.silkbank.com.pk](http://www.silkbank.com.pk)

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Foreign Direct Investment (FDI) during July–February FY 2024 totaled \$820 million, marking a 17% decline YoY.

The Pakistan Stock Exchange (PSX) closed Q1 2024 at 67,005 points, up from 62,451 at the end of December 2023, with a market capitalization of PKR 9,445 billion.

#### Financial Performance:

In the first quarter of 2024, the Bank reported a loss after tax of Rs. 3.24 billion compared to Rs. 1.50 billion in the same period last year. During this time, total deposits declined by Rs. 6.73 billion, closing at Rs. 147.53 billion, while gross advances decreased by Rs. 1.10 billion, including a Rs. 1.17 billion decline in the current accounts portfolio.

Summarized financial performance of Silkbank Limited for the first quarter ended March 31, 2024, is as follows:

	Rs in 'million'
Loss before tax	(5,192)
Tax - Current	-
Prior	76
Deferred	(2,025)
Loss after tax	(3,243)
	Rupee
Loss per share – Basic	(0.36)
Loss per share – Diluted	(0.36)

The decline in net profitability is mainly driven by a further deterioration in Net interest income (NII) by Rs. 2.42 billion, a reduction of Rs. 347 million in non-markup income, and an increase of Rs. 101 million in certain operating expenses,

During the first quarter, NII further decline by Rs. 2.42 billion, primarily due to a significant increase in the Bank's non-earning assets, the deployment of higher-cost deposits, and a reduction in the high-yield consumer lending portfolio due to certain statutory restrictions. Additionally, higher discounts rates in first quarter of 2024, compared to the same period last year, further contributed to reduced margins.

The decline in non-markup income is mainly attributed to a reduction in foreign exchange earnings and fee income from the consumer business.

Meanwhile, operating expenses have increased mainly due to higher staff remuneration, legal costs and communication costs.

#### Business Performance:

##### Branch Banking

Branch Banking served over 269,372 customers contributing almost 81% of the Bank's deposit base. Total deposit as of 31st March 2024 stood at approximately Rs. 119.20 billion. The total

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Year to Date deposit reduced by Rs. 3.59 billion till 31 March 2024 whereas the current account portfolio declined by Rs. 0.24 billion.

During Q1' 24 the Banca Sales campaign was launched aimed at enhancing Bancassurance performance yielded Rs. 11.26 million in annual premiums during Q1 2024, contributing an additional Rs. 7.90 million in non-funded income (NFI).

### **Consumer Banking:**

The year 2024 marked significant growth for the bank. In the first quarter of 2024, the Consumer Banking division achieved a profit before tax of Rs. 327.9 million, supported by an unsecured portfolio of approximately Rs. 14.24 billion.

#### **• Ready Line:**

In the 1<sup>st</sup> Quarter of 2024, Ready Line reported a profit of Rs. 273.03 million before tax, with an outstanding ENR of Rs. 6.17 billion with having over 39,477 customers. These achievements were driven by various portfolio-level initiatives, particularly focused on managing non-performing loans (NPLs) by launching Ready Line Bill Payment campaign and during the quarter a lucky draw campaign to win LED TV on Ready line bill payment was launched

#### **• Personal Loan:**

In view of the economic outlook, the Bank temporarily shifted its focus from fresh acquisitions of Personal Instalment Loans to other products resulting in pre-tax loss of Rs. 10.86 million during the first quarter of 2024. As of the quarter-end, the customer base stood at 9,665 accounts, with an outstanding ENR of Rs. 1.27 billion.

#### **• Credit Cards:**

Silkbank Credit Cards sustained strong acquisition momentum by issuing 6,190 new cards in the first quarter of 2024, increasing the Cards in Force (CIF) to 166,890. Total spending on credit cards during the quarter ending March 31, 2024, amounted to Rs. 10 billion, with an ENR volume of Rs 6.8 billion.

These results were driven by a series of tactical campaigns, including promotions on E-commerce, 100% cashback on grocery spending, event-based offers such as Women's Day discounts, Pakistan Day specials, instalment plan campaigns, and other targeted initiatives. Additionally, ENR growth was bolstered by bookings under the Flexible Instalment Plan (FIP).

### **Emaan Islamic Banking (Emaan)**

Emaan Islamic Banking is dedicated to actively contributing to the growth of the Islamic banking sector by offering high-quality Shariah-compliant products and services through its expanding network nationwide. As of the most recent reporting period, Emaan Islamic Banking has achieved total deposits amounting to Rs. 12.04 billion, with a CASA to time deposit ratio of 85:15. During this period, over 913 new bank accounts were established, increasing the total customer base to 46,362.

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Emaan Islamic Banking remains committed to sustainable growth, consistently prioritizing exceptional customer service and a comprehensive range of products while maintaining a prudent approach to balance sheet management.

**CSO Excellence –Service Award Program:**

CS&Q launched Service Award Program to recognize and boost teamwork, motivation, performance and overall service experience.

**Benefits of Service Award Program**

- Establish branch service accountability through Reward & Recognition
- Create customer delight and loyalty through consistent delivery of superior service
- Establish a culture in which quality service to internal and external customers become embedded in branch work performance

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

As of March 31, 2024, the Minimum Capital Requirement (MCR) stood at negative Rs. 31.44 billion and Capital Adequacy Ratio (CAR) at negative 97.75% against the prescribed minimum limits of Rs. 10 billion and 11.50% respectively.

**Credit Rating:**

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

**Future Outlook:**

On October 31, 2024, United Bank Limited (“UBL”) has formally conveyed its offer for the potential merger of Silkbank Limited (“Bank”) with and into UBL. UBL has disclosed this material information to the Pakistan Stock Exchange Limited (“PSX”), confirming the submission of an offer regarding a possible merger. Accordingly, the Bank also disseminated its material information to the PSX on November 1, 2024.

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

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

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

To seek shareholder approval, the Extraordinary General Meetings (EGMs) were scheduled—Silkbank on December 26, 2024, and UBL on December 30, 2024. At these meetings, the shareholders of both banks formally approved the amalgamation, and the decisions were duly disclosed to PSX.

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

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

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

**Acknowledgement:**


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

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

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



**Shahram Raza Bakhtiari  
President & CEO**



**Khalid Aziz Mirza  
Chairman**

**Karachi, February 26, 2025**

**Silkbank Limited**  
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## Director's Report as of March 31, 2024

ڈائریکٹر ڈی رپورٹ

سٹریٹجی ہولڈرز

ہم نہایت مسرت کے ساتھ 31 مارچ 2024 کو ختم ہونے والی پہلی سہ ماہی کے مالیاتی بیانات پیش کر رہے ہیں۔

معاشی جائزہ

عالمی اقتصادی سرگرمیاں 2024 کے اوائل میں بہتری کی جانب گامزن رہیں، جس کی بنیادی وجہ امریکہ اور چینریشیا کی معیشتوں کی مضبوطی تھی، جس نے سرمایہ کاروں کے اعتماد کو تقویت بخشی۔ سوز اور پانا منہر میں شپنگ میں رکاوٹوں کے باوجود، مینو فیکچرنگ کی سپلائی چین زیادہ تر متاثر نہیں ہوئی، اور فروری تک ترسیل کے اوقات میں معمولی بہتری دیکھی گئی۔ برینٹ خام تیل کی قیمتیں مارچ کے آخر تک بڑھ کر 87 ڈالر فی بیرل ہو گئیں، جس کی وجہ عالمی سطح پر مضبوط طلب اور اوپیک+ کی سپلائی میں کمی تھی۔ ان حالات کے باوجود، دنیا بھر کے مرکزی بینکوں نے شرح سود کو بلند سطح پر برقرار رکھا۔

پاکستان کی معیشت نے سال کا آغاز مثبت انداز میں کیا، اور اہم معاشی اشاریے بہتری کی عکاسی کر رہے ہیں۔ اسٹیٹ بینک آف پاکستان (SBP) نے مالی سال 2023-24 کے لیے جی ڈی پی کی شرح نمو 2% سے 3% کے درمیان رہنے کی پیش گوئی کی ہے۔ اقتصادی چیلنجز کے باوجود، اسٹیٹ بینک نے 2024 کی پہلی سہ ماہی میں پالیسی ریٹ 22% پر برقرار رکھا تاکہ معاشی استحکام کو یقینی بنایا جاسکے، جبکہ آئی ٹی، کان کنی، چھوٹے اور درمیانی درجے کے کاروبار، سیاحت، برآمدات اور زراعت کے شعبوں میں ترقی پر توجہ مرکوز رکھی۔

بڑے پیمانے کی مینو فیکچرنگ (LSM) کے شعبے نے جنوری 2024 میں سالانہ بنیادوں پر 1.8% ترقی کی، جو کہ جنوری 2023 میں 5.6% کمی کے مقابلے میں نمایاں بہتری ہے۔ مالی سال 2024 کے جولائی تا جنوری کے دوران، 22 میں سے 12 صنعتوں، بشمول خوراک، مشروبات، دواسازی، پیٹریولیم اور مشینری میں مثبت ترقی ریکارڈ کی گئی۔

مارچ 2024 میں برآمدات سالانہ بنیادوں پر 8.43% بڑھ کر 12.57 ارب ڈالر تک پہنچ گئیں، جبکہ درآمدات 2024 کی پہلی سہ ماہی میں بڑھ کر 4.87 ارب ڈالر ہو گئیں، جو کہ سالانہ بنیادوں پر 27.82% اضافہ ظاہر کرتی ہیں۔ نتیجتاً، جولائی 2023 سے مارچ 2024 کے دوران تجارتی خسارہ کم ہو کر 17.14 ارب ڈالر رہ گیا، جو گزشتہ سال اسی عرصے میں 22.68 ارب ڈالر تھا۔

بیرون ملک سے بھیجی گئی ترسیلات زرمبادلہ 2024 میں بڑھ کر 2.95 ارب ڈالر ہو گئیں، جو فروری میں 2.25 ارب ڈالر تھیں۔ 2024 کی پہلی سہ ماہی میں ترسیلات زرمبادلہ 7.6 ارب ڈالر تک پہنچ گئیں، جو کہ سالانہ بنیادوں پر 8.86% اضافہ ظاہر کرتی ہیں۔ کرنٹ اکاؤنٹ 2024 کی پہلی سہ ماہی میں 54 بلین ڈالر کے فاضل میں رہا، جو کہ 2023 کی پہلی سہ ماہی میں 207 بلین ڈالر کے خسارے کے مقابلے میں نمایاں بہتری ہے۔ مجموعی ملکی زرمبادلہ کے ذخائر 13.4 ارب ڈالر رہے، جن میں اسٹیٹ بینک کے خالص ذخائر 18 ارب ڈالر تھے، جو 2023 میں بالترتیب 9.2 ارب ڈالر اور 4.2 ارب ڈالر تھے۔ پاکستانی روپے نے 2024 کی پہلی سہ ماہی میں 1.4% بہتری دکھائی اور 31 مارچ 2024 تک 277.94 روپے فی امریکی ڈالر پر بند ہوا۔

مارچ 2024 میں مہنگائی کی شرح کم ہو کر 20.7% پر آگئی، جو مارچ 2023 میں 35.4% تھی۔ 2024 کی پہلی سہ ماہی میں اوسط مہنگائی 23.83% رہی، جو کہ 2023 کی پہلی سہ ماہی میں 31.5% تھی۔ یہ کی بنیادی طور پر بانڈز میں اثر اور مستحکم زرمبادلہ کی شرح کی وجہ سے تھی، اور توقع کی جا رہی ہے کہ مہنگائی میں مزید کمی آئے گی۔

مالی سال 2024 کے جولائی تا فروری کے دوران براہ راست غیر ملکی سرمایہ کاری (FDI) 820 ملین ڈالر رہی، جو کہ سالانہ بنیادوں پر 17% کی ظاہر کرتی ہے۔

پاکستان اسٹاک ایکسچینج نے 2024 کی پہلی سہ ماہی 67,005 پوائنٹس پر بند کی، جو کہ دسمبر 2023 کے آخر میں 62,451 پوائنٹس تھی، اور مارکیٹ کی مجموعی مالیت 19,445 ارب روپے تک پہنچی گئی۔

### مالیاتی کارکردگی:

سال 2024 کی پہلی سہ ماہی میں، بینک نے بعد از ٹیکس 13.24 ارب روپے کا نقصان رپورٹ کیا، جبکہ گزشتہ سال اسی مدت میں 1.50 ارب روپے کا نقصان ہوا تھا۔ اس عرصے کے دوران، کل ڈپازٹس میں 6.73 ارب روپے کی کمی واقع ہوئی، جس کے بعد یہ 147.53 ارب روپے پر بند ہوئے، جبکہ گروس ایڈوانسز میں 1.10 ارب روپے کی کمی ہوئی، جس میں کرنٹ اکاؤنٹ پورٹ فولیو میں 1.17 ارب روپے کی کمی بھی شامل ہے۔

سٹاک بینک لمیٹڈ کی پہلی سہ ماہی (31 مارچ 2024 کو ختم ہونے والی) کی خلاصہ مالی کارکردگی درج ذیل ہے:

نقصان قبل از ٹیکس	روپے ملین میں
ٹیکس۔ موجودہ	(5,192)
گزشتہ	(76)
ملٹوی شدہ	2,025
نقصان فی حصص	(3,243)
	روپیہ
نقصان فی حصص۔ بنیادی	(0.36)
نقصان فی حصص۔ ڈائیلیٹڈ	(0.36)

خالص منافع میں کمی بنیادی طور پر بیٹ انٹرنسٹ انکم (NII) میں مزید 2.42 ارب روپے کی گراؤٹ، نان مارک اپ انکم میں 347 ملین روپے کی کمی، اور کچھ آپریٹنگ اخراجات میں 101 ملین روپے کے اضافے کی وجہ سے ہوئی۔

پہلی سرمایہ کے دوران، NII میں مزید 2.42 ارب روپے کی کمی ہوئی، جو بنیادی طور پر بینک کے نان ارننگ اثاثوں میں نمایاں اضافے، زیادہ لاگت والے ڈپازٹس کی تعمیراتی، اور بعض قانونی پابندیوں کی وجہ سے زیادہ منافع بخش کنزیومر لینڈنگ پورٹ فولیو میں کمی کے باعث ہوئی۔ اضافی طور پر، 2024 کی پہلی سرمایہ میں پچھلے سال کے اسی عرصے کے مقابلے میں زیادہ ڈسکونٹ ریٹس نے بھی مارکنز کو مزید کمزور کیا۔

نان مارک اپ گم میں کمی بنیادی طور پر فارن ایچجی آمدنی اور کنزیومر برنس سے حاصل ہونے والی فیس اگم میں کمی کی وجہ سے ہوئی۔

دوسری جانب، آپریٹنگ اخراجات میں اضافہ بنیادی طور پر اسٹاف کی تنخواہوں، قانونی اخراجات، اور کیونٹیکیشن اخراجات کی وجہ سے ہوا۔

کاروباری کارکردگی:

برانچ بینکنگ

برانچ بینکنگ نے 269,372 سے زائد صارفین کو خدمات فراہم کیں، جو بینک کے مجموعی ڈپازٹس کا تقریباً 81% حصہ ہیں۔ 31 مارچ 2024 تک کل ڈپازٹس تقریباً 119.20 ارب روپے تک پہنچ گئے۔ سال کے آغاز سے 31 مارچ 2024 تک مجموعی ڈپازٹس میں 3.59 ارب روپے کی کمی واقع ہوئی، جبکہ کرنٹ اکاؤنٹ پورٹ فولیو میں 0.24 ارب روپے کی ریکارڈ کمی گئی۔

سال 2024 کی پہلی سرمایہ کے دوران، بینک کیلزم کا آغاز کیا گیا تاکہ بینک شورٹس کی کارکردگی کو بہتر بنایا جاسکے، جس کے نتیجے میں سال 2024 کی پہلی سرمایہ میں 11.26 بلین روپے کے سالانہ پریمیم حاصل ہوئے اور نان فنڈڈ آمدنی (NFI) میں 7.90 بلین روپے کا اضافہ ہوا۔

کنزیومر بینکنگ

سال 2024 بینک کے لیے نمایاں ترقی کا سال ثابت ہوا۔ پہلی سرمایہ میں، کنزیومر بینکنگ ڈویژن نے 327.9 بلین روپے کا قلم ازلیکس منافع حاصل کیا، جو کہ تقریباً 14.24 ارب روپے کے غیر محفوظ پورٹ فولیو (Unsecured Portfolio) کی مدد سے ممکن ہوا۔

ریڈی لائن

پہلی سرمایہ 2024 میں، ریڈی لائن نے 273.03 بلین روپے کا قلم ازلیکس منافع حاصل کیا، جبکہ کل بنیادی ENRI (Earned Net Revenue) 6.17 ارب روپے رہی، جس میں 39,477 سے زائد صارفین شامل تھے۔ یہ کامیابیاں مختلف پورٹ فولیو کے اقدامات کی بدولت حاصل ہوئیں، جن میں نان پرفارمنگ لوئز (NPLs) کے انتظام پر خصوصی توجہ دی گئی۔ اس مقصد کے لیے ریڈی لائن بل ہیڈ کوارٹرز کا آغاز کیا گیا، جبکہ اس سرمایہ کے دوران ریڈی لائن مل ہیڈ کوارٹرز پر LED ٹی وی چیتے کے لیے ایک کئی ڈرامہ بھی متعارف کرائی گئی۔

پرنٹ لائن:

معاشی صورت حال کو مد نظر رکھتے ہوئے، بینک نے عارضی طور پر پرنٹ انسٹلمنٹ لائن کی نئی ایکویزیشن کو محدود کرنے ہوئے دیگر پروڈکٹس پر توجہ مرکوز کی، جس کے نتیجے میں 2024 کی پہلی سہ ماہی کے دوران 10.86 بلین روپے کا نکل از بیکس نقصان ہوا۔ سہ ماہی کے اختتام پر، کل کسٹمز میں 19,665 اکاؤنٹس پر مشتمل تھا، جبکہ کل بجایا 11.27 ENR ارب روپے رہی۔

کریڈٹ کارڈز:

سٹاک بینک کریڈٹ کارڈز نے مضبوط ایکویزیشن مومینٹم کو برقرار رکھا اور 2024 کی پہلی سہ ماہی میں 6,190 نئے کارڈز جاری کیے، جس سے مجموعی کارڈز کی تعداد 166,890 تک پہنچ گئی۔ سہ ماہی کے دوران کریڈٹ کارڈز پر مجموعی اخراجات 10 ارب روپے تک پہنچے، جبکہ ENR والیوم 6.8 ارب روپے رہا۔

یہ نتائج مختلف حکمت عملی پر مبنی مہمات کی بدولت حاصل ہوئے، جن میں ای کامرس پر پروموشن، گروسری اخراجات پر 100% کمیشن بیک، عالمی یوم خواتین پر ڈسکاؤنٹس، یوم پاکستان کی خصوصی آفرز، انسٹلمنٹ پلان کی مہمات اور دیگر اقدامات شامل تھے۔ مزید برآں، فلکیس اسٹیل انسٹلمنٹ پلان (FIP) کے تحت بنگلوں کی بدولت ENR میں بھی اضافہ ہوا۔

ایمان اسلامک بینکنگ (Emaan):

ایمان اسلامک بینکنگ شریعت کے مطابق اعلیٰ معیار کی مالیاتی مصنوعات اور خدمات فراہم کر کے اسلامی بینکاری کے شعبے کی ترقی میں فعال کردار ادا کر رہا ہے۔ تازہ ترین رپورٹنگ کے مطابق، ایمان اسلامک بینکنگ کے کل ڈپازٹس 12.04 ارب روپے تک پہنچ چکے ہیں، جن کا CASA سے ٹائم ڈپازٹ کا تناسب 85:15 ہے۔ اس عرصے کے دوران، 913 سے زائد نئے بینک اکاؤنٹس کھولے گئے، جس سے کل کسٹمز میں بڑھ کر 46,362 ہو گیا۔

ایمان اسلامک بینکنگ پائیدار ترقی کے عزم پر قائم ہے اور بہترین کسٹمر سروس، جامع مالیاتی مصنوعات اور متوازن مالیاتی نظم و نسق کے ذریعے اپنی ترقی کو جاری رکھے ہوئے ہے۔

CSO ایکس پلینس - سروس ایوارڈ پروگرام:

CS&Q نے سروس ایوارڈ پروگرام کا آغاز کیا تاکہ ٹیم ورک، حوصلہ افزائی، کارکردگی اور مجموعی سروس کے تجربے کو بہتر بنایا جاسکے۔

سروس ایوارڈ پروگرام کے فوائد:

- انعامات اور شناخت کے ذریعے برائے سروس کی ذمہ داری قائم کرنا
- مستقل اعلیٰ معیار کی سروس کی فراہمی کے ذریعے صارفین کی خوشنودی اور وفاداری پیدا کرنا
- ایسی ثقافت کو فروغ دینا جس میں امدرونی اور بیرونی صارفین کو معیاری سروس فراہم کرنا برائے کی کارکردگی کا لازمی حصہ بن جائے

کم از کم کپٹل کی ضروریات (MCR) اور کپٹل ایڈیکوئیٹی ریٹو (CAR):

31 مارچ 2024 تک، کم از کم کپٹل کی ضروریات (MCR) منفی 31.44 ارب روپے تھی، جبکہ کپٹل ایڈیکوئیٹی ریٹو (CAR) منفی 97.75% رہی، جو کہ منقرضہ کم از کم حد 10 ارب روپے اور 11.50% کے خلاف تھی۔

گریڈ ریٹنگ:

بینک کی طویل مدتی ریٹنگ A- (سنگل اے ماٹنس) اور مختصر مدتی ریٹنگ A-2 (سنگل اے ماٹنس) ہے، جو JCR VIS گریڈ ریٹنگ کمپنی لمیٹڈ نے دی ہے۔

مستقبل کا منظر نامہ:

31 اکتوبر 2024 کو، یونائیٹڈ بینک لمیٹڈ (UBL) نے باضابطہ طور پر سٹاک بینک لمیٹڈ ("بینک") کے ممکنہ انضمام کی پیشکش دی۔ UBL نے یہ اہم معلومات پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) کو فراہم کیں، جس میں ممکنہ انضمام سے متعلق پیشکش جمع کروانے کی تصدیق کی گئی۔ چنانچہ، بینک نے بھی اپنی اہم معلومات 1 نومبر 2024 کو PSX کو فراہم کیں۔

اس کے بعد، 6 نومبر 2024 کو منعقدہ بورڈ آف ڈائریکٹرز کے اجلاس میں، سٹاک بینک کے بورڈ نے اصولی طور پر اس ممکنہ انضمام کی منظوری دی۔ یہ انضمام آسٹریلیا کی بیسٹ سیٹس کے ذریعے کیا جائے گا، جس کے لیے بینکنگ کمپنیز آرڈیننس 1962 (BCO) کے سیکشن 48 کے تحت اسٹیٹ بینک آف پاکستان (SBP) کی منظوری درکار ہوگی۔ بینک نے اس فیصلے کو آئی سی ڈی PSX میں بھی ظاہر کیا۔

بعد ازاں، UBL اور سٹاک بینک نے اپنے بورڈ اجلاس بالترتیب 2 دسمبر اور 4 دسمبر 2024 کو منعقد کیے، جہاں دونوں بینکوں کے بورڈز نے شیئرسویپ آرڈیننس کے ذریعے مجوزہ انضمام کی منظوری دے دی، جو بینکنگ کمپنیز آرڈیننس 1962 کے سیکشن 48 کے تحت ہوگا۔ اس کے علاوہ، انگریسٹ ٹو ایبلٹی، آسٹریلیا کی بیسٹ سیٹس، اور دیگر ضروری قانونی دستاویزات پر عمل درآمد کی منظوری دی گئی۔

منظور شدہ شیئرسویپ تناسب کے مطابق، UBL کے ہر ایک (1) نئے عام شیئر (جس کی قدر 10 روپے ہے) کے بدلے سٹاک بینک کے 325 شیئرز (ہر ایک کی قدر 10 روپے) دیے جائیں گے۔ اس تناسب کے تحت، UBL کے 27,944,188 عام شیئرز جاری کیے جائیں گے، جس میں کوئی رائٹ ایٹوشال نہیں ہوگا۔

شیئرز ہولڈرز کی منظوری کے لیے، غیر معمولی عام اجلاس (EOGM) منعقد کیے گئے، سٹاک بینک کے شیئرز ہولڈرز کا اجلاس 26 دسمبر 2024 کو، اور UBL کا اجلاس 30 دسمبر 2024 کو ہوا۔ ان اجلاسوں میں، دونوں بینکوں کے شیئرز ہولڈرز نے باضابطہ طور پر انضمام کی منظوری دی، اور ان فیصلوں کو PSX میں ظاہر کر دیا گیا۔



چونکہ شیئر ہولڈرز پہلے ہی سٹاک بینک لمیٹڈ کے UBL میں انضمام کی منظوری دے چکے تھے، تاہم BCO کے سیکشن 48 کی تکمیل کے لیے EOGM دوبارہ بلائے اور ضروری قراردادیں منظور کرنے کی ضرورت تھی۔ اس کے مطابق، بینک نے 18 فروری 2025 کو ایک اور EOGM منعقد کیا، جہاں شیئر ہولڈرز نے 99.997% ووٹوں کی اکثریت سے خصوصی قرارداد منظور کر کے اپنی منظوری کی توثیق کی۔

شیئر ہولڈرز کی منظوری حاصل ہونے کے بعد، اب یہ انضمام تمام ضروری قانونی تقاضوں، کارپوریٹ اور ریگولیٹری منظوریوں، اور تیسرے فریق کی منظوریوں کی تکمیل کا منتظر ہے۔ ایک بار تمام مراحل مکمل ہونے پر، بینک کے اثاثے، واجبات، اور ذمہ داریاں UBL میں ضم کر دی جائیں گی اور انہیں نئے ادارے کے معمول کے کاروباری عمل کے مطابق منظم اور عمل کیا جائے گا۔

ہم اپنے شیئر ہولڈرز کو اس انضمام کے عمل میں ہونے والی مزید پیش رفت سے آگاہ رکھنے کے لیے اعلانات جاری رکھیں گے۔

اظہار تشکر

ہم ایک بار پھر اپنے صارفین اور کاروباری شراکت داروں کا اُن کے بینک پر اعتماد اور تعاون کے لیے تہ دل سے شکریہ ادا کرتے ہیں، اور اسٹیٹ بینک آف پاکستان کی راہنمائی اور تعاون کے لیے دلی قدر دانی کا اظہار کرتے ہیں۔ ہم اپنے ساتھیوں، عملے اور دیگر اسٹاف کے عزم اور خدمات کا بھی شکریہ ادا کرتے ہیں، اور ان کے مسلسل تعاون کے منتظر ہیں۔

بینک کے بورڈ کی جانب سے:

سٹاک بینک لمیٹڈ

خالد عزیز مرزا

چیئر مین

شہرام رضا بختیاری

پریذیڈنٹ اینڈ سی ای او

26 فروری 2025

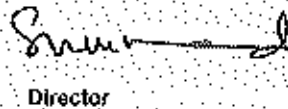
**SILKBANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2024**

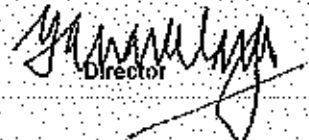
		March 31, 2024	December 31, 2023
	Note	Un-audited	Audited
Rupees in '000			
<b>ASSETS</b>			
Cash and balances with treasury banks	8	12,633,617	14,055,139
Balances with other banks	9	1,800,495	1,839,082
Lendings to financial institutions	10	-	491,450
Investments	11	173,393,347	173,339,468
Advances	12	48,337,401	49,684,132
Property and equipment	13	2,641,203	2,681,797
Right-of-use assets	14	1,841,927	1,924,136
Intangible assets	15	300,174	317,415
Deferred tax assets	16	32,541,247	30,498,301
Other assets	17	17,539,862	17,229,757
<b>Total Assets</b>		<b>291,128,333</b>	<b>292,070,677</b>
<b>LIABILITIES</b>			
Bills payable	19	2,376,995	3,141,963
Borrowings	20	160,055,324	147,380,746
Deposits and other accounts	21	147,528,535	154,262,365
Lease liabilities	22	2,302,866	2,369,107
Subordinated debt	23	2,438,666	2,438,666
Deferred tax liabilities		-	-
Other liabilities	24	6,047,509	8,829,877
		<b>320,749,895</b>	<b>318,422,724</b>
<b>NET ASSETS</b>		<b>(29,621,562)</b>	<b>(26,352,047)</b>
<b>REPRESENTED BY</b>			
Share capital - net		23,431,374	23,431,374
Statutory reserves		820,890	820,890
Surplus on revaluation of assets - net of tax	25	1,002,535	1,030,934
Accumulated losses		(54,676,361)	(51,635,245)
		<b>(29,621,562)</b>	<b>(26,352,047)</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	26		

The annexed notes 1 to 45 form an integral part of these condensed interim financial statements.

  
 Chief Financial Officer  
 Director

  
 President & Chief Executive Officer

  
 Director

  
 Director

**SILKBANK LIMITED****CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - UNAUDITED  
FOR THE QUARTER ENDED MARCH 31, 2024**

	Note	March 31, 2024	March 31, 2023
Rupees in '000			
Mark-up / return / profit / interest earned	28	10,626,997	9,183,237
Mark-up / return / profit / interest expensed	29	(14,234,621)	(10,374,644)
<b>Net Mark-up / return / profit / interest expense</b>		<b>(3,607,624)</b>	<b>(1,191,407)</b>
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee and commission income	30	711,907	832,408
Dividend income			
Foreign exchange (loss) / income		(13,590)	242,250
Loss from derivatives		(1)	(1,800)
Gain / (loss) on securities	31	1,898	(33,765)
Other income	32	23,192	30,845
<b>Total non-markup / interest income</b>		<b>723,406</b>	<b>1,068,938</b>
<b>Total loss</b>		<b>(2,884,418)</b>	<b>(121,469)</b>
<b>NON MARK-UP / INTEREST EXPENSES</b>			
Operating expenses	33	(1,941,858)	(1,848,571)
Workers Welfare Fund			
Other charges	34	(9,744)	(1,652)
<b>Total non-markup / interest expenses</b>		<b>(1,951,402)</b>	<b>(1,850,223)</b>
<b>Loss before provisions, extra ordinary / unusual item and taxation</b>		<b>(4,835,820)</b>	<b>(1,971,692)</b>
Provisions and write offs - net	35	(355,950)	(390,259)
Extra ordinary / unusual items			
<b>LOSS BEFORE TAXATION</b>		<b>(5,191,770)</b>	<b>(2,361,951)</b>
Taxation	36	1,949,253	865,013
<b>LOSS AFTER TAXATION</b>		<b>(3,242,517)</b>	<b>(1,496,938)</b>
Rupees			
<b>Basic and Diluted Loss Per Share</b>	37	<b>(0.36)</b>	<b>(0.16)</b>

The annexed notes 1 to 45 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
President & Chief Executive Officer

  
Director

  
Director

  
Director


**SILKBANK LIMITED**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED**  
**FOR THE QUARTER ENDED MARCH 31, 2024**

	March 31, 2024	March 31, 2023
	Rupees in '000	
Loss after taxation for the period	(3,242,517)	(1,406,938)
<b>Other comprehensive (loss) / income</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Movement in deficit on revaluation of investments - net of tax	(27,544)	(1,245,905)
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>		
Remeasurement gain on defined benefit obligations - net of tax	-	-
Movement in surplus on revaluation of property and equipment - net of tax	(546)	(546)
Movement in surplus on revaluation of non-banking assets - net of tax	(309)	(309)
	(855)	(855)
<b>Total comprehensive loss</b>	<b>(3,270,916)</b>	<b>(2,743,698)</b>

The annexed notes 1 to 45 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
President & Chief Executive Officer

  
Director

  
Director

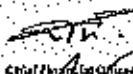
  
Director

**SILKBANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED**  
**FOR THE QUARTER ENDED MARCH 31, 2024**

	Share Capital		Statutory Reserve*	Impairment Allowance		Accumulated Losses	Total
	Issued, Subscribed and paid up capital	Discount on Issue of Shares		Impairment Allowance	Property & Equipment Impairment Allowance		
Opening Balance as at January 01, 2024 - Unaudited	60,818,612	(67,387,238)	828,699	(5,270,294)	3,810,520	(11,015,704)	(11,015,704)
Loss after taxation for the quarter ended March 31, 2024 - Unaudited						(1,456,538)	(1,456,538)
Other comprehensive income/(loss) - net of tax - Unaudited							
Movement in fair value on revaluation of investments - net of tax				(1,845,805)			(1,245,805)
Remeasurement gain on defined benefit obligations - net of tax							
Movement in surplus on revaluation of property and equipment - net of tax					(545)		(545)
Movement in surplus on revaluation of non-banking assets - net of tax					(300)		(300)
Transfer from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax						605	605
Transfer from surplus on revaluation of non-banking assets on account of incremental depreciation - net of tax						605	605
Closing Balance as at March 31, 2024 - Unaudited	60,818,612	(67,387,238)	828,699	(5,270,294)	3,810,520	(14,028,270)	(14,028,270)
Loss after taxation for the six months period ended December 31, 2023 - Audited						(11,389,499)	(11,389,499)
Other comprehensive income/(loss) - net of tax - Unaudited							
Movement in deficit on revaluation of investments - net of tax				1,550,050			1,550,050
Remeasurement gain on defined benefit obligations - net of tax						18,853	18,853
Movement in surplus on revaluation of property and equipment - net of tax					(1,891)		(1,891)
Movement in surplus on revaluation of non-banking assets - net of tax					(927)		(927)
Transfer to statutory reserves							
Transfer from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax						2,184	2,184
Transfer from surplus on revaluation of non-banking assets on account of incremental depreciation - net of tax						1,518	1,518
Closing Balance as at December 31, 2023 - Audited	60,818,612	(67,387,238)	828,699	(6,820,571)	3,317,511	(11,648,287)	(11,648,287)
Loss after taxation for the quarter ended March 31, 2023 - Unaudited						(1,242,517)	(1,242,517)
Other comprehensive income/(loss) - net of tax - Unaudited							
Movement in surplus on revaluation of investments - net of tax				(77,544)			(77,544)
Remeasurement gain on defined benefit obligations - net of tax							
Movement in surplus on revaluation of property and equipment - net of tax					(525)		(525)
Movement in surplus on revaluation of non-banking assets - net of tax					(304)		(304)
Transfer from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax						605	605
Transfer from surplus on revaluation of non-banking assets on account of incremental depreciation - net of tax						605	605
Closing Balance as at March 31, 2023 - Unaudited	60,818,612	(67,387,238)	828,699	(6,820,571)	3,317,511	(14,028,270)	(14,028,270)

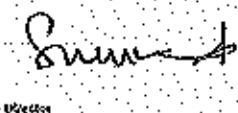
\* Statutory reserves represent amount set aside as per requirements of section 21 of the Banking Companies Ordinance, 1962.

The annexed notes 1 to 45 form an integral part of these condensed interim financial statements.

  
 Chief Executive Officer

  
 President & Chief Executive Officer

  
 Director

  
 Director


  
 Director



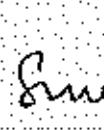
**SILKBANK LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT - UNAUDITED**  
**FOR THE QUARTER ENDED MARCH 31, 2024**

	March 31, 2024	March 31, 2023
Note	Rupees in '000	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(5,191,770)	(2,361,951)
Less: Dividend Income	-	-
	(5,191,770)	(2,361,951)
<b>Adjustments:</b>		
Net Mark-up / return / profit / interest expense	3,607,824	1,191,407
Depreciation on property and equipment	33 56,406	68,465
Depreciation on right-of-use assets	33 132,039	146,610
Depreciation on non-banking assets acquired in satisfaction of claims	33 8,551	8,656
Amortization of intangible assets	33 17,241	13,588
Provisions against loans & advances	35 449,483	480,311
Gain on sale of property and equipment	32 (21)	(5,208)
Unrealized loss on revaluation of investments - held-for-trading	31 9	2,458
Share of loss from associate	32 -	(266)
Write offs against property and equipment	35 -	9,102
	4,270,532	1,916,913
	(921,238)	(446,938)
<b>Decrease / (Increase) in operating assets</b>		
Lendings to financial institutions	491,450	7,979,624
Net investments in held-for-trading securities	132,364	7,050,585
Advances	908,248	4,020,336
Other assets (excluding advance taxation)	329,173	(1,572,476)
	1,661,235	16,078,079
<b>Increase / (Decrease) in operating liabilities</b>		
Bills payable	(704,968)	(902,408)
Borrowings	12,674,678	(9,103,810)
Deposits	(6,733,830)	(2,041,634)
Other liabilities (excluding current taxation)	(36,842)	601,677
	5,138,838	(11,445,935)
	6,078,835	6,386,208
Interest received	10,020,295	8,959,640
Interest paid	(17,000,543)	(8,924,129)
Income tax paid	(126,664)	(99,420)
<b>Net cash flow generated from operating activities</b>	<b>(1,018,077)</b>	<b>6,121,339</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investment in available-for-sale securities	(155,248)	(3,097,638)
Net investment in held-to-maturity securities	23,341	20,718
Net investment in property and equipment and intangible assets	(16,826)	(25,256)
Proceeds on disposal of property and equipment	674	46,341
<b>Net cash flow used in investing activities</b>	<b>(147,758)</b>	<b>(3,056,035)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability against right-of-use assets	(195,274)	(214,442)
<b>Net cash flow used in financing activities</b>	<b>(195,274)</b>	<b>(214,442)</b>
<b>(Decrease) / Increase in cash and cash equivalents</b>	<b>(1,361,109)</b>	<b>2,860,853</b>
Cash and cash equivalents at the beginning of the period	15,694,221	10,765,266
Cash and cash equivalents at the end of the period	36 14,333,112	13,626,119


The annexed notes 1 to 46 form an integral part of these condensed interim financial statements.

  
**Chief Financial Officer**

  
**President & Chief Executive Officer**

  
**Director**

  
**Director**

  
**Director**

## **SILKBANK Limited**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED FOR THE QUARTER ENDED MARCH 31, 2024**

#### **1 STATUS AND NATURE OF BUSINESS**

- 1.1 Silkbank Limited ("the Bank") was incorporated in Pakistan on April 04, 1994 as a public limited company under the Companies Act, 2017. The Bank commenced commercial operations on May 07, 1995. The Bank's shares are quoted on Pakistan Stock Exchange Limited. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1982. The Bank operates through 105 branches (December 31, 2023: 105 branches) including 23 (December 31, 2023: 23) Islamic banking branches in Pakistan. The Bank's registered office is located at Silkbank Building, 13-L, F-7 Markaz, Islamabad.
- 1.2 Major shareholders of the Bank as on March 31, 2024 are Sinthos Capital (comprising of Mr. Shaukat Tarin, Mr. Sadeq Sayeed and Mr. Azmat Tarin), Arif Habib Corporation Limited, International Finance Corporation (IFC), Nomura European Investment Limited, Bank Muscat S.A.O.G and Mr. Zulqarnain Nawaz Chatta / Mr. Zubair Nawaz Chatta of Gourmet Group.
- 1.3 In October 2020, the short-term and long-term credit ratings of 'A-2' and 'A-' respectively was assigned to the Bank by VIS Credit Rating Company Limited ("VIS") based on the Bank's condensed interim financial statements for the period ended June 30, 2020. Thereafter, no credit ratings have been issued and the VIS shall review the ratings once these and other subsequent financial statements are issued.
- 1.4 As at March 31, 2024, the equity of the Bank is negative Rs. 30.62 billion excluding surplus on revaluation of assets. This includes share capital (net of losses and discount on shares) of negative Rs. 31.44 billion against the Minimum Capital Requirement (MCR) of Rs. 10 billion as prescribed by State Bank of Pakistan (SBP). Further, the Capital Adequacy Ratio (CAR) of the Bank is negative 97.75% (December 31, 2023: negative 88.05%) as against the minimum CAR requirement of SBP of 11.50% (December 31, 2023: 11.50%). Consequently, the Bank is non-compliant with MCR and CAR at March 31, 2024 which resulted in various reduced prudential limits and may expose the Bank to regulatory actions under the Banking laws. These material uncertainties and conditions may cast significant doubts on the Bank's ability to continue as a going concern.
- 1.4.1 On October 31, 2024, United Bank Limited (UBL), after completion of detailed due diligence of the Bank has submitted an offer to the Bank for its amalgamation with UBL pursuant to a scheme of amalgamation to be filed with and sanctioned by the SBP under section 48 of the Banking Companies Ordinance, 1982 (Amalgamation). As consideration of the Amalgamation, UBL has proposed to issue and allot new UBL ordinary shares to the shareholders of the Bank on the basis of a ratio of one (1) new UBL ordinary shares of every three hundred and twenty five (325) of the Bank's ordinary shares. The Board of Directors of the Bank, in its meeting held on November 06, 2024, accorded its in-principle approval for the Amalgamation.

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

- The amalgamation of the Bank with and into UBL through a share swap arrangement in accordance with section 48 of the Banking Companies Ordinance, 1982;
- Execution of the Amalgamation Agreement, Scheme of Amalgamation and other ancillary documentation in connection with the Amalgamation;
- The swap ratio of one (1) new ordinary share of UBL having face value of PKR 10/- (Pakistan Rupee Ten Only) in exchange of three hundred and twenty five (325) already issued shares of the Bank, each share having a face value of PKR 10/- (Pakistan Rupee Ten Only), resulting in the issuance of 27,944,188 ordinary shares of UBL, other than by way of right issue; and
- Convening of Extraordinary General Meeting (EOGM) of UBL on December 30, 2024 and of the Bank on December 26, 2024 for consideration and approval of the Amalgamation and above-mentioned matters by the respective shareholders of UBL and the Bank.

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

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

Subsequently, on the given dates the shareholders of the UBL and the Bank have approved the Amalgamation as per the Scheme of Amalgamation approved by the respective Boards of Directors. However, in order to comply with certain requirements of section 48 of the Banking Companies Ordinance, 1962, the Bank has reconvened its EOGM on February 18, 2025, wherein all the resolutions with respect to Amalgamation have again been passed. Further, the Competition Commission of Pakistan has granted its approval on the Amalgamation on February 25, 2025.

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

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

- 1.4.2 The issuance of these condensed interim financial statements are delayed due to pending finalization of the annual financial statements for the year ended December 31, 2021, and convening respective year's Annual General Meeting (AGM), for which the Bank was allowed extended time, initially by SECP, and later on by the Honorable Islamabad High Court. The annual financial statements for the year ended December 31, 2021 have been adopted by the shareholders of the Bank in the AGM for the year 2021 which was held on December 06, 2024. Thereafter, the annual financial statements for the year ended December 31, 2022 and December 31, 2023 have also been adopted by the shareholders of the Bank in the respective years' AGMs, which was held on January 04, 2025 and January 29, 2025.

## 2 BASIS OF PREPARATION

- 2.1 These unconsolidated condensed interim financial statements have been prepared in conformity with the format of interim financial statements prescribed by the State Bank of Pakistan (SBP) vide SBRD Circular Letter No. 2 dated February 09, 2023.
- 2.2 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.
- 2.3 The Islamic banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified under the provisions of the Companies Act, 2017 except for the adoption of IFAS-3 'Profit & Loss Sharing on Deposits' as disclosed in note 3.3.
- 2.4 The financial results of the Islamic banking branches have been included in these condensed interim financial statements for reporting purposes, after eliminating material inter-branch transactions / balances. Key financial figures of the Islamic banking branches are disclosed in note 43 to these condensed interim financial statements.

## 3 STATEMENT OF COMPLIANCE

- 3.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. These comprise of:
- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
  - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered 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 SBP and the Securities and Exchange Commission of Pakistan ("SECP") from time to time.

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

- 3.2 The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. Further, the SECP has deferred the applicability of IFRS 7 'Financial Instruments: Disclosures' on banks through S.R.O. 411(1) / 2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.
- 3.3 The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of IFAS-3 for Profit & Loss Sharing on Deposits (IFAS-3) issued by the ICAP and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for institutions offering Islamic Financial Services (IFS). The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of IFAS-3 for Profit & Loss Sharing on Deposits issued by the ICAP and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for institutions offering Islamic Financial Services (IFS). The disclosures requirements for Islamic Banking Business relating to annual and quarterly financial statements have been based on a format prescribed by SBP vide BPRD Circular Letter No. 02 dated 09 February 2023.
- 3.4 The SBP vide BPRD Circular No. 02 of 2023 dated February 09, 2023 has amended the format of interim / annual financial statements of banks. All banks are required to prepare their interim / annual financial statements on the revised format effective from the accounting year ending January 01, 2024. Accordingly, the Bank has prepared these condensed interim financial statements on the new format prescribed by the SBP.

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

- Right-of-use-assets (note 14) amounting to Rs. 1,841.93 million (2023: Rs. 1,924.14 million) which were previously shown as part of property and equipment are now shown separately on the condensed interim statement of financial position.
  - Lease liabilities (note 22) amounting to Rs. 2,302.87 million (2023: Rs. 2,369.11 million) which were previously shown as part of other liabilities are now shown separately on the condensed interim statement of financial position.
- 3.5 The disclosures made in these condensed interim financial statements are limited based on the format prescribed by the SBP vide BPRD circular letter No. 02 dated February 09, 2023 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and do not include all the information required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended December 31, 2023.
- 3.6 As disclosed in note 3.5 to these condensed interim financial statements, the format prescribed by SBP includes certain additional disclosures, including those related to International Financial Reporting Standard (IFRS) 9 – Financial Instruments. As disclosed in note 5.2, the Bank has deferred the applicability and related disclosures of IFRS 9 'Financial Instruments' based on specific permission granted by the SBP. Accordingly, these condensed interim financial statements have been prepared on the revised reporting format except to the disclosures related to IFRS 9 'Financial Instruments'.

#### 4 BASIS OF MEASUREMENT

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

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

## **5 MATERIAL ACCOUNTING POLICY INFORMATION**

The significant accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the annual financial statements of the Bank for the year ended December 31, 2023.

### **5.1 Standards, interpretations of and amendments to accounting and reporting standards that are effective in the year 2024**

As referred to in note 4.3 to the Bank's annual financial statements for the year ended December 31, 2023, there are certain standards, amendments and interpretations that are effective for the annual period beginning on or after January 01, 2024. These are considered either not to be relevant or not to have any significant impact on the Bank's condensed interim financial statements.

### **5.2 Standards, interpretations of and amendments to accounting and reporting standards that are not yet implemented**

#### **- IFRS 9 - 'Financial Instruments'**

IFRS 9: 'Financial Instruments' addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on an 'Expected Credit Losses' (ECL) approach rather than the 'incurred credit losses' approach as currently followed. The ECL has impact on all assets of the Bank which are exposed to credit risk.

The IFRS 9 is applicable on Banks for the financial period starting from January 01, 2024 as per the pronouncement made by SBP vide its BPRD Circular Letter No. 07 dated April 13, 2023. However, the SBP has granted an exemption to the Bank from the requirements of IFRS 9 'Financial Instruments' till the completion of the merger process with the UBL.

There are certain new and amended standards and interpretations as referred to in note 4.3 to the Bank's annual financial statements for the year ended December 31, 2023, that are mandatory for the Bank's accounting periods beginning on or after January 01, 2024 but are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not disclosed in these condensed interim financial statements.



**6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The basis and methods used for critical accounting estimates and judgments adopted in these condensed interim financial information are same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2023.

**7 FINANCIAL RISK MANAGEMENT**

The Bank's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2023.

The Bank's activities are exposed to a variety of financial risks i.e. market risk, credit risks and liquidity risks. The condensed interim financial statements do not include all risk management information and are disclosed in the annual financial statements, thus should be read in conjunction with the annual financial statements for the year ended December 31, 2023.

There have been no material changes to our policies and practices regarding risk management and governance as described in annual financial statements for the year ended December 31, 2023 except for certain additions in the criteria to address significant risks emanating from the retail portfolio to ensure that relevant indicators relating to likelihood of default, are being captured in a timely manner under the current situation.

**8 CASH AND BALANCES WITH TREASURY BANKS**

**In hand**

Local currency  
Foreign currencies

March 31, 2024  
December 31, 2023  
Un-audited Audited  
Rupees in '000

2,576,476	2,344,461
667,780	801,647
3,244,256	3,146,108

**With State Bank of Pakistan In**

Local currency current account  
Foreign currency current account  
Foreign currency deposit account

7,174,941	8,405,110
836,833	960,737
1,115,183	1,208,584
9,126,957	10,574,431

**With National Bank of Pakistan In**

Local currency current account

256,680 238,306

**National Prize Bonds**

7,844 8,094

12,633,617 14,055,139

March 31, 2024  
December 31, 2023  
Un-audited Audited  
Rupees in '000

**9 BALANCES WITH OTHER BANKS**

**In Pakistan**

In current account  
In deposit account

96,988	3,027
107	97
97,095	3,124

**Outside Pakistan**

In current account

1,602,400 1,835,358

1,699,495 1,839,082

**10 LENDINGS TO FINANCIAL INSTITUTIONS**

Repurchase agreement lendings (Reverse repo)

-	491,450
-	491,450

11 INVESTMENTS

11.1 Investments by type:	March 31, 2024 - Un-audited				December 31, 2023 - Audited			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees in '000							
<b>Hold-for-trading securities</b>								
<b>Federal Government Securities</b>								
Market Treasury Bills	-	-	-	-	1,880	-	1	1,881
GDP (Jarrah) Sukuks	99,339	-	(9)	99,330	224,040	-	5,782	220,222
	99,339	-	(9)	99,330	225,920	-	5,783	221,703
<b>Available-for-sale securities</b>								
<b>Federal Government Securities</b>								
Market Treasury Bills	1,957	-	2	1,959	-	-	-	-
Pakistan Investment Bonds	148,843,849	-	(1,489,382)	147,154,267	148,525,027	-	(1,433,415)	147,091,812
GDP (Jarrah) Sukuks	3,502,538	-	(48,681)	3,453,857	3,368,421	-	(40,414)	3,328,007
<b>Shares - Listed</b>								
Ordinary Shares	110,456	-	40,024	150,480	110,456	-	20,905	131,361
<b>Shares - Unlisted</b>								
Unlisted Ordinary Shares	5,680	(5,680)	-	-	5,680	(5,680)	-	-
<b>Real Estate Investment Trust Units</b>	17.1							
	810,032	-	(50,152)	850,880	810,032	-	(50,152)	850,880
<b>Non Government Debt Securities</b>								
Term Finance Certificates - Listed	50,041	-	134	50,175	50,000	-	175	50,175
Term Finance Certificates - Unlisted	8,780	(8,780)	-	-	8,700	(8,780)	-	-
	153,233,143	(14,460)	(1,557,955)	151,661,628	152,978,396	(14,460)	(1,511,801)	151,452,035
<b>Hold-to-maturity securities</b>								
<b>Federal Government Securities</b>								
Pakistan Investment Bonds	11.3							
	21,632,389	-	-	21,632,389	21,655,730	-	-	21,655,730
<b>Non Government Debt Securities</b>								
Shares repurchase (fully provided)	74,910	(74,910)	-	-	74,910	(74,910)	-	-
	21,707,299	(74,910)	-	21,632,389	21,730,640	(74,910)	-	21,655,730
<b>Total Investments</b>	<b>175,030,781</b>	<b>(89,370)</b>	<b>(1,557,955)</b>	<b>173,393,347</b>	<b>174,024,956</b>	<b>(89,370)</b>	<b>(1,506,116)</b>	<b>173,339,406</b>

	March 31, 2024 Un-audited	December 31, 2023 Audited
Rupees in '000		
11.1.1 Investments given as collateral		
Pakistan Investment Bonds	157,177,535	143,000,843
	<u>157,177,535</u>	<u>143,000,843</u>
11.2 Provision for diminution in value of investments		
11.2.1 Opening balance	89,370	89,370
Charge / (reversals)		
Change for the period / year		
Reversals for the period / year		
Amounts written off		
Closing balance	<u>89,370</u>	<u>89,370</u>

11.2.2 Particulars of provision against debt securities

Category of classification	March 31, 2024 - Un-audited		December 31, 2023 - Audited	
	Non Performing Investments	Provision	Non Performing Investments	Provision
Rupees in '000				
Domestic				
Substandard				
Doubtful				
Loss	83,690	83,690	80,600	83,690
Total	<u>83,690</u>	<u>83,690</u>	<u>80,600</u>	<u>83,690</u>

11.3 The market value of securities classified as held to maturity is Rs. 17,442 million (December 31, 2023: Rs. 17,124 million).

12 ADVANCES

	Performing		Non Performing		Total	
	March 31, 2024 Un-audited	December 31, 2023 Audited	March 31, 2024 Un-audited	December 31, 2023 Audited	March 31, 2024 Un-audited	December 31, 2023 Audited
	Rupees in '000					
Loans, cash credits, running finances, etc.	35,920,278	38,858,041	46,482,159	48,743,269	82,402,437	87,598,310
Islamic financing and related assets	11,376	4,375	585,000	195,000	208,376	189,375
Bills discounted and purchased	32,876	163,730	2,893	2,683	35,771	166,631
Advances - gross	<u>35,964,530</u>	<u>39,026,146</u>	<u>49,069,052</u>	<u>49,941,107</u>	<u>82,644,584</u>	<u>87,954,316</u>
Less: Provision against advances						
- Specific	666,789	591,534	33,740,394	33,459,650	33,740,394	33,459,650
- General	666,789	591,534	33,740,394	33,459,650	34,207,183	34,051,184
Advances - net of provision	<u>35,397,741</u>	<u>38,212,600</u>	<u>15,328,658</u>	<u>16,481,457</u>	<u>48,337,401</u>	<u>48,594,132</u>

	March 31, 2024 Un-audited	December 31, 2023 Audited
Rupees in '000		
12.1 Particulars of advances (Gross)		
In local currency	82,644,584	87,954,316
In foreign currencies	<u>82,644,584</u>	<u>87,954,316</u>

12.2 Advances include Rs. 48.88 billion (December 31, 2023: Rs. 48.94 billion) which have been placed under non-performing status as detailed below:

Category of classification - specific	March 31, 2024 - Un-audited		December 31, 2023 - Audited	
	Non Performing Loans	Provision	Non Performing Loans	Provision
Rupees in '000				
Domestic				
Substandard	392,617	77,430	2,389,468	63,078
Doubtful	2,413,673	47,227	550,978	111,089
Loss	41,076,462	33,615,742	43,890,716	33,295,473
Total	<u>43,882,752</u>	<u>33,740,394</u>	<u>46,831,162</u>	<u>33,459,650</u>

12.3 Particulars of provision against advances:

	March 31, 2024 - Un-audited			December 31, 2023 - Audited		
	Specific	General	Total	Specific	General	Total
Rupees in '000						
Opening balance	33,459,650	591,534	34,051,184	29,495,607	705,076	30,200,683
Charge for the period / year	516,285		516,285	5,215,884		5,215,884
Reversals for the period / year	(43,087)	(24,745)	(67,832)	(272,005)	(113,540)	(385,545)
Amounts written off	473,228	(24,745)	448,483	4,943,799	(113,540)	4,830,259
Closing balance	<u>33,740,394</u>	<u>666,789</u>	<u>34,407,183</u>	<u>33,459,650</u>	<u>591,534</u>	<u>34,051,184</u>

- 12.3.1** It includes non-performing advances amounting to Rs. 19,283 million (December 31, 2023 : Rs. 19,283 million) extended to certain borrowers ("Respective borrowers") who are engaged primarily in trading and real estate businesses which are mainly secured against the mortgage of land. These exposures are classified under 'Loss' category. The Bank intends to settle these exposures through Real Estate Investment Trust (REIT) arrangements (Note 17.3) which have been approved by the SBP with certain conditions precedent. Under the arrangement, two separate schemes of REITs, i.e. Silk Islamic Development REIT (SIDR) and Silk World Islamic REIT (SWIR) have been established. Out of the total land mortgaged with the Bank as a collateral securing these non-performing exposures, the land measuring 14.34 acres and 32.28 acres have been released and transferred in favour of SIDR and SWIR respectively. However, the Bank still hold other land of the Related Borrowers under mortgage having market value of around Rs. 24 billion.
- 12.3.1.1** After formation of SIDR, and transfer of land, an initial sale proceed of Rs. 878 million have been realised to the Bank against these respective non-performing exposures.
- 12.3.1.2** Against the land transferred to SWIR, REIT units in SWIR having par value of Rs. 5 billion have been issued in favour of the Respective borrowers which along with dividend thereon have been assigned in favour of the Bank.
- 12.3.2** SBP vide various circulars has amended Prudential Regulations in respect of provisioning against non-performing advances under which the benefit of Forced Sale Value (FSV) has been allowed for plant and machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing advances upto five years from the date of classification.
- 12.3.3** As of March 31, 2024, the Bank has availed FSV benefits against all non performing advances. Had the benefit not been taken by the Bank, loss after tax would have been higher by Rs. 7,217 million (December 31, 2023: Rs. 7,547 million), which shall not be available for payment of cash or stock dividend / bonus to employees.
- 12.3.4** General provision represents provision amounting to Rs. 567 million (December 31, 2023: Rs. 592 million) against consumer finance portfolio as required by the Prudential Regulations issued by the SBP.

		March 31, 2024	December 31, 2023
		Un-audited	Audited
	Note	Rupees in '000	
<b>13</b>	<b>PROPERTY AND EQUIPMENT</b>		
	Capital work-in-progress	4,623	3,080
	Property and equipment	<u>2,838,640</u>	<u>2,678,717</u>
		<u>2,841,263</u>	<u>2,681,797</u>
<b>13.1</b>	<b>Capital work-in-progress</b>		
	Civil works	880	3,043
	Advances to suppliers and contractors	<u>3,743</u>	<u>37</u>
		<u>4,623</u>	<u>3,080</u>
<b>13.2</b>	On September 10, 2015, the Bank entered into an Agreement to Sell (the Agreement) with respect to its previous Head Office Land and Building (the Property) situated at I. I. Chundrigar Road against sale consideration of Rs. 2,370 million. Pursuant to the terms of the Agreement, the Bank received a down payment of Rs. 118.50 million, which is currently reported in 'other liabilities' (note 24). The remaining balance was required to be paid by the buyer within 5 years from the date of the Agreement. Under the agreement, the counter-party is permitted for new construction at the Property site while keeping the building facade intact being the heritage and required to be protected under Heritage regulations.		
<b>13.2.1</b>	Certain Constitution Petitions was filed against the high rise construction at the Property. These includes the petition filed by SBP on October 2, 2018 in Honorable High Court of Sindh which granted Stay on October 4, 2018 against any construction at the Property site. Reportedly, the counter party had accepted the objections of SBP and had resolved respective concerns/issues about which SBP was duly communicated through their letter dated October 23, 2021. However, the matter is still pending at SBP and the Court's Stay on construction is still in place.		
<b>13.2.2</b>	Due to the Court's stay along with severe economic slowdown occurred due to COVID-19, the construction activities at the Property site were badly hampered at various time-intervals due to which the counter-party has requested the Bank to extend the term of the agreement. Accordingly, the agreement was initially extended for one year and thereafter till September 2024.		

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

	March 31, 2024 Un-audited	March 31, 2023 Un-audited
	Rupees in '000	
<b>13.3 Additions to Property and equipment</b>		
The following additions have been made to property and equipment during the period:		
Capital work-in-progress	16,621	16,323
<b>Property and equipment</b>		
Furniture and fixture	-	46
Electrical, office and computer equipment	11,860	209
Vehicles	-	25,906
Leasehold Improvements	3,118	-
	<u>14,978</u>	<u>26,161</u>
<b>Total</b>	<u><u>31,499</u></u>	<u><u>42,484</u></u>
<b>13.4 Disposal of Property and equipment</b>		
The net book value of property and equipment disposed off during the period is as follows:		
Furniture and fixture	-	201
Electrical, office and computer equipment	-	1,094
Vehicles	653	39,833
Leasehold Improvements	-	5
<b>Total</b>	<u><u>653</u></u>	<u><u>41,133</u></u>
	March 31, 2024 Un-audited	December 31, 2023 Audited
	Rupees in '000	
<b>14 RIGHT-OF-USE ASSETS</b>		
<b>At January 01,</b>		
Cost	4,599,538	4,628,982
Accumulated depreciation	<u>(2,675,402)</u>	<u>(2,398,728)</u>
Net book value at the beginning of the period / year	1,924,136	2,432,254
<b>Period / Year ended</b>		
Additions during the period / year	50,930	240,656
Deletions during the period / year	(1,100)	(203,097)
Depreciation charge for the period / year	(132,039)	(559,748)
Other adjustment	-	14,071
Net book value at the end of the period / year	<u><u>1,841,927</u></u>	<u><u>1,924,136</u></u>
<b>15 INTANGIBLE ASSETS</b>		
Capital work-in-progress	4,573	4,573
Software	295,601	312,842
	<u><u>300,174</u></u>	<u><u>317,415</u></u>



	March 31, 2024 Un-audited	March 31, 2023 Un-audited
Rupees in '000		
<b>16.1 Additions to Intangible assets</b>		
The following additions have been made to intangible assets during the period:		
Capital work-in-progress	-	30,216
Software (directly purchased)	-	2,262
<b>Total</b>	<b>-</b>	<b>32,498</b>

<b>16.2 Disposals of intangible assets</b>		
The net book value of intangible assets disposed off during the period is as follows:		
Software (directly purchased)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

	March 31, 2024 Un-audited	December 31, 2023 Audited
Rupees In '000		
<b>Note</b>		

## 16 DEFERRED TAX ASSETS

### Deductible Temporary Differences on

- Tax losses carried forward	25	17,046,776	15,093,845
- Deficit on revaluation of investments		684,182	566,572
- Provision for diminution in value of investments		3,424	3,424
- Provision against non-performing advances		13,299,062	13,254,535
- Provision against Workers' Welfare Fund (WWF)		52,476	52,476
- Provision against other assets		363,388	363,388
- Depreciation on non-banking assets		122,662	119,327
- Impairment in property and equipment		1,042,269	1,022,580
- Unabsorbed tax depreciation		129,428	129,428
		<b>32,643,647</b>	<b>30,605,575</b>

### Taxable Temporary Differences on

- Surplus on revaluation of non-banking assets	25	(13,234)	(13,431)
- Surplus on revaluation of property and equipment	25	(6,630)	(6,979)
- Post retirement employee benefits		(35,256)	(35,255)
- Accelerated tax depreciation		(47,280)	(51,609)
		<b>(102,400)</b>	<b>(107,274)</b>
		<b>32,541,247</b>	<b>30,498,301</b>

**16.1** The Bank has an aggregate amount of deferred tax assets of Rs. 32,541 million (December 31, 2023: Rs. 30,498 million) out of which an amount of Rs. 13,299 million (December 31, 2023: 13,255 million) has been recorded in accordance with the provision of the Seventh Schedule to the Income Tax Ordinance, 2001, which require that Provisions for advances and off-balance sheet items shall be allowed upto a maximum of 1% of total advances and provisions for advances and off-balance sheet items shall be allowed at 5% of total advances for consumers and small and medium enterprises. Pursuant to the Amalgamation arrangement as detailed in Note 1.4, the amalgamated entity is expected to realise these deferred tax assets mainly against its future years tax liabilities and available tax benefits with respect to non performing loans.

		March 31, 2024 Un-audited	December 31, 2023 Audited
	Note	Rupees in '000	
<b>17 OTHER ASSETS</b>			
Income / mark-up accrued in local currency - net		8,861,775	8,264,073
Income / mark-up accrued in foreign currency - net			
Accrued rent		18,210	18,210
Advances, deposits, advance rent and other prepayments		2,010,033	1,974,079
Profit paid in advance on fixed deposits		173,807	175,749
Advance taxation (payments less provisions)		2,649,271	2,599,144
Net defined benefit assets		90,399	90,399
Non-banking assets	17.2	2,973,330	2,981,376
Branch adjustment account		655,028	857,247
Mark to market gain on forward contracts		918	2,122
Acceptances		158,432	331,084
Contract Assets	17.3	-	-
Receivable from sale of non-banking assets acquired in satisfaction of claims	17.4	6,050	10,250
Fee receivable from Credit Card members		193,854	198,124
Others		614,684	593,323
		<u>18,405,791</u>	<u>18,095,179</u>
Less: Provision held against other assets	17.5	(916,846)	(916,846)
Other assets - net of provisions		17,488,945	17,178,333
Surplus on revaluation of non-banking assets		50,917	51,424
Other assets - total		<u>17,539,862</u>	<u>17,229,757</u>
<b>17.1 Market value of Non-banking assets acquired in satisfaction of claims</b>		<u>2,175,016</u>	<u>2,183,567</u>

**17.2** The non-banking assets acquired in satisfaction of claims (NBAs) aggregating to Rs. 1,602 million (December 31, 2023: Rs. 1,802 million) are currently un-developed and have been evaluated based on the valuation reports from the valuers on Pakistan Bank Association list of approved valuers. The Bank exposure exceeds the prescribed limit of 2.5% of aggregate advances and investments (excluding investment in Government securities) as prescribed by SBP under regulation Debt Property Swap.

**17.3** The Contract assets represent the variable consideration, receivable to the Bank from SIDR, against the land transferred to it in 2021, which was previously held as Non-banking assets. Such transfer of land was made under the REIT arrangement to which certain mortgaged land of respective borrowers as detailed in Note 12.3.1 was also released. The management has assessed the expected value of these Contract assets as Nil, as significant time has been lapsed in launch of SIDR's project, which have multiple implications on achieving the project's required profitability level and payouts to SIDR unit holders.

**17.4** REIT units of SWIR having per value equivalent to Rs. 910 million had been issued in consideration to the land transferred to SWIR (previously held as Non-banking assets) under REIT arrangement to which certain mortgaged land of respective borrowers was also released (Note 12.3.1). Such REIT units are held as Investments (Note 11). The Bank is expected to realize dividends over the REIT units held during the tenure and liquidation proceeds at the culmination of the respective REIT.

		March 31, 2024 Un-audited	December 31, 2023 Audited
		Rupees in '000	
<b>17.5 Provision held against other assets</b>			
Non-banking assets acquired in satisfaction of claims		849,232	849,232
Advances, deposits, advance rent and other prepayments		3,699	3,699
Others		63,915	63,915
		<u>916,846</u>	<u>916,846</u>
<b>17.5.1 Movement in provision held against other assets</b>			
Opening balance		916,846	857,232
Charge for the period / year		-	59,614
Reversals for the period / year		-	-
Net reversal for the period / year		-	59,614
Reversal on disposal / write off		-	-
Closing balance		<u>916,846</u>	<u>916,846</u>

## 18 CONTINGENT ASSETS

There were no contingent assets as at March 31, 2024 (December 31, 2023: Nil)

	March 31, 2024 Un-audited	December 31, 2023 Audited
	Rupees in '000	
<b>19</b>		
<b>BILLS PAYABLE</b>		
In Pakistan	2,376,995	3,141,963
Outside Pakistan	-	-
	<u>2,376,995</u>	<u>3,141,963</u>
<b>20</b>		
<b>BORROWINGS</b>		
<b>Secured</b>		
<b>Borrowings from State Bank of Pakistan</b>		
- under export refinance scheme	2,223,641	2,241,941
- under Credit Guarantee Scheme for Small and Rural Enterprises	250	333
	<u>2,223,891</u>	<u>2,242,274</u>
Repurchase agreement borrowings	167,298,584	144,894,565
	<u>169,520,475</u>	<u>147,136,839</u>
<b>Total secured</b>		
<b>Unsecured</b>		
Overdrawn nostro accounts	534,849	232,961
Overdrawn local bank accounts	-	10,946
<b>Total unsecured</b>	<u>534,849</u>	<u>243,907</u>
	<u>180,055,324</u>	<u>147,380,746</u>

**21 DEPOSITS AND OTHER ACCOUNTS**

	March 31, 2024 - Un-audited			December 31, 2023 - Audited		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
<b>Customers</b>						
Current deposits	32,616,463	5,460,454	38,075,937	32,250,858	7,056,794	39,307,652
Saving deposits	61,435,642	4,575,502	66,011,204	66,348,961	4,624,602	70,973,563
Term deposits	36,137,598	1,633,109	37,770,707	36,238,545	1,806,215	37,844,760
Margin deposits	1,193,967	-	1,193,967	1,289,544	-	1,289,544
Call deposits	1,245,938	-	1,245,938	1,328,153	-	1,328,153
	<u>132,628,628</u>	<u>11,669,125</u>	<u>144,297,753</u>	<u>137,456,061</u>	<u>13,287,611</u>	<u>150,743,672</u>
<b>Financial Institutions</b>						
Current deposits	169,134	59,890	229,024	145,189	21,328	166,517
Saving deposits	1,640,196	184	1,640,380	1,705,257	186	1,705,443
Term deposits	625,930	736,448	1,361,378	900,930	746,803	1,646,733
	<u>2,435,260</u>	<u>795,522</u>	<u>3,230,782</u>	<u>2,751,376</u>	<u>767,317</u>	<u>3,518,693</u>
	<u>136,063,888</u>	<u>12,464,647</u>	<u>147,528,535</u>	<u>140,207,437</u>	<u>14,054,928</u>	<u>154,262,365</u>

	March 31, 2024 Un-audited	December 31, 2023 Audited
	Rupees in '000	
<b>22</b>		
<b>LEASE LIABILITIES</b>		
Outstanding amount at the start of the period / year	2,369,107	2,969,815
Additions during the period / year	50,930	411,890
Deletion during the period / year	(1,100)	(314,928)
Lease payments including interest	(195,274)	(966,602)
Interest expense	79,203	314,629
Other adjustment	-	(46,667)
Outstanding amount at the end of the period / year	<u>2,302,866</u>	<u>2,389,107</u>
<b>22.1</b>		
<b>Contractual maturity of lease liabilities</b>		
Short-term lease liabilities - within one year	483,183	488,645
Long-term lease liabilities		
Later than one year and upto five years	1,468,469	1,512,562
Later than five years and upto ten years	361,214	367,900
Over ten years	-	-
<b>Total lease liabilities</b>	<u>2,302,866</u>	<u>2,389,107</u>

	Note	March 31,	December 31,
		2024	2023
		Un-audited	Audited
		Rupees in '000	
<b>23 SUBORDINATED DEBT</b>			
Subordinated Term Finance Certificates	23.1	1,998,400	1,998,400
Subordinated Loan from Sponsors	23.2	440,266	440,266
		<u>2,438,666</u>	<u>2,438,666</u>

23.1 The Bank has issued privately placed, unsecured and subordinated Term Finance Certificates (TFCs) as instruments of redeemable capital under section 86 of the Companies Act, 2017 and the Basel III guidelines issued by the SBP. The key features of the issue are as follows:

Issue amount	Rs. 2,000 million
Issue date	August 10, 2017
Maturity date	Up to 8 years from date of issue.
Rating	BBB+ (Triple B Plus) by VIS Credit Rating Company Limited (VIS) was announced on October 12, 2020, based on condensed interim financial statements of Silk Bank Limited as of June 30, 2020. Later on, the same rating was harmonized by VIS according to their revised methodology and assigned rating at 'B' (Single B) with a 'Rating Watch-Negative' status on June 16, 2023. The VIS shall review the ratings once these and other subsequent financial statements are issued.
Security	The instrument is unsecured and subordinated as to payment of principal and profit to all other indebtedness of the Bank, including deposits.
Profit payment frequency	Profit will be payable semi-annually in arrears on the outstanding principal amount and will be calculated on a 365 day year basis.
Redemption	0.14% of the issue amount during the first 7 years and remaining 99.86% in last two equal semi annual installments of 49.93% each.
Mark-up	6 months KIBOR plus 1.85% per annum.
Call option	The Bank may call TFCs in part or in full, after 5 years from date of issue on any profit payment date, subject to SBP approval and with not less than 30 days prior notice to the Trustee and Investors. The call option once announced will be irrevocable.
Lock-in clause	As per the lock-in requirement for Tier II issues, neither profit nor principal will be payable (even at maturity) in respect of the TFC, if such payment will result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or results in an increase in any existing shortfall in MCR or CAR.
Loss absorbency clause	The instrument will be subject to loss absorbency and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rule, the SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by fair value per share of the Bank's common equity on the date of trigger of the non-viability event as declared by the SBP, subject to a cap of 1,299,390,093 shares.

23.2 Due to the lock-in clause as mentioned in note 23.1 and as per SBP instructions, the Bank has received an unsecured and interest free subordinated loan from the sponsor in order to make the payment of the installments including profit thereon in respect of the above mentioned TFC's. Upon compliance with Capital Adequacy Ratio (CAR), this subordinated loan will be repaid to the Sponsor.

	Note	March 31,	December 31,
		2024	2023
		Un-audited	Audited
		Rupees in '000	
<b>24 OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		2,700,446	5,457,822
Mark-up / return / interest payable in foreign currencies		28,487	18,496
Unearned commission and income on bills discounted		69,451	71,538
Accrued expenses		1,005,836	990,859
Acceptances		158,432	331,084
Mark to market loss on forward contracts		34,384	53,850
Payable to defined benefit plan - contractual staff		136,175	121,935
Provision against off-balance sheet obligations	24.1	109,812	109,812
Workers' Welfare Fund (WWF)		37,127	64,857
Advance received against future sale of non banking assets		60,986	58,198
Advance received against future sale of property and equipment		118,500	118,500
Deferred income against non-banking assets		128,849	128,848
Islamic pool management reserve		11,612	10,994
Non checking account		36,838	64,460
PRI remitting account		27,617	27,650
Funds received against application of Housing Scheme		56,616	56,852
Others		1,327,652	1,146,385
		<u>6,047,509</u>	<u>6,029,877</u>

		March 31, 2024	December 31, 2023
	Note	Un-audited	Audited
		Rupees in '000	
<b>24.1 Provision against off-balance sheet obligations</b>			
Opening balance		109,812	109,812
Charge for the period / year		-	-
Reversals for the period / year		-	-
Amount written off		-	-
Closing balance	24.1.1	109,812	109,812
<b>24.1.1 This includes provisions made against letters of guarantee issued by the Bank.</b>			
<b>25 (DEFICIT) / SURPLUS ON REVALUATION OF ASSETS - NET OF TAX</b>			
<b>(Deficit) / Surplus on revaluation of</b>			
- Available for sale securities		(1,497,903)	(1,452,749)
- Property and equipment		40,274	41,169
- Non-banking assets acquired in satisfaction of claims		1,895,846	1,895,352
		438,217	484,772
<b>Deferred tax on (deficit) / surplus on revaluation of</b>			
- Available for sale securities	16	584,182	566,572
- Property and equipment	16	(6,630)	(6,979)
- Non-banking assets acquired in satisfaction of claims	16	(13,234)	(13,431)
		564,318	546,162
		1,002,535	1,030,934
<b>26 CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	26.1	11,758,928	11,302,878
Commitments	26.2	12,349,739	10,928,279
Contingent liabilities	26.3	1,001,404	1,038,843
		25,110,071	23,270,000
<b>26.1 Guarantees:</b>			
Financial guarantees		854,940	854,940
Performance guarantees		7,167,905	7,248,609
Other guarantees		3,736,083	3,199,329
		11,758,928	11,302,878
<b>26.2 Commitments:</b>			
Documentary credits and short-term trade-related transactions			
- letters of credit		2,130,354	1,793,868
Commitments in respect of:			
- forward foreign exchange contracts	26.2.1	9,897,165	9,134,411
- forward government securities transactions	26.2.2		
Commitments for acquisition of:			
- property and equipment		117,275	
- intangible assets		195,945	
		12,349,739	10,928,279
<b>26.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		8,566,062	8,560,493
Sale		1,392,403	573,918
		9,897,165	9,134,411
<b>26.2.2 Commitments in respect of forward government securities transactions</b>			
Purchase		-	-
Sale		-	-
<b>26.2.3</b> The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.			



	March 31, 2024 Un-audited	December 31, 2023 Audited
	Rupees in '000	
<b>26.3 Contingent liabilities:</b>		
Claims against the Bank not acknowledged as debt	785,404	803,843
Claims against the Bank by Competition Commission of Pakistan & others	235,000	235,000
	<u>1,001,404</u>	<u>1,038,843</u>

**26.3.1** Suits for damages of Rs. 24.30 billion (December 31, 2023: Rs. 24.29 billion) have been filed against the Bank by various borrowers / employees in respect of certain disputes relating to loans and advances. The management of the Bank and its legal counsel consider that the suits are a counterblast in response to the recovery suits filed by the Bank. The Bank and its legal counsel are confident that the cases will be dismissed as actual damages have to be proven in such suits.

**26.4** For contingencies relating to taxation refer note 36.1-36.4.

## 27 DERIVATIVE INSTRUMENTS

### Product Analysis

#### Counterparties

#### Hedging

- Banks

- Other entities

#### Total

March 31, 2024 - Un-audited	
Forward Contracts	
Notional Principal	Mark to Market gain / (loss)
Rupees in '000	
6,784,497	(27,935)
3,412,668	(5,531)
<u>9,897,165</u>	<u>(33,466)</u>

#### Counterparties

#### Hedging

- Banks

- Other entities

#### Total

December 31, 2023 - Audited	
Forward Contracts	
Notional Principal	Mark to Market gain / (loss)
Rupees in '000	
6,675,054	(44,972)
2,459,357	(8,550)
<u>9,134,411</u>	<u>(51,528)</u>

		March 31, 2024	March 31, 2023
	Note	Un-audited	Un-audited
		Rupees in '000	
<b>28</b>	<b>MARK-UP / RETURN / PROFIT / INTEREST EARNED</b>		
	Loans and advances	1,995,446	2,453,883
	Investments	8,539,837	6,085,394
	Lendings to financial institutions	75,757	36,921
	Balances with banks	15,957	7,038
		<u>10,626,997</u>	<u>9,183,237</u>
<b>29</b>	<b>MARK-UP / RETURN / PROFIT / INTEREST EXPENSED</b>		
	Deposits	6,531,276	3,618,805
	Borrowings	8,330,132	6,491,677
	Subordinated debt	118,764	87,415
	Cost of foreign currency swaps against foreign currency deposits / borrowings	176,446	101,810
	Lease liability against right-of-use assets	79,203	74,937
		<u>14,234,821</u>	<u>10,374,644</u>
<b>30</b>	<b>FEE &amp; COMMISSION INCOME</b>		
	Branch banking customer fees	54,447	75,004
	Card related fees (debit and credit cards)	508,095	601,154
	Credit related fees	78,819	77,064
	Commission on trade	38,346	28,207
	Commission on guarantees	20,980	21,425
	Commission on remittances including home remittances	3,618	5,358
	Commission on bancassurance	7,893	12,555
	Others	1,727	11,043
		<u>711,907</u>	<u>832,408</u>
<b>31</b>	<b>(LOSS) / GAIN ON SECURITIES</b>		
	Realised	31.1	1,907
	Unrealised - held for trading		(9)
			<u>(1,898)</u>
<b>31.1</b>	<b>Realised (loss) / gain on:</b>		
	Federal Government Securities		1,907
	Shares		(17,993)
			<u>(13,324)</u>
		<u>1,907</u>	<u>(31,307)</u>
<b>32</b>	<b>OTHER INCOME</b>		
	Gain on sale of property and equipment - net	21	5,208
	Rent on lockers	6,659	6,680
	Postage, telex and other service charges recovered	13,332	13,058
	Share of profit from associate		266
	Early loan termination charges	3,981	6,633
		<u>23,192</u>	<u>30,845</u>

	March 31, 2024 Un-audited	March 31, 2023 Un-audited
	Rupees in '000	
<b>33 OPERATING EXPENSES</b>		
Total compensation expense	771,641	721,300
<b>Property expense</b>		
Rent & taxes	8,571	2,910
Insurance on non-banking assets acquired in satisfaction of claims	96	-
Utilities cost	49,102	40,332
Security (including guards)	36,127	34,884
Repair & maintenance (including janitorial charges)	32,557	30,708
Depreciation on buildings	15,483	16,098
Depreciation on right-of-use assets	132,039	146,510
Depreciation on non-banking assets acquired in satisfaction of claims	8,551	8,656
	<b>282,526</b>	<b>280,000</b>
<b>Information technology expenses</b>		
Software maintenance	97,642	94,807
Hardware maintenance	35,575	39,086
Depreciation	12,466	15,207
Amortisation	17,241	13,588
Website development charges	-	157
	<b>163,124</b>	<b>162,845</b>
<b>Other operating expenses</b>		
Directors' fees and allowances	12,120	21,815
Fees and allowances to Shariah Board	3,045	4,135
Legal & professional charges	49,726	18,287
Outsourced services costs	5,387	9,330
Travelling & conveyance	28,704	17,695
NIFT clearing charges	2,610	4,287
Depreciation	28,457	37,150
Training & development	1,505	330
Postage & courier charges	1,924	1,570
Communication	352,532	288,509
Stationery & printing	31,370	23,108
Marketing, advertisement & publicity	31,751	60,625
Auditors' remuneration	8,136	6,474
Insurance (including deposit protection)	68,369	53,172
Repairs & maintenance	21,037	12,903
Brokerage and commission	135	1,664
Subscriptions and news papers	4,810	5,236
Entertainment	10,374	6,842
Vehicle running & maintenance	9,682	11,530
Card related expenses (debit and credit cards)	50,681	93,079
Security	9,827	6,448
Others	485	259
	<b>724,387</b>	<b>684,326</b>
	<b>1,941,658</b>	<b>1,848,571</b>
<b>34 OTHER CHARGES</b>		
Penalties imposed by State Bank of Pakistan		1,141
Operational loss	9,744	511
	<b>9,744</b>	<b>1,652</b>

		March 31, 2024	March 31, 2023
	Note	Un-audited	Un-audited
		Rupees in '000	
<b>35</b>	<b>PROVISIONS &amp; WRITE OFFS - NET</b>		
	Provisions against loans & advances	12.3 448,483	480,311
	Write offs against property and equipment		9,102
	Recovery of written off loans	(92,533)	(99,154)
		<u>355,950</u>	<u>380,259</u>
<b>36</b>	<b>TAXATION</b>		
	Current		
	Prior periods	76,637	55,703
	Deferred	(2,024,790)	(920,716)
		<u>(1,949,253)</u>	<u>(865,013)</u>

**36.1** The prior year tax amounting to Rs. 76 million pertains to minimum tax for the financial year 2019 as the Bank charges such tax in the year when the statutory period allowed for its carry forward against future tax liabilities on taxable income expires. The income tax returns of the Bank have been e-filed upto the tax year 2024. The Commissioner Inland Revenue has made amendments in the assessments, and the Bank has filed appeals against these amendments. The appeals are pending before Appellate Tribunal Inland Revenue (ATIR) against certain disallowances amounting to Rs.3,026 million (2023: Rs. 3,026 million) relating to Assessment / Tax Year(s) 2000-2001, 2001-2002, 2002-2003, 2004 and 2015 to 2019. The appeals which are pending before Commissioner-Appeals (CIR-A) against the disallowances amounting to Rs.682 million (2023: Rs.682 million) relating to tax years 2003 and 2006. The management of the Bank, in consultation with its tax advisor, is confident that the decisions in respect of these appeals would be in the Bank's favor.

**36.2** For the tax year 2020, tax audit and amendment in assessment proceedings has been concluded and order under section 122(1) of the Income Tax Ordinance, 2001 is passed disallowing certain items aggregating to Rs. 707,933 million. An appeal against the order is likely to be filed by the Bank. For the tax years 2021, 2022, 2023 and 2024 returns of income filed by the Bank are deemed to be assessment orders under section 120 of the Income Tax Ordinance, 2001.

**36.3** The proceedings regarding monitoring of withholding taxes pertaining to the Tax Years 2011 to 2019 were initiated and completed. Orders were issued by the Assessing Officer (AO) creating total tax demands of Rs. 241,880 million inclusive of penalties and default surcharges. Against these tax demands, the Bank has paid an amount of Rs. 169,312 million. The matters pertaining to the tax years 2011 and 2012 have been concluded, the Bank has not contested the matters in appeals and has paid the demands created by the AO. The Bank's appeals for Tax Years 2013 and 2014 before the CIR-A were rejected after which appeals before the ATIR, Karachi have been filed. The ATIR has remanded-back the case to the AO, however, no proceedings were initiated. With respect to Tax Years 2015 and 2016, the Bank has filed appeals against orders before CIR-A. The CIR-A remanded back the matter to the AO, however, no proceedings were initiated. With respect to Tax Years 2017 to 2019, the Bank has filed appeals against orders before CIR-A, the CIR-A remanded back the matter to the AO. The AO afterwards passed the orders by creating tax demands of Rs. 499,631 for tax year 2017, Rs. 303,191 for tax year 2018 and no tax demand for tax year 2019. Since, the orders passed by the AO are in favor of the Bank, therefore, no appeals were preferred. However, these orders are subject to rectification, accordingly, applications under section 221 of the Income Tax Ordinance, 2001 were filed in each case, though no rectified orders have been passed.

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

**36.4** The income tax returns of the Bank's Azad Kashmir operations have been filed up to the tax year 2021. The Commissioner Inland Revenue have amended the assessments from the tax years 2018 to 2020 and passed orders under section 122(5A) of the Ordinance (for tax years 2016 and 2017) and under section 122(1) of the Income Tax Ordinance, 2001, (for the tax years 2018, 2019 and 2020). Appeals against orders were filed and these matters are pending for adjudication before the CIR-A and ATIR. The CIR-A has remanded-back the matter in respect of tax years 2016, 2017 and 2020 for re-examination. The management of the Bank, in consultation with its tax advisor, is confident that the decisions in respect of these appeals would be in the Bank's favor.

		March 31, 2024	March 31, 2023
		Un-audited	Un-audited
<b>37</b>	<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		
	Loss after taxation for the period (Rupees in '000)	<u>(3,242,517)</u>	<u>(1,496,938)</u>
	Weighted average number of ordinary shares (Number of shares in '000)	<u>9,081,861</u>	<u>9,081,861</u>
	Basic and diluted loss per share (Rupee)	<u>(0.36)</u>	<u>(0.16)</u>

**37.1** There were no convertible dilutive potential ordinary shares outstanding as at March 31, 2024 and March 31, 2023.

		March 31, 2024	March 31, 2023
		Un-audited	Un-audited
		Rupees in '000	
<b>38</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and balance with treasury banks	12,633,017	12,761,758
	Balance with other banks	1,699,495	874,361
		<u>14,333,112</u>	<u>13,636,119</u>

39 FAIR VALUE MEASUREMENTS

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

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

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

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

39.1 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 liabilities, 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:

	March 31, 2024 - Un-audited				
	Carrying Value	Level 1	Level 2	Level 3	Total
	Rupees in '000				
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
<b>Investments:</b>					
Federal Government Securities					
Market Treasury Bills	1,069		1,069		1,069
Pakistan Investment Bonds	166,786,656		166,786,656		166,786,656
GOP Sarah Sukuk	3,663,187		3,663,187		3,663,187
Shares					
Listed companies	150,480	150,480			150,480
Non-Government Debt Securities					
Term Finance Certificates - Listed	60,175		60,175		60,175
	<u>172,642,467</u>	<u>150,480</u>	<u>172,391,837</u>		<u>172,642,467</u>
<b>Financial assets - disclosed but not measured at fair value</b>					
Cash and balances with treasury banks	17,633,617				
Balances with other banks	1,899,495				
Lendings to financial institutions					
Advances	48,337,401				
Other assets	9,080,807				
	<u>71,951,320</u>				
	<u>244,493,787</u>	<u>150,480</u>	<u>172,391,837</u>		<u>172,642,467</u>
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Forward purchase of foreign exchange	8,505,062		8,505,062		8,505,062
Forward sale of foreign exchange	1,392,103		1,392,103		1,392,103
Forward purchase of government securities transactions					
Forward sale of government securities transactions					



December 31, 2023 - Audited				
Carrying Value	Level 1	Level 2	Level 3	Total
Rupees in '000				
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
<b>Investments:</b>				
Federal Government Securities				
Market Treasury Bills	1,881	1,881		1,881
Pakistan Investment Bonds	168,747,342	168,747,342		168,747,342
GOEP Sarah Sukuks	3,557,829	3,557,828		3,557,829
Shares				
Listed companies	131,361	131,361		131,361
Non-Government Debt Securities				
Term Finance Certificates - Listed	50,175	50,175		50,175
	172,408,540	172,357,227		172,408,540
<b>Financial assets - disclosed but not measured at fair value</b>				
Cash and balances with treasury banks	14,055,139			14,055,139
Balances with other banks	1,839,082			1,839,082
Loans to financial institutions	491,460			491,460
Advances	49,694,132			49,694,132
Other assets	6,492,779			6,492,779
	74,572,592			74,572,592
	247,001,170	131,361	172,357,227	172,408,540
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Forward purchase of foreign exchange	6,580,493	6,580,493		6,580,493
Forward sale of foreign exchange	573,918	573,918		573,918
Forward purchase of government securities transactions				
Forward sale of government securities transactions				

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

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

### 39.2 Fair value of non-financial assets

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

March 31, 2024 - Un-audited				
Carrying Value	Level 1	Level 2	Level 3	Total
Rupees in '000				
Property and equipment - land and buildings	2,003,156		2,003,156	2,003,156
Non-banking assets acquired in satisfaction of claims	2,175,015		2,175,015	2,175,015
	4,178,171		4,178,171	4,178,171
December 31, 2023 - Audited				
Carrying Value	Level 1	Level 2	Level 3	Total
Rupees in '000				
Property and equipment - land and buildings	2,000,099		2,000,099	2,000,099
Non-banking assets acquired in satisfaction of claims	2,183,567		2,183,567	2,183,567
	4,183,666		4,183,666	4,183,666

39.2.1 Certain categories of operating Property and equipment (land and buildings) and non-banking assets acquired in satisfaction of claims are carried at recovered amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in annual financial statements for the year ended December 31, 2023.

40 SEGMENT INFORMATION

Segment Details with respect to Business Activities

	March 31, 2024 - Un-audited			Total
	Consumer / SME	Whole Sale Banking	Treasury	
Rupees in '000				
<b>Profit and Loss Account</b>				
Net mark-up / return / profit / (expense)	1,434,890	(4,444,739)	(857,975)	(3,607,824)
Inter segment revenue - net				
Non mark-up / Interest Income	678,317	63,281	(18,192)	723,406
<b>Total income / (loss)</b>	<b>2,113,207</b>	<b>(4,381,458)</b>	<b>(876,167)</b>	<b>(2,884,418)</b>
Segment direct expenses	(1,050,095)	(848,067)	(23,240)	(1,961,402)
Inter segment expense allocation	(421,514)	447,626	(28,111)	
<b>Total expenses</b>	<b>(1,501,609)</b>	<b>(400,442)</b>	<b>(49,351)</b>	<b>(1,851,402)</b>
Provisions	(57,769)	(298,184)		(355,953)
<b>Profit / (loss) before tax</b>	<b>613,842</b>	<b>(5,080,094)</b>	<b>(726,518)</b>	<b>(5,191,770)</b>

Statement of Financial Position				
Cash & Bank balances		3,817,749	10,715,383	14,533,112
Investments			173,393,347	173,393,347
Net inter segment lending	124,038,770	(263,776,043)	129,736,273	
Lendings to financial institutions				
Advances - performing - net	17,396,626	18,091,117		35,387,743
Advances - non-performing - net	276,362	12,163,306		12,939,668
Others	1,483,897	52,805,076	575,700	64,864,473
<b>Total Assets</b>	<b>143,805,445</b>	<b>(168,697,795)</b>	<b>314,420,683</b>	<b>291,128,333</b>
Borrowings	388,150	1,836,741	167,831,433	169,055,324
Subordinated debt		2,438,688		2,438,688
Deposits & other accounts	126,347,137	22,181,398		147,628,535
Net inter segment borrowing	13,053,596	(189,036,804)	165,986,208	
Others	4,816,662	4,244,710	1,666,089	10,727,370
<b>Total Liabilities</b>	<b>143,805,445</b>	<b>(138,339,289)</b>	<b>315,483,739</b>	<b>320,749,895</b>
Equity		(28,588,506)	(1,063,056)	(29,651,562)
<b>Total Equity &amp; Liabilities</b>	<b>143,805,445</b>	<b>(168,697,795)</b>	<b>314,420,683</b>	<b>291,128,333</b>
Contingencies & Commitments	788,404	14,448,802	9,897,185	25,110,071

	March 31, 2023 - (Un-audited)			Total
	Consumer / SME	Whole Sale Banking	Treasury	
Rupees in '000				
<b>Profit and Loss Account</b>				
Net mark-up / return / profit / (expense)	1,093,849	(2,861,407)	(323,759)	(1,191,407)
Inter segment revenue - net				
Non mark-up / Interest Income	788,972	67,122	213,644	1,069,738
<b>Total income / (loss)</b>	<b>2,782,821</b>	<b>(2,804,376)</b>	<b>(109,915)</b>	<b>(121,460)</b>
Segment direct expenses	(1,116,849)	(709,145)	(24,428)	(1,850,223)
Inter segment expense allocation	(380,128)	401,915	(21,787)	
<b>Total expenses</b>	<b>(1,496,777)</b>	<b>(307,230)</b>	<b>(46,215)</b>	<b>(1,850,223)</b>
Provisions	(43,659)	(346,600)		(390,259)
<b>Profit / (loss) before tax</b>	<b>1,252,385</b>	<b>(3,458,205)</b>	<b>(150,131)</b>	<b>(2,361,051)</b>

Statement of Financial Position				
Cash & Bank balances		4,888,901	11,005,320	15,894,221
Investments			173,339,468	173,339,468
Net inter segment lending	126,498,328	(250,705,195)	124,298,867	
Lendings to financial institutions			491,450	491,450
Advances - performing - net	18,187,888	18,025,532		36,212,620
Advances - non-performing - net	890,824	12,690,688		13,481,512
Others	1,535,989	49,356,854	1,758,563	62,651,406
<b>Total Assets</b>	<b>147,110,229</b>	<b>(165,933,220)</b>	<b>316,893,688</b>	<b>292,070,677</b>
Borrowings	402,033	1,840,241	145,130,472	147,370,746
Subordinated debt		2,438,688		2,438,688
Deposits & other accounts	128,764,612	26,497,753		154,262,365
Net inter segment borrowing	13,848,280	(175,363,420)	162,116,130	
Others	4,095,294	5,623,579	4,822,074	14,340,947
<b>Total Liabilities</b>	<b>147,110,229</b>	<b>(140,563,181)</b>	<b>311,075,676</b>	<b>318,422,724</b>
Equity		(26,370,038)	(982,008)	(26,352,047)
<b>Total Equity &amp; Liabilities</b>	<b>147,110,229</b>	<b>(165,933,220)</b>	<b>316,893,688</b>	<b>292,070,677</b>
Contingencies & Commitments	803,843	13,331,746	9,134,411	23,270,000

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

41 RELATED PARTY TRANSACTIONS

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

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

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

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

	March 31, 2024 - Un-audited				December 31, 2023 - Audited			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
Rupees in '000								
<b>Balances</b>								
<b>Investments</b>								
Opening balance							123,509	4
Investment made / since profit during the period / year								
Investment redeemed / disposed off during the period / year							(123,509)	(4)
Revaluation of investment during the period / year								
Closing balance								
<b>Advances</b>								
Opening balance	183	13,285		1,154,582	1,392	40,058		2,089,836
Addition during the period / year	328	17,298		654	5,685	94,720		246,454
Repaid during the period / year		(20,100)		(21,931)	(7,414)	(122,201)		(1,101,500)
Closing balance	491	10,483		1,133,305	183	13,285		1,154,582
<b>Provision held against advances</b>								
<b>Other Assets</b>								
Interest / mark-up accrued		167		45,282				53,408
<b>Subordinated debt</b>								
Opening balance				440,286				440,286
Issued / purchased during the period / year								
Redemption during the period / year								
Closing balance				440,286				440,286
<b>Deposits and other accounts</b>								
Opening balance	25,381	29,644		717,916	21,521	79,485	20,740	557,218
Received during the period / year	206,707	135,306		460,716	178,588	683,930	22,466	1,982,783
Withdrawn during the period / year	(220,924)	(121,151)		(386,454)	(174,728)	(693,171)	(43,214)	(1,002,085)
Closing balance	10,164	43,999		792,178	25,381	28,544		717,916
<b>Other Liabilities</b>								
Interest / mark-up payable	18	1,282		245			37	98
<b>Contingencies and Commitments</b>								
Other contingencies				17,389			4,654	17,389

	March 31, 2024 - Un-audited				March 31, 2023 - Un-audited			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
Rupees in '000								
<b>Transactions</b>								
<b>Income</b>								
Mark-up / (down) / interest earned		486		50,113		2,205		45,103
Net loss on sale of securities							(13,323)	
<b>Expense</b>								
Mark-up / return / interest paid	476	1,373		37,484	385	673	182	10,182
Short term employment benefits	18,468	53,084			13,738	67,424		
Contribution to Defined Benefit Plan	684	2,031			566	2,654		
Meeting fee	7,896				18,810			

March 31, 2024 Un-audited	December 31, 2023 Audited
Rupees in '000	

42 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

<b>Minimum Capital Requirement (MCR)</b>		
Paid-up capital (net of losses)	(31,444,987)	(28,203,871)
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	(64,345,595)	(58,076,634)
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	(64,345,595)	(58,076,634)
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	(64,345,595)	(58,076,634)
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	69,200,271	60,372,908
Market Risk	437,802	540,494
Operational Risk	6,181,636	6,181,636
<b>Total</b>	<b>65,825,709</b>	<b>67,095,038</b>
Common Equity Tier 1 Capital Adequacy Ratio	-97.75%	-88.05%
Tier 1 Capital Adequacy Ratio	-97.75%	-88.05%
Total Capital Adequacy Ratio	-97.75%	-88.05%
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	(64,345,595)	(58,076,634)
Total Exposures	304,772,279	304,960,416
Leverage Ratio	-21.11%	-19.37%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	12,031,309	17,856,081
Total Net Cash Outflow	21,055,063	24,499,180
Liquidity Coverage Ratio	57.14%	72.89%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	165,062,336	167,259,444
Total Required Stable Funding	99,003,614	98,023,585
Net Stable Funding Ratio	166.72%	170.53%

#### 43 ISLAMIC BANKING BUSINESS

The Bank is operating with 23 Islamic Banking branches at the end of March 31, 2024 (December 31, 2023: 23).

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

		March 31, 2024	December 31, 2023
	Note	Un-audited	Audited
		Rupees in '000	
<b>ASSETS</b>			
Cash and balances with treasury banks		1,193,689	1,243,883
Balances with other banks		36,699	37,180
Due from financial institutions	43.1	16,887,552	19,030,487
Investments	43.2	2,326,469	2,426,827
Islamic financing and related assets - net	43.3	165,826	150,825
Property and equipment		92,466	99,441
Right-of-use assets		360,151	300,607
Intangible assets		639	794
Due from Head Office		-	-
Other assets		881,548	944,327
<b>Total assets</b>		<b>24,054,437</b>	<b>25,129,081</b>
<b>LIABILITIES</b>			
Bills payable		270,646	296,172
Due to financial institutions	43.4	12,038,562	12,550,227
Deposits and other accounts		726,938	2,005,050
Due to Head Office		496,089	514,732
Lease liabilities		317,624	282,988
Other liabilities		-	-
<b>Total liabilities</b>		<b>13,847,769</b>	<b>15,649,169</b>
<b>NET ASSETS</b>			
		<b>10,206,678</b>	<b>9,480,812</b>
<b>REPRESENTED BY</b>			
Islamic banking fund		6,626,000	6,825,000
Reserves		-	-
Deficit on revaluation of assets		(45,464)	(40,300)
Un-appropriated profit	43.8	3,627,142	2,896,112
		<b>10,206,678</b>	<b>9,480,812</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	43.5		

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

		March 31, 2024	March 31, 2023
	Note	Un-audited	Un-audited
		Rupees in '000	
Profit / return earned	43.6	1,171,867	889,543
Profit / return expensed	43.7	(287,171)	(230,663)
<b>Net profit / return</b>		<b>874,796</b>	<b>638,880</b>
<b>Other income</b>			
Fee and commission income		5,798	3,495
Foreign exchange loss		6,276	24,658
Other income		9,476	9,862
<b>Total other income</b>		<b>21,550</b>	<b>38,015</b>
<b>Total income</b>		<b>896,346</b>	<b>676,895</b>
<b>Other expenses</b>			
Operating expenses		(166,822)	(216,630)
Workers Welfare Fund		-	-
Other charges		(1,491)	-
<b>Total other expenses</b>		<b>(168,313)</b>	<b>(216,630)</b>
<b>Profit before provisions</b>		<b>731,033</b>	<b>458,345</b>
Provisions and write offs - net		-	(6,914)
<b>Profit for the period</b>		<b>731,033</b>	<b>451,431</b>



43.1	Due from Financial Institutions	March 31, 2024 - Un-audited			December 31, 2023 - Audited		
		In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
		Rupees in '000					
	Bal Musajjal receivable from other financial institutions	18,897,652		18,897,652	18,838,487		18,838,487
		18,897,652		18,897,652	18,838,487		18,838,487

43.2	Investments by segments:	March 31, 2024 - Un-audited				December 31, 2023 - Audited			
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Available-for-sale securities								
	Federal Government Securities:								
	Jarah Stocks	2,370,933	(45,464)	2,325,469	2,466,927	-	(40,300)	2,426,627	
	Total Investments	2,370,933	(45,464)	2,325,469	2,466,927	-	(40,300)	2,426,627	

43.3	Islamic financing and related assets - net	Note	March 31, 2024	December 31, 2023
			Un-audited	Audited
			Rupees in '000	
	Mudharaba		8,905	
	Dunkeling Musharaka		197,471	190,375
	Gross Islamic financing and related assets	12	206,376	190,375
	Less: provision against Islamic financings			
	- Specific		(40,550)	(40,550)
	- General		(40,550)	(40,550)
	Islamic financing and related assets - net of provision		165,826	150,025

43.3.1 Islamic financing includes Rs. 195 million (December 31, 2023: Rs. 195 million) which have been placed under non-performing status as detailed below:

Category of classification - specific	March 31, 2024 - Un-audited		December 31, 2023 - Audited	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	Rupees in '000			
Domestic				
Substandard				
Doubtful				
Loss	195,000	40,550	195,000	40,550
Total	195,000	40,550	195,000	40,550

43.4	Deposits	March 31, 2024 - Un-audited			December 31, 2023 - Audited		
		In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
		Rupees in '000					
	Customers						
	Current deposits	3,721,673	600,178	4,271,749	4,129,588	1,030,703	5,160,291
	Saving deposits	4,610,155	1,212,279	5,822,434	4,282,071	1,212,331	5,474,402
	Term deposits	1,640,309	74,361	1,722,669	1,588,536	47,212	1,643,748
	Margin deposits	29,663	-	29,663	28,705	-	28,705
	Call deposits	48,163	-	48,163	50,867	-	50,867
		10,097,743	1,838,768	11,884,499	10,088,877	2,290,378	12,359,203
	Financial Institutions						
	Current deposits	6,948	597	6,443	20,406	12,569	32,975
	Saving deposits	37,620	-	37,620	33,048	-	33,048
	Term deposits	100,000	-	100,000	125,000	-	125,000
		144,568	597	144,083	178,454	12,569	191,024
		10,201,209	1,837,353	12,038,662	10,247,332	2,302,895	12,550,227

	March 31, 2024 Un-audited	December 31, 2023 Audited
	Rupees in '000	
<b>43.5 Contingencies and Commitments</b>		
Guarantees	906,247	909,258
Commitments	1,481,244	1,835,787
	<u>2,387,491</u>	<u>2,745,045</u>
	March 31, 2024 Un-audited	March 31, 2023 Un-audited
	Rupees in '000	
<b>43.6 Profit / return earned of financing, investments and placement</b>		
Financing	616	4,912
Investments	120,085	76,432
Due from Financial Institutions	1,051,266	788,199
	<u>1,171,967</u>	<u>869,543</u>
<b>43.7 Profit expensed on Deposits and other Dues Expensed</b>		
Deposits and other accounts	211,389	191,118
Cost of foreign currency swaps against foreign currency deposits / borrowings	68,635	22,212
Lease liability against right-of-use assets	17,147	17,353
	<u>297,171</u>	<u>230,683</u>
	March 31, 2024 Un-audited	December 31, 2023 Audited
	Rupees in '000	
<b>43.8 Islamic Banking Business Un-appropriated profit</b>		
Opening Balance	2,896,112	515,753
Add: Islamic Banking profit for the period / year	731,030	2,380,359
Closing Balance	<u>3,627,142</u>	<u>2,896,112</u>

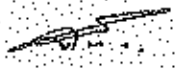
44 GENERAL

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

44.2 The figures have been rounded off to the nearest thousand rupees, unless stated otherwise.

45 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 26<sup>th</sup> Feb, 25 by the Board of Directors of the Bank.



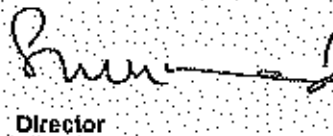
Chief Financial Officer



Director



President & Chief Executive Officer



Director



Director

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