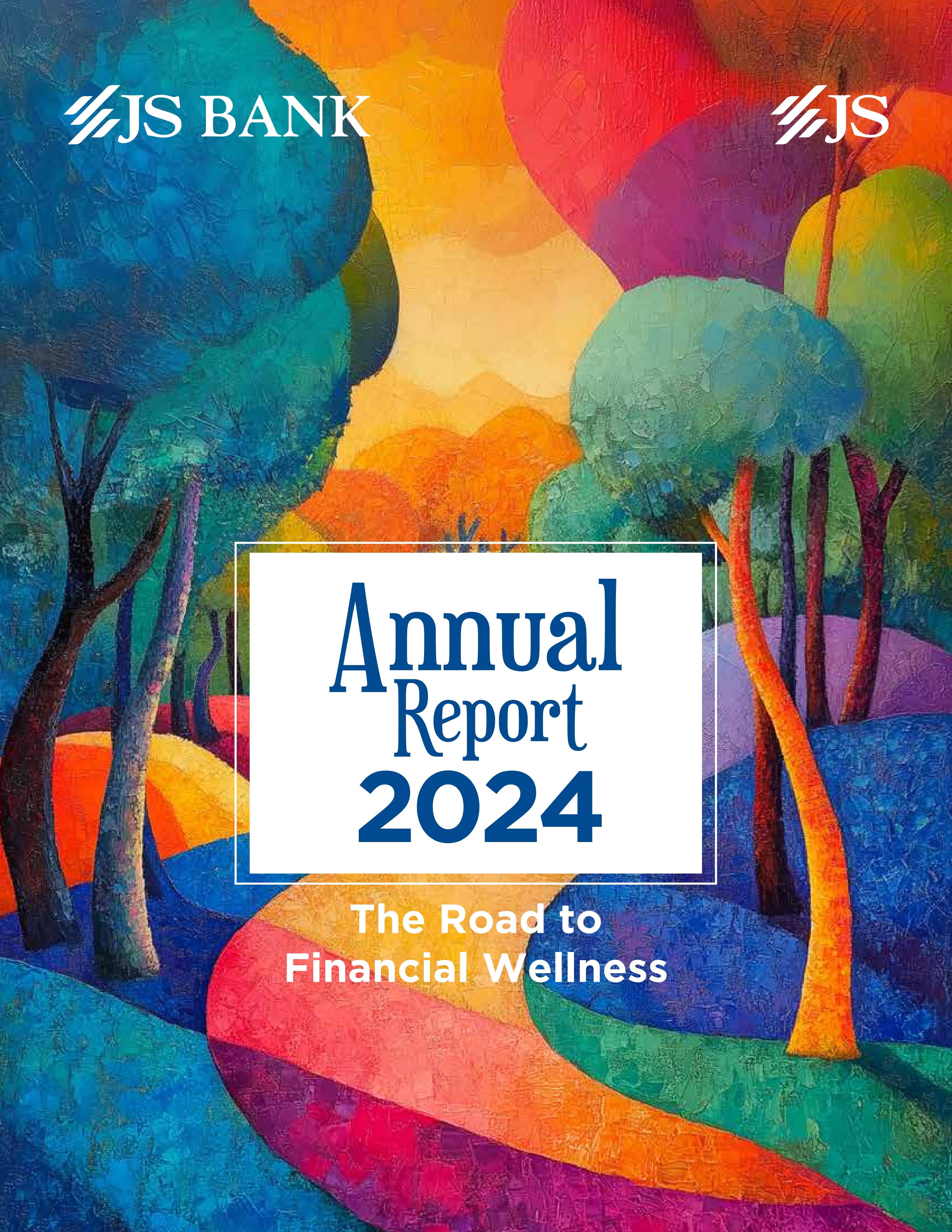
JS BANK

JS

Annual Report 2024

The Road to Financial Wellness



THE ROAD TO FINANCIAL WELLNESS

The Road to Financial Wellness serves as a guiding path, helping individuals navigate key financial milestones, from setting goals and budgeting wisely to saving strategically and investing for the future. At JS Bank, we are committed to empowering our customers with the tools and insights needed to build a secure and prosperous financial future.

Table of Contents

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

UNCONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

VISION

To be the most innovative, customer centric, and responsible bank in Pakistan.

MISSION

Our mission is to be a world class bank providing innovative financial services to our customers through a motivated team of professionals, supported by the latest technology, whilst maintaining high ethical standards, creating value for all our stakeholders, and contributing to the society through responsible and sustainable development.

CODE OF CONDUCT

JS Bank is committed to upholding the highest standards of ethical behaviour and maintaining its reputation as a trusted financial institution. Our Code of Conduct provides clear guidelines for employees to ensure that their personal business ethics align with the Bank's values and interests.

Honesty and integrity are paramount in our approach to building lasting business relationships. We strive to provide our customers with products and services that are delivered in a fair, transparent, and ethical manner. Our Code of Conduct emphasizes the importance of upholding ethical standards in all our business dealings and relationships, both internally and with external stakeholders.

We remain committed to fostering a culture of ethical behaviour and conducting our business with the utmost integrity. Our Code of Conduct provides a clear framework for employees to operate within and helps to ensure that our business practices are in line with the highest ethical standards.

At JS Bank, we aim to be transparent in all our operations and transactions. The complete Code of Conduct is provided to all employees and is also available on our website for easy access.

Core Values

Integrity

Integrity is at the core of everything we do. We believe in achieving success by building a culture of trust and accountability by adhering to high moral values. We empower our people to say NO.

Teamwork

Teamwork enables individuals to achieve bigger goals which foster a culture of trust and support. We believe in supporting each other and putting team before individual performance. We respect diversity and promote inclusion.

Customer Centricity

Customer satisfaction is our prime objective. We aim to fully understand the needs of our customers and stakeholders so as to adapt our products and services to exceed their expectations.

Professional Excellence

As the industry we operate in is evolving rapidly and providing an abundance of choice to the customers, we believe only persistent commitment towards excellence will make us the very best among the industry.

Innovation

We believe innovation is vital at the workplace as it gives the organization an edge in implementing new ideas, refining services, and creating dynamic products, leading to business growth by effectively adapting to the evolving marketplace.

COMPANY INFORMATION

Board of Directors

Mr. Adil Matcheswala	Chairman
Mr. Khalilullah Shaikh	Independent Director
Ms. Nargis Ghaloo	Independent Director
Lt. Gen. Retd. Sadiq Ali	Independent Director
Mr. Saad Ali Bhimjee	Independent Director
Mr. Usman Yousaf Mobin	Independent Director
Mr. Basir Shamsie	President & CEO

Board Audit Committee

Mr. Khalilullah Shaikh	Chairperson
Ms. Nargis Ghaloo	Member
Lt. Gen. Retd. Sadiq Ali	Member

Board Human Resource, Remuneration & Nomination Committee

Ms. Nargis Ghaloo	Chairman
Mr. Adil Matcheswala	Member
Mr. Usman Yousaf Mobin	Member

Board Risk Management Committee

Mr. Khalilullah Shaikh	Chairman
Ms. Nargis Ghaloo	Member
Lt. Gen. Retd. Sadiq Ali	Member
Mr. Basir Shamsie	Member

Board IT Committee

Mr. Usman Yousaf Mobin	Chairman
Mr. Saad Ali Bhimjee	Member
Mr. Basir Shamsie	Member

Chief Financial Officer

Syed Adeel Ehtesham

Company Secretary & Head of Legal

Syed Muhammad Talib Raza

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi..

Legal Advisors

Bawaney & Partners
Haidermota & Co.
Liaquat Merchant Associates

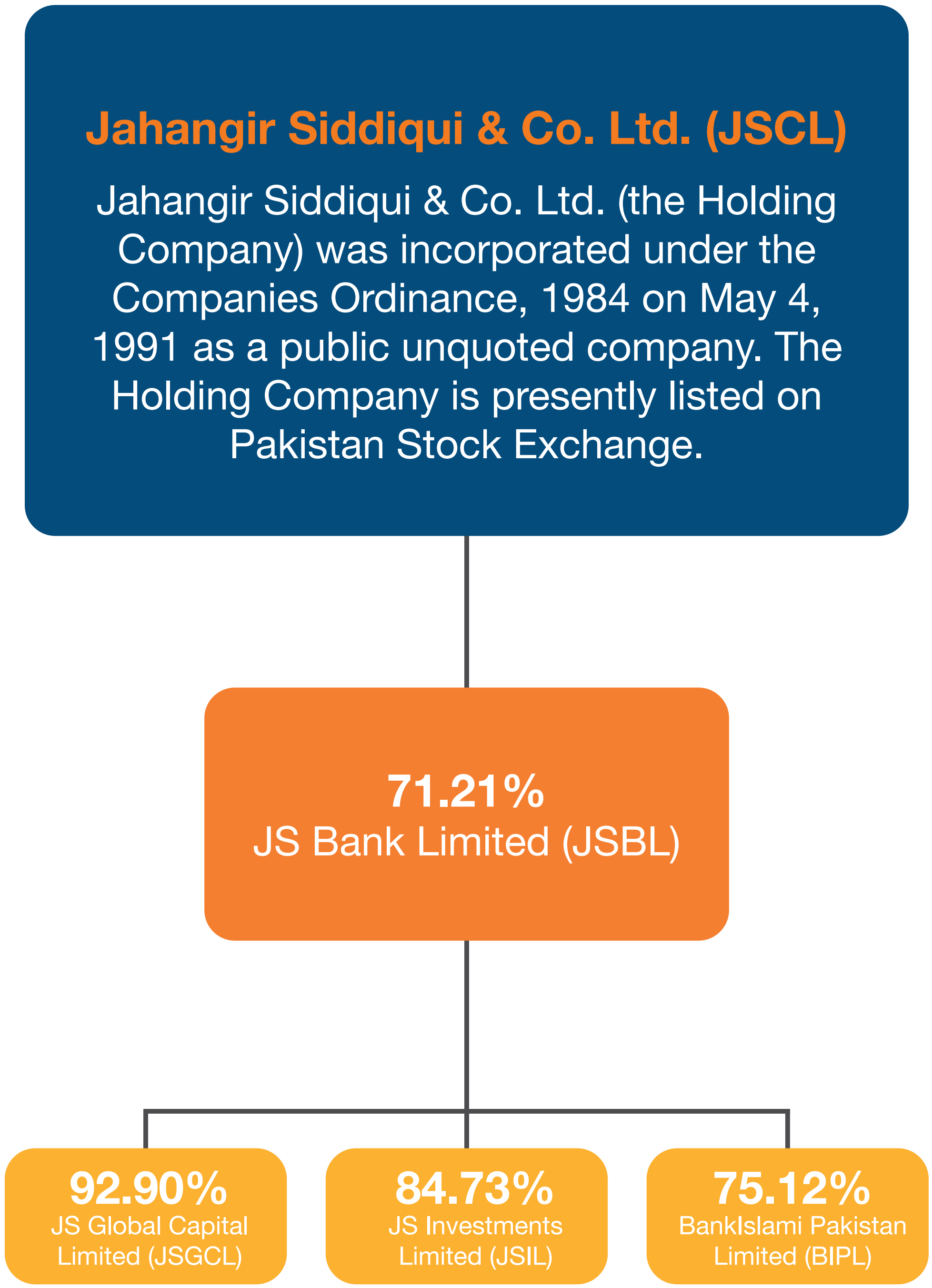
Share Registrar

CDC Share Registrar Services Limited
CDC House, 99 – B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal,
Karachi.

Registered Office

JS Bank Limited, Shaheen Commercial Complex
Dr. Ziauddin Ahmed Road
P.O. Box 4847, Karachi-74200, Pakistan
UAN: +92 21 111 JS Bank (572-265) 111-654-321
www.jsbl.com

OPERATING STRUCTURE



SETTING FINANCIAL GOALS

Set clear financial goals. Define what you want to achieve and break it down into specific, measurable, and realistic steps. Create a simple list to keep yourself motivated throughout the year.

ORGANIZATIONAL OVERVIEW

PRODUCTS AND SERVICES

JS Deposits Products

JS Bank offers a variety of deposit products to meet the diverse needs of its customers, providing benefits such as digital banking solutions, fund safekeeping, and flexible access to funds. Key deposit options at JS Bank include:

Current Accounts: Designed for everyday transactions, these accounts have no initial deposit requirement, provide instant access to funds, and impose no withdrawal restrictions. They often come with a debit card or cheque book and offer a waiver on general banking charges when maintaining the average balance.

Savings Accounts: Ideal for customers looking to save while earning interest, these accounts offer easy access to funds with some withdrawal limits and ensure the safety and security of personal savings.

Term Deposits: Offering fixed interest rates for a specified term, term deposits provide higher interest rates compared to savings accounts, guaranteed returns, and flexibility in deposit duration. Customers can choose from monthly, quarterly, or annual interest payouts.

JS Bank Current Accounts	JS Bank Saving Accounts	JS Bank Term Deposit Accounts
JS Platinum Business Current Account	Rupee Plus Account	Long Term - Term Deposits (minimum 1 month to 5 years)
JS Premium Current Account	PLS Savings Account	Short Term - Term Deposits (minimum 1 month to 5 years)
JS Her Current Account	Foreign Currency Plus Savings Account	
JS Asaan Current Account	JS Her Saving Account	
JS Freelancer Current Account	Payroll Saver Account	
JS Premier Raabta Current Account	JS Asaan Saving Account	
Basic Banking Account		
JS Inclusive Current Account-PWD		
LCY Current Account		

JS Wealth Management

Our wealth management offerings provide clients with a robust array of financial solutions integrating bancassurance products from various insurance providers and mutual funds. For Bancassurance products, we have partnered with some of the largest private sector life insurance companies in Pakistan like EFU Life, EFU Health and TPL Life. Our offerings include a spectrum of options such as life insurance policies ensuring financial security for loved ones and health insurance plans for your own self as well as for your parents and house help too. Complementing these offerings are the diverse mutual funds managed by JS Investments Limited, which is one of the oldest Asset management companies in Pakistan. From equity funds for capital appreciation to debt funds for stable returns and balanced funds for a blend of growth and stability, our mutual fund offerings are professionally managed to optimize returns while managing risks effectively. For all wealth management offerings, we link our customers to the product providers and ensure that the customer is fully satisfied.

JS Private Banking

JS Private Banking is a personal conviction-driven investment boutique. Our state-of-the art client centers, coupled with our digital platforms, facilitate our clients in executing wealth strategies quickly and conveniently. No matter where you are in the world and how complex your personal wealth situation is, we can provide you with need-based advisory services and a holistic product match.

Forward-Looking Relationship

Whether your goal is the long-term preservation of capital, enhancing investment performance, or seizing specific opportunities available in the market, our private banking experts develop the strategies most suitable to sustain and grow your wealth.

Global-View of Your Assets

Taking a global approach is paramount to managing your wealth efficiently. We work to provide you with unique tailor-made financial solutions to match your needs and aspirations. With us, you will build a trusted, personal relationship backed by a dedicated team of professionals who anticipate the financial challenges and manage your wealth by staying at the forefront of environmental and technical change.

JS Priority Banking

Launched in 2024, JS Priority Banking offers exclusive benefits, including access to dedicated relationship managers, expert financial guidance, and streamlined banking processes. Catering to frequent travellers, the offering also includes complimentary VIP access to airport lounges, for convenience and comfort while on the move. Digital-first clients can enjoy a seamless, paperless banking experience backed by advanced technology and end-to-end digital solutions.

JS Credit Card

JS Bank has become a leading name as Credit Card issuer during the past few years with its customer centric strategy and exciting alliances that offer valuable discount. With the tagline “Kharchon ki problem solved” JS Credit Cards is positioned as the top of the wallet Credit Card for its customers which provides instant cashback against the daily expenses of every household.

JS Personal Finance

JS Bank offers a comprehensive range of financial solutions designed to help customers manage their personal and financial needs effectively. The bank provides various options, such as term loans and revolving finance. Additionally, we also offer a digital personal loan, providing an end-to-end digital journey without any human intervention.

JS Home Finance

JS Bank also gives you the opportunity to be a privileged homeowner with JS GharApna Home Finance! enables customers to purchase, build, or renovate homes through easily accessible and affordable financing options. With tailored packages designed to suit diverse customer needs, our offerings have garnered strong demand across multiple segments of the market.

JS Auto Finance

JS CarAamad Auto Finance is designed to make vehicle ownership easier for our customers to purchase a new or used car, this product provides flexible, installment-based financing options with competitive mark-up rates and allowing our customers to easily drive away in their dream vehicle.

JS Solar Financing

We offer Solar Financing to individuals and businessmen for residential, agriculture and commercial needs. As one of Pakistan's leading Banks in green financing, we ensure end to end comprehensive installation of solar solutions through AEDB-certified partners across Pakistan.

JS Gold Finance

We are one of the leading banks offering finance against gold / gold ornaments for personal, business, and agricultural requirements. We ensure end to end comprehensive valuations and processing of disbursements in efficient way to improve customer experience and satisfaction.

SME Banking

We are one of the leading banks in the SME lending space, with a variety of loans available geared towards development and expansion of SMEs across the country. We offer a diverse portfolio of lending facilities, including SBP initiatives offering rebated loans to specific target segments.

JS Prime Minister's Youth Business & Agriculture Loan Scheme (PMYB&ALs)

JS Bank is actively participating in Prime Minister's Youth Business & Agriculture Loan Scheme (PMYB&ALs). The scheme aims at empowering the youth of Pakistan by providing them highly subsidized loans to set up or expand their small businesses & agriculture. Through its strategic alliance-based model, we have partnered with various local and international organizations in the ride hailing, dairy farming and transportation segment in addition to financing individual business loans. In the coming years, strategic partnerships in the Agri value chain, Education, Business Incubation, Economic Development, and Manufacturing sectors are being explored as we look to transform lives throughout the country.

JS Khud Mukhtar

A financing solution based on State Bank of Pakistan's Refinance and Credit Guarantee Scheme for Women Entrepreneurs, JS Khud Mukhtar enables empowerment and financial stability for women entrepreneurs in Pakistan.

JS Naya Aghaaz

The JS Naya Aghaaz SME Loan has been designed to enable personal development of the differently abled individuals in Pakistan through term finance based on State Bank of Pakistan's Small Enterprise (SE) Financing and Credit Guarantee Scheme for Special Persons.

JS Agri Financing Products

Agriculture finance business of the Bank has embraced a new and progressive outlook as a result of various initiatives. A well-equipped, trained & experienced team has been put in place to facilitate customers on their doorsteps.

Transaction Banking Services

Under Transaction Banking Services, we provide JS PayDay (Employee Banking) and Cash Management solutions to institutional clients across Pakistan, catering to corporate, commercial, and retail banking segments.

Our JS PayDay (Employee Banking) customers benefit from exclusive services, preferential rates on consumer products, comprehensive insurance coverage, and financial solutions such as Advance Salary, Personal Loans, and Credit Cards.

Our Cash Management services offer a comprehensive suite of Collections, Payments, and Liquidity Management solutions, designed to streamline and optimize the payables and receivables of institutional clients. Through our cutting-edge Digital Banking platform, JS Connect, we provide real-time online statements, MIS reports, digital payment solutions, and instant alerts and notifications, ensuring seamless financial management.

Corporate Banking

Our Corporate Banking Group is focused on providing an array of value added & customized financial services to fulfill the short-term and long-term business needs of multinational, public and private entities by partnering with them and building long term sustainable relationships. Our strategically positioned offices in North (Islamabad), Central (Lahore), and South (Karachi) enable us to provide localized expertise while maintaining a unified approach across the country.

Commercial Banking

At JS Bank, we understand that businesses come in all shapes and sizes. That's why our Commercial Banking Department offers a comprehensive suite of financial solutions designed to meet the unique needs of businesses across Pakistan. We offer a range of customized financing solutions tailored to your specific requirements.

Whether you're seeking:

- Short-term working capital to manage day-to-day operations
- Long-term financing to support expansion and growth initiatives

JS Bank has the right products to help you achieve your goals.

Our dedicated team of experts will work closely with you to:

- Analyze your business model
- Assess your cash flow requirements
- Develop a tailored financing plan that meets your specific needs

Financial Institutions & International Banking Group

The Financial Institutions (FI) Group oversees and manages the Bank's relationships with domestic and international financial institutions, including non-banking financial entities. With a rapidly expanding global reach, FI facilitates connections across 100+ destinations through a network of 340+ RMAs.

Our diverse suite of financial solutions includes Lending, Investment, Transaction Banking, Treasury Products, Forfaiting, Syndications, Derivatives, and Hedging. FI serves a broad range of clients engaged in financial services, ensuring seamless collaboration and strategic financial management.

International Home Remittances

Our International Home Remittances services offer a secure, efficient, and seamless channel for expatriates to transfer their hard-earned earnings to beneficiaries in Pakistan. With a diverse portfolio of remittance solutions, we ensure speed, reliability, and compliance, enabling smooth cross-border transactions. Our commitment is to provide senders with peace of mind while supporting their loved ones back home.

Products	Description
JSBL Account Credit	This Product allows customer to received funds to JS Account / Wallet instantly 24*7.
Cash Over Counter	This service enables beneficiaries to collect cash payment of up to 1.2mln by any of the JS Branch.
Third Party Bank Transfer	Through this service, customer can receive deposit to any bank account in Pakistan.
Cash Home Delivery	Beneficiaries can collect cash at doorstep, limit up to PKR 100,000/-.

Bahrain Wholesales Banking Branch (JS Bank Bahrain)

Established in 2016, JS Bank Bahrain operates as a Conventional Wholesale Banking Branch under the license of the Central Bank of Bahrain. Catering to a niche clientele, the branch offers a comprehensive range of banking products and services, including:

Corporate Banking – Customized financial solutions for businesses, including trade finance, treasury services, and working capital management.

Personal Banking – A suite of financial products such as current and savings accounts, fixed deposits, and investment options for individual clients.

With a commitment to excellence, JS Bank Bahrain upholds the highest standards of customer service, ensuring tailored financial support and expert guidance to help clients achieve their goals.

Digital Channels

JS ATMs

Our extensive network of ATMs, strategically located at bank branches, commercial sites and offsite locations in Pakistan, provides customers with unparalleled convenience and accessibility. By maintaining a robust and expansive ATM network, we continue to deliver on our promise of convenience, flexibility, and customer-centric banking.

JS SMS Alerts

We continually update our valued customers with financial transaction and information alerts via SMS.

JS Blink

JSBL brings its customers the convenience of opening their bank accounts online without having to visit the branch. Customers can instantly open their Asaan Digital Account (ADA), Asaan Digital Remittances Account (ADRA), Freelancer Digital Account (FDA), Saving / Current Digital Accounts via JS Bank's website, Mobile App, and JS Bot (WhatsApp) and keep enjoying large range of Banking services. To meet our customers' banking requirements, we believe in providing them with innovation, accessibility, excellent service, and convenience.

JS Roshan Digital Accounts

Roshan Digital Account (RDA) is an initiative of State Bank of Pakistan, in collaboration with commercial banks operating in Pakistan. These accounts provide innovative banking solutions for millions of Non-Resident Pakistanis (NRPs) seeking to undertake banking, payment, and investment activities in Pakistan. JSBL allows Non-resident Pakistanis to open JS RDA accounts digitally from anywhere in the world via Website, Mobile App & JS Bot (WhatsApp). This product enables RDA customers to invest in Naya Pakistan Certificate (Islamic & Conventional), Stock market via Roshan Equity Investment, Voluntary Pension Plan via Roshan Pension Plan, donate via Roshan Samaaji Khidmat & Finance their home via Roshan Apna Ghar. All of these products are end to end digital. JSBL's contribution to increasing Pakistan's inbound remittances is vital & essential in this national cause. JS Bank has established 4 RDA centers across Pakistan to provide services and timely resolution to NRP's queries.

JS Mobile App & Internet Banking

JS Bank provides comprehensive digital services at no charge through its native Mobile Banking App and browser-driven Internet Banking platform. Our solutions are meticulously crafted to meet the diverse needs of customers seeking convenient banking options while remaining seamlessly connected with JS Bank around the clock.

JS Mobile and Internet Banking eliminates the necessity for customers to physically visit branches or utilize traditional channels. It offers uninterrupted banking services within a streamlined digital platform. Customers can effortlessly transfer funds, pay utility and credit card bills, and access financial statements with just a few clicks.

To boost customer security, JS Bank has unveiled its newest Mobile app release. This update ensures robust biometric-based authentication for customer registration and device or KYC level changes, alongside introducing a host of advanced security features.

JS Bot

JS BOT is a cutting-edge social banking solution that empowers customers to manage their financial needs anytime, anywhere. This user-friendly platform provides a comprehensive suite of services for retail, RDA, and credit card customers, including real-time access to financial statements, seamless account opening and management, personal information updates, product and service exploration, and dedicated assistance and support.

As a game-changing innovation, JS BOT exemplifies our commitment to social banking, enabling customers to interact with us effortlessly and efficiently. With its introduction, we have taken a significant step toward transforming the banking experience—making it simpler, faster, and more engaging for our customers.

JS Raast

JS Bank enables Raast, Pakistan's first instant payment system, offering end-to-end instant transactions for JS customers. Through JS Mobile, customers can enjoy free-of-cost fund transfers via Raast ID, IBAN, and QR mechanisms, facilitating seamless P2P (person-to-person) and P2M (person-to-merchant) transactions.

With JS Raast, payments are simple, fast, and secure—available 24/7. This innovative platform ensures hassle-free, real-time fund transfers, enhancing convenience and financial accessibility for our customers.

Digital Kiosks

As part of our ongoing efforts to enhance the customer experience and streamline banking operations, we are introducing digital kiosks in our Priority Banking Centers across major cities. These kiosks will help reduce wait times, improve customer satisfaction, and further establish our Priority Banking Centers as premier banking destinations.

JS BANK 2024: WINNING HEARTS, MINDS & MARKETS

Building on the momentum of 2023, JS Bank continues to emerge as a powerhouse in Pakistan's banking industry, redefining its brand through bold innovation, data-driven strategies, and impactful storytelling. In 2024, the bank has not only **strengthened its digital presence but also deepened customer engagement**, positioning itself as a forward-thinking financial institution that caters to the evolving needs of modern consumers.

From revolutionizing digital banking with **JS Mobile, Zindigi and JS Bot** to reshaping financial solutions with the **JS PayDay** and **Inclusive Account**, the Bank has led industry-first initiatives that enhance convenience and accessibility. The success of such initiatives was further amplified with recognitions from key institutions like **JP Morgan and State Bank of Pakistan**, cementing **JS Bank's position as a champion of Pakistan's** banking landscape.

Beyond financial products, JS Bank has taken bold strides in cultural storytelling and strategic sponsorships. Its collaboration with **Mario Testino's "A Beautiful World"** for Pakistan placed the bank at the intersection of **art, heritage, and global prestige**, setting it apart as more than just a financial institution. Internally, a renewed focus on employer branding has helped the bank reposition itself as an **employer of choice, attracting top talent and reinforcing a culture of innovation**.

With a seamless blend of technology, creativity, and customer-centricity, JS Bank has not just maintained its momentum in 2024—it has accelerated it. By redefining what it means to be a modern financial institution, the bank continues to push boundaries, setting new benchmarks for the industry and proving that **the future of banking belongs to those who dare to innovate**.

JS Bank has continued to bridge financial gaps by launching initiatives that promote accessible banking for all, including SMEs, farmers, freelancers, and underserved communities. Our Inclusive Current Account has empowered Pakistan's differently-abled individuals, while tailored solutions for small businesses and women entrepreneurs have expanded financial access.

Driving Financial Inclusion

Digital Transformation & Innovation

Investing in cutting-edge technology has been at the core of JS Bank's growth. Our certification on PCI DSS V4.0 is a testament to this, while our JS Mobile and Zindigi continue to push the limits of streamlined banking experiences, reinforcing JS Bank's position as a leader in digital financial solutions.

Strengthening Brand & Market Leadership

Through strategic partnerships, impactful campaigns, and high-profile sponsorships, JS Bank has elevated its brand reputation. Collaborations such as Mario Testino's "A Beautiful World" for Pakistan have positioned the bank as a forward-thinking institution that values culture, art, and progress. Meanwhile, award-winning campaigns like JS Her have reinforced trust and credibility.

Empowering People & Communities

Beyond business, JS Bank has focused on creating a positive impact on employees and society. Employer branding initiatives have strengthened the bank's workplace culture, while CSR efforts in sustainability, and disaster relief reflect its commitment to giving back to the community.

SOCIAL MEDIA PRESENCE

Social Media

info@jsbl.com

www.jsbl.com

/JSBankLtd

/jsbankltd

/js-bank

923487003000

@jsbank.official

Awards and Recognition (2024)

Best Content Marketing
JS Her
Pakistan Digital Awards

Best Digital App
Zindigi
Pakistan Digital Awards

Best Digital Innovation
JS Investments
Pakistan Digital Awards

Domestic Health & Wellness
Bank of the Year
Asian Banking & Finance Awards

Domestic Digital Transformation
Bank of the Year
Asian Banking & Finance Awards

Financial Literacy
Champion Bank Award
(Medium Category)
State Bank of Pakistan

Best Renewable
Energy Financing
(Pakistan)

Global Banking & Finance Awards

Fastest Growing Corporate Bank
(Pakistan)

Global Banking & Finance Awards

Progressive Category Award

Global Diversity, Equity & Inclusion Benchmarks (GDEIB) Awards

Fastest Growing Private Bank
(Pakistan)

Global Banking & Finance Awards

Workplace
Wellness Programme Award

ESG Business

2024 Quality Recognition
Award for exceptional USD clearing

JP Morgan

Leading Digital
Bank Award

CxO

2024 Wrapped

JS Credit Card Mall Activation During Ramadan (KLI)

The Kharchon ki Problem Solved campaign took a multi-channel approach to connect with consumers during the peak shopping season. Pre-Ramadan and Ramadan TV ads built awareness, while eye-catching mall installations in Karachi, Lahore, and Islamabad engaged shoppers firsthand. Influencer collaborations further amplified the message, making credit cards more visible and relevant when people needed them most.

Promoting Our Credit Cards with an Innovative CGI Campaign

JS Credit Cards continue to push the boundaries of possibilities—offering instant cashback on fuel, utility bills, groceries, and school fees, along with discounts of up to 60% during special promotions. We took this a step further by redefining visual storytelling, using innovation and creativity to connect with customers in new ways. Explore more on our social media!

Our Remittance Beneficiary Campaign: A Resounding Success

Our 'Receive Remittance & Win Prizes!' campaign combined high-profile influencers with targeted marketing to maximize impact. This approach not only drove a significant increase in remittance inflows but also reinforced our position as a trusted remittance service provider in key markets.

Our PSL 9 Campaign with ESPNcricinfo & Startup Pakistan

For PSL Season 9, we partnered with ESPNcricinfo and Startup Pakistan to offer exclusive credit card deals tailored for cricket enthusiasts. The collaboration delivered outstanding results, generating over 5.3 million impressions, reaching more than 2.3 million users, and driving over 240,000 engagements across social media.

Passion for Pakistan - JS Bank x Mario Testino

JS Bank took a bold step in reshaping Pakistan's global image through Project Mario, an exclusive collaboration with the legendary photographer Mario Testino—renowned for his work with the British Royal Family and global icons. As part of his celebrated A Beautiful World series, Testino captured the vibrant essence of Pakistan—its culture, history, and people—bringing our nation's rich heritage to the world stage. This initiative not only showcased Pakistan's beauty but also reaffirmed JS Bank's commitment to enhancing the country's global perception and celebrating its unique identity.

Launch of JS Her Cards

Aligned with the #InspireInclusion initiative and the #IAmHer movement, we introduced two female-centric debit cards—Her Women's Debit Card and Her Zindigi Debit Card. The campaign went beyond products, sharing heartfelt stories from JS Bank colleagues and partners, celebrating empowerment and inclusion.

JS Platinum Business Account: A Success Across Multiple Cities

We relaunched our Platinum Business Current Account campaign with a powerful presence across digital and outdoor platforms. Dynamic video ads took over LinkedIn, Facebook, and YouTube, while engaging social media posts kept the momentum going. Our billboards lit up Karachi, Lahore, Islamabad, Faisalabad, Sialkot, and Hyderabad, with digital streamers adding flair to Karachi and Lahore. Even Karachi's buses carried our brand, making sure the campaign was seen far and wide.

JS Bank x Ramiz Raja: Out of the Park at T20 World Cup 2024

We partnered with cricket legend Ramiz Raja to bring our cricket enthusiasts exclusive coverage of the T20 World Cup 2024. From expert insights to in-depth analysis, this collaboration kept fans engaged throughout the tournament. The initiative not only fueled excitement but also expanded our reach, connecting with new audiences who share a passion for both cricket and finance.

A New Standard in Sustainable Banking of Pakistan

JS Bank achieved a 90% score in WWF Pakistan's Green Office Audit, setting a benchmark in the banking sector for environmental excellence. This accomplishment underscores our commitment to sustainability and the collective efforts of our team in driving impactful green initiatives.

Introducing the Inclusive Current Account

JS Bank introduced its Inclusive Current Account, tailored to empower differently abled individuals by addressing their financial needs and fostering independence. This initiative reflects our commitment to inclusivity and ensuring equal opportunities for all customers to manage their finances with ease and confidence.

PCI DSS V4.0 Certification

A major milestone was reached as we became the first and only financial institution to achieve the esteemed PCI DSS V4.0 certification. This recognition reflects our steadfast dedication to securing customer card data with the highest global security standards. PCI DSS V4.0 brings enhanced protection against emerging threats, ensuring our card payment systems are resilient, secure, and aligned with international best practices.

Pakistan's First Open Loop Transit Solution

We, in collaboration with Sindh Mass Transit Authority and Mastercard, introduced digital payments for Peoples Bus Service. This initiative spearheads digitization and champions financial inclusion, paving the way for a connected future.

JS Bank PACRA Rating Upgraded to "AA"

JS Bank, a premier financial institution renowned for its dedication to excellence and innovation, has received an "AA" rating from the Pakistan Credit Rating Agency (PACRA). This prestigious rating reflects JS Bank's strong financial performance, robust risk management practices, and commitment to excellence in the banking sector. PACRA's "AA" rating signifies high credit quality, affirming JS Bank's sound financial health and serving as a testament to the bank's prudent financial policies, solid capitalization, and strategic foresight.

JS Employee Banking Rebranded as JS PayDay

JS PayDay's rebranding and enhanced offerings focused on delivering faster, more convenient salary access for employees, aligning with our mission to empower individuals and streamline organizational financial processes. Companies leveraging JS PayDay benefit from dedicated account managers, ensuring smooth communication and efficient payroll operations. Employees enjoy exclusive perks such as discounted loans, credit cards, and cashback programs, enhancing their financial well-being.

2nd Position in SBP's Banking on Equality Segment

We have clinched the 2nd spot in the SBP's Banking on Equality initiative. It's a huge win that reflects our commitment to diversity and inclusion.

Celebrating International Day of Persons with Disabilities

Reinforcing our commitment to upskilling and fostering an inclusive workplace, we partnered with ConnectHear, our accessibility partner, to host a special session on "Workplace Culture Training for Employees with Disabilities." This session focused on enhancing professional skills, sharing valuable insights, and empowering our colleagues to reach new career milestones. Following the training, we celebrated International Day of Persons with Disabilities, reaffirming our dedication to inclusivity and equal opportunities for all.

Launch of JS Priority Banking

JS Priority Banking was introduced to provide a tailored banking experience for high-net-worth individuals, offering customized financial solutions, exclusive benefits, and personalized service to meet their unique needs. The first center, launched in Karachi by Basir Shamsie, President & CEO, and Atif Malik, COO, marks a significant step in redefining priority banking standards.

Launch of Self-Service Banking

JS Bank launched a new Self-Service IVR system, enabling customers to manage their banking needs 24/7, from checking balances to transferring funds, providing a fast, convenient, and always-accessible solution.

CREDIT RATING

Long Term

AA

(Double A)

Short Term

A1+

(A One Plus)

Outlook: Stable

(Assigned by: Pakistan Credit Rating Agency)

COMPOSITION OF THE BOARD

S.No	Name of Directors	Status
1	Mr. Adil Matcheswala – Chairman	Non- Executive Director
2	Mr. Khalilullah Shaikh	Independent Director
3	Ms. Nargis Ghaloo	Independent Director
4	Lt. Gen Retd. Sadiq Ali	Independent Director
5	Mr. Saad Ali Bhimjee	Non- Executive Director
6	Mr. Usman Yousaf Mobin	Independent Director
7	Mr. Basir Shamsie - President & CEO	Executive Director

The Board of Directors of JS Bank currently consists of four (4) independent directors, one of whom is a female independent director. These independent directors meet the criteria for independence as defined in the Companies Act of 2017 and the directives of the State Bank of Pakistan. Additionally, the Board includes two non-executive directors, excluding the President and CEO of the Bank, who serves as an Executive Director.

PROFILE OF THE BOARD OF DIRECTORS

Mr. Adil Matcheswala
Chairman – Non-Executive Director

Mr. Adil Matcheswala is the CEO and founding Director of Speed (Private) Limited, a retail and distribution company that is incorporated in Pakistan. The company's portfolio includes numerous leading international brands such as Nike, Adidas, Under Armour, Puma, Birkenstock, Tag Heuer, Charles & Keith, Pedro, and Timex.

He started his professional career in the financial services industry in 1992 and was the Head of the Equity Sales Division of Jahangir Siddiqui & Co. Ltd. (formerly Bear Stearns Jahangir Siddiqui Limited).

He has previously served as the Chairman of the Board and Chairman of the Audit Committee of JS Global Capital Ltd. as well as a Director of JS Value Fund.

He has served on the Board of JS Bank Limited since 2012.

Mr. Matcheswala graduated from Brown University with an A.B. in Economics.

Directorships in Other Companies:

- Speed (Private) Limited
- Service Industries Limited

Lt. Gen. (R) Sadiq Ali
Independent Director

Lt. Gen. (R) Sadiq Ali, was commissioned in the Pakistan Army on March 16, 1984. He is a graduate of the Turkish War Academy, Istanbul, and NDU, Islamabad. During his career, Mr. Sadiq Ali held several Operational Staff and Instructional appointments. He has commanded an Armored Regiment, an Infantry & Armored Brigade, Armored & Infantry Division, Commandant PMA Kakul, 4 Corps at Lahore, and POF Wah. He served as Secretary Defense Production from March 2020 to March 2022.

Directorships in Other Companies:

- Zameen REIT Management Company Limited

Mr. Usman Yousaf Mubin
Independent Director

Mr. Usman Yousaf Mobin was Chairman of NADRA from February 2015 to February 2021. Mr. Usman an MIT graduate is the youngest ever Head of any leading Pakistani organization. He studied at the prestigious Massachusetts Institute of Technology (MIT) and has a master's degree in Electrical Engineering and Computers Science as well as a bachelor's degree in the same subject, Mr. Usman has completed many complicated national and international IT projects which have turned around not only NADRA, but also revolutionized the functioning of many other organizations.

Mr. Usman graduated with a cumulative GPA of 5.0/5.0 in 2002. Before MIT, he graduated from Atchison College with the best A-level grades in the world and won the President's Medal for best student in his class every year for 12 consecutive years.

In recognition of his services, Mr. Usman has been awarded numerous awards including Tamgha-e-Imtiaz in Public Service by the President of Pakistan in 2008. Mr. Usman Mobin has designed and implemented numerous international projects including the Citizens' Registration Project in Sri Lanka, Identity Management of Sri Lanka, Civil Registration of Sudan, Machine Readable Passports of Kenya, and Driver's License of Bangladesh.

In Pakistan, he has deployed the National Identity Card System, Civil Registration System, Smart Card, and software for the Benazir Income Support Programme, Watan Cards, Citizens Damage Compensation Program, Arms License Projects, and the world's first-ever ICAO-compliant multi-biometric passports.

Mr. Usman brings 12 years of experience in delivering high-quality citizen registration and citizen services projects around the world and has been the CTO of the organization since 2002.

Directorships in Other Companies:

- Aploi (Pvt) Ltd

Ms. Nargis Ghaloo
Independent Director

Ms. Nargis Ghaloo is a retired senior civil servant having served the Government of Pakistan in various capacities for 36 years. She retired as the Managing Director of the Public Procurement Regulatory Authority, Government of Pakistan.

Ms. Ghaloo was Chairperson of State Life Insurance Corporation of Pakistan, Pakistan's largest life assurer, from 2014 to 2016.

Ms. Ghaloo joined the Civil Services of Pakistan in 1982 and has many years of professional experience serving in senior management positions with provincial as well as federal government departments in diversified fields such as public sector management, administration, financial, judicial, health, insurance, and planning. Ms. Ghaloo did her Master's in English from the University of Sindh in 1981 and is a certified Director from The Pakistan Institute of Corporate Governance (PICG) and holds a certificate of Corporate Governance from INSEAD and also holds a certificate in Company Direction from the Institute of Directors, UK. Ms. Ghaloo has served on the Board of JS Bank since 2016.

Directorships in Other Companies:

- Hinopak Motors Limited
- Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (Member Board of Governors)
- Private Member on the Board of Civil Aviation Authority

Mr. Khalilullah Shaikh
Independent Director

Mr. Khalilullah Shaikh is a Fellow Chartered Accountant and Chartered Certified Accountant. He qualified from the Institute of Chartered Accountants of Pakistan (ICAP) by setting a new record of winning '5 Gold Medals in one sitting' in the history of ICAP.

He has attended various local and international professional development programs, including the International Leadership Development Program at NUS, Singapore.

In his effort to contribute back to society, he served as an elected Council member of ICAP for 8 years. He has the honor of serving as the Youngest President of ICAP during 2019-20. Mr. Shaikh has contributed to the accountancy profession regionally and globally as a Board member of the South Asian Federation of Accountants (SAFA) and as a member of the Professional Accountants in Business (PAIB) Committee of the International Federation of Accountants (IFAC). He is currently representing Pakistan as a Board Member at the global board of IFAC.

Mr. Shaikh is a high-energy, performance-focused Leader with a proven track record of serving at Senior Leadership positions. He is currently serving as Independent Director and Chairman Audit Committee: - Alfalah GHP Investment Management Limited - Dow University of Health Sciences

He also serves as the Chair of ICAP-IBA Research Unit

Positions held during his career:

- Pakistan International Airlines: Chief Financial Officer 2019 – Sept 2021
- K-Electric Limited: 2007 – 2019
  - o Director Finance & Business Administration
  - o Head of Supply Chain
  - o Chief Internal Auditor & Secretary BAC

- Shell Group: Head of Treasury & MIS, 2005-2007
- F. Ferguson & Co. Assurance and Business Advisory Services: 2000 to 2005

Human Capital development is Mr. Shaikh's passion. He has taught Strategic Financial Management courses to CA and ACCA professionals for many years. His Student Alumni include over 2,500 CAs working across the globe. He speaks regularly at conferences and seminars in Pakistan and abroad.

Directorships in other companies in Pakistan:

- Alfalah Asset Management Limited
- Gratus Solutions (Private) Limited
- Gratus Consultants (Private) Limited

Mr. Saad Bhimjee
Non-Excutive Director

Saad Bhimjee is an Insurance and Risk Management professional with over sixteen years of experience in the Pakistan, Canada and UK insurance industries.

He is the Founder and CEO of QubeRisk, a digital-first insurance provider in Canada. QubeRisk is dedicated to transforming the insurance landscape through technology, automation and data.

Before starting QubeRisk, Saad Bhimjee was a Senior Vice President at Aon, one of the largest global insurance and risk management firms. Prior to that, he worked for United Insurance Brokers (UIB) in London, with regional responsibilities including Middle Eastern and Asian countries, including Pakistan.

Saad holds a Bachelor's degree in Economics from University College London (UCL) and a Master's degree in Insurance & Risk Management from Cass Business School London. He also holds an ACII designation.

Directorship in Other Companies:

- EFU General Insurance Ltd

Mr. Basir Shamsie
President and CEO

Mr. Basir Shamsie is the President & CEO of JS Bank Limited.

Mr. Shamsie joined Bear Stearns Jahangir Siddiqui & Co. (now Jahangir Siddiqui & Co. Ltd.) in 1994 in the Money and Bond Markets business. His expertise is in Treasury and Investment Banking and he is credited with over 60 capital market deals, many of which have been landmark transactions in Pakistan.

He was part of the core team responsible for the acquisition of American Express Bank's Pakistan operations in 2006 and its merger into JS Bank. Mr. Shamsie has since been associated with JS Bank in various senior roles including Group Head Treasury, Wholesale & International Banking which he held till May 2017. His last assignment was as Deputy CEO of JS Bank till July 2018.

Previously, he has also served as Chairman of JS Investments Limited and JS Global Capital Limited and as Director of JS Bank Limited.

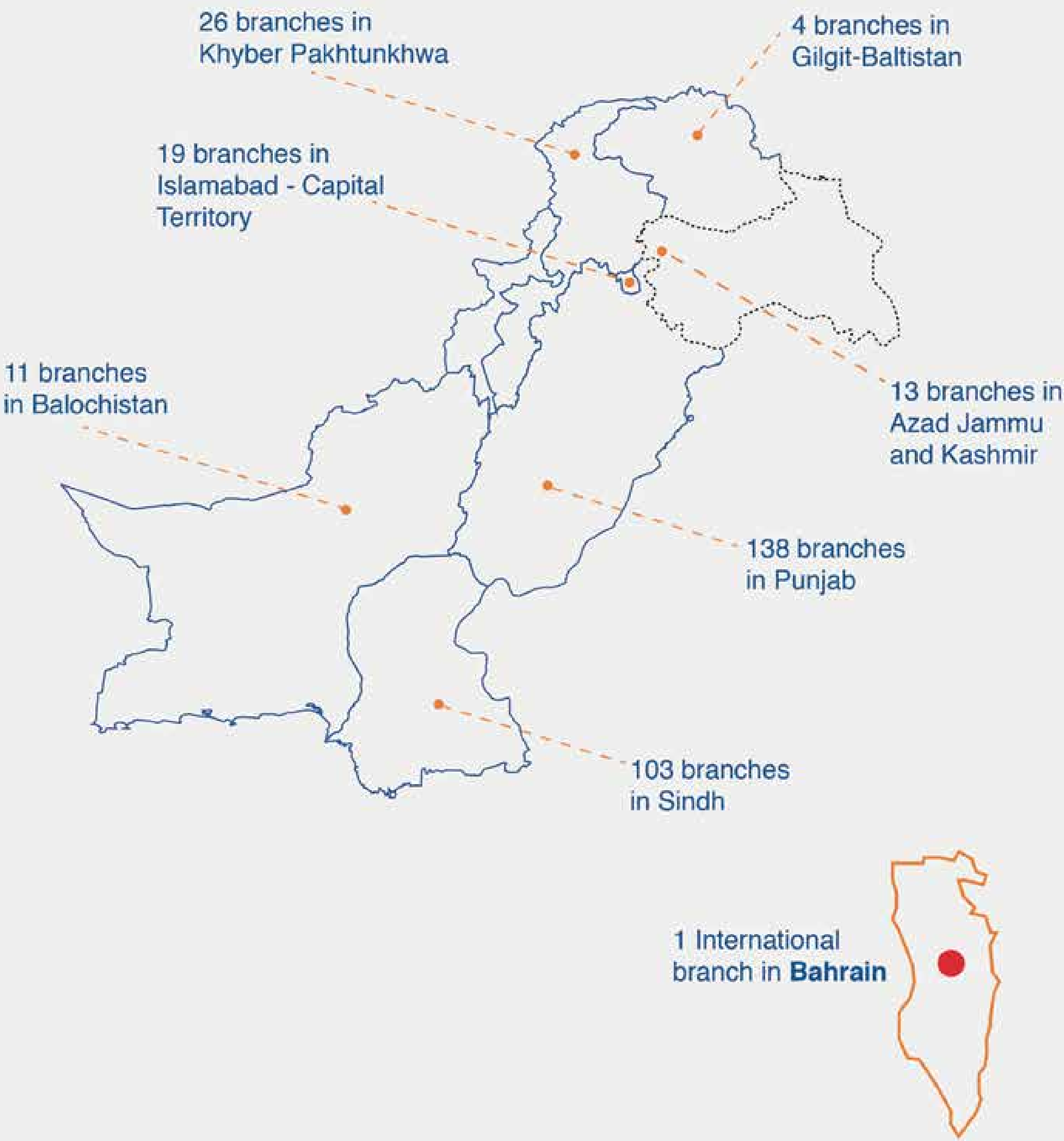
Mr. Shamsie received his Bachelors in Business Administration from the University of Texas at Austin. He has also completed the Program for Leadership Development from Harvard Business School.

Directorships in other companies:

Nil

OUR PRESENCE

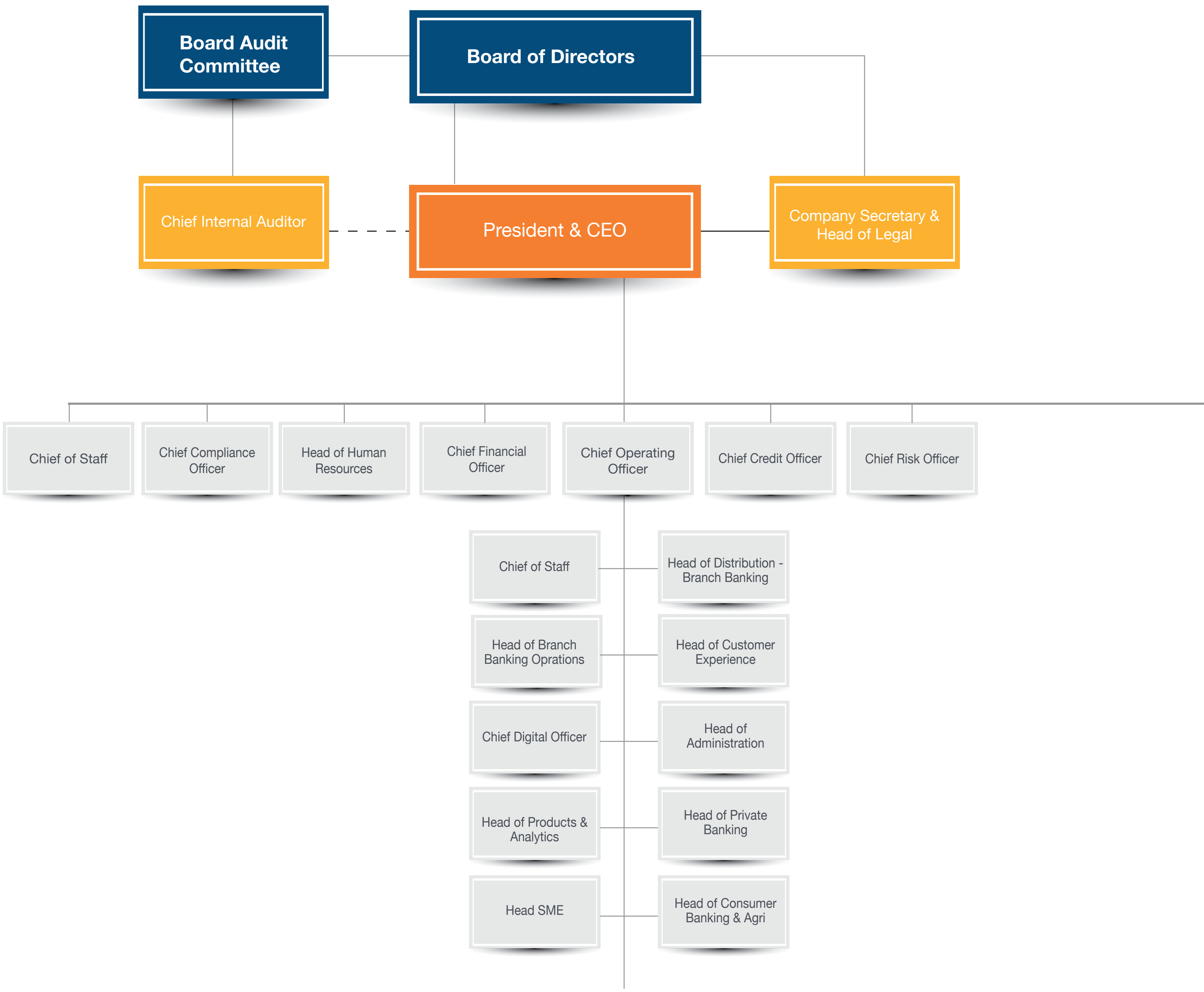
314 Nationwide Branches



STAFF STRENGTH

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

ORGANIZATIONAL STRUCTURE



Chief Information Officer

Head of Strategy & Marketing

Head of Treasury

Group Head Investment, International & Transaction Banking

Head of Corporate Banking

Head of Commercial Banking

Head of Centralized Operations

Chief Officer Zindigi

CORPORATE PROFILE OF THE BANK

JS Bank Limited (the Bank / JSBL) is a banking company incorporated in Pakistan as a public limited company on March 15, 2006. The Bank is a subsidiary company of Jahangir Siddiqui & Co. Ltd. (JSCL) and its shares are listed on Pakistan Stock Exchange Limited (PSX). The Bank commenced its banking operations on December 30, 2006, and its registered office is situated at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi.

The Bank is a scheduled bank, engaged in commercial banking and related services as described in the Banking Companies Ordinance, 1962, and is operating through 314 (2023: 291) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (2023: one). The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the long-term entity rating of the Bank to 'AA' (Double A) whereas the short-term rating is maintained at 'A1+' (A One Plus), which is the highest possible short-term rating. The ratings denote a very low expectation of credit risk and indicate a very strong capacity for timely payment of financial commitments.

Subsidiaries

BankIslami Pakistan Limited
Holding 75.12%

BankIslami Pakistan Limited (the Bank) was incorporated in Pakistan on October 18, 2004 as a public limited company to carry out the business of an Islamic Commercial Bank in accordance with the principles of Islamic Shariah. The Bank is operating through 540 branches including 60 sub-branches as on December 31, 2024 (2023: 440 branches including 60 sub-branches). The registered office of the Bank is situated at 11th Floor, Dolmen City Executive Tower, Marine Drive, Block-4, Clifton, Karachi. The shares of the Bank are quoted on the Pakistan Stock Exchange Limited.

JS Global Capital Limited
Holding 92.90%

JS Global Capital Limited is one of the largest securities brokerage and investment banking firms in Pakistan with a leadership position in the domestic capital markets. It is in the business of equity, fixed income, currencies and commodities brokerage, and investment banking. JS Global Capital Limited was incorporated in Pakistan on June 28, 2000 and is the successor to the securities business of Jahangir Siddiqui & Co. Ltd. and Bear Stearns Jahangir Siddiqui Limited.

JS Investments Limited
Holding 84.73%

JS Investments Limited is a licensed Investment Adviser and Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In addition, the Company is also a licensed Pension Fund Manager under the Voluntary Pension System Rules 2005. Recently, JSIL also acquired the Private Equity and Venture Capital Fund Management Services license(s) from the Securities and Exchange Commission of Pakistan.

CHAIRMAN’S REVIEW

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

JS Bank’s consistent performance in Pakistan’s dynamic financial landscape is a reflection of key strategic initiatives considered by the Bank over the course of its journey. Our mission remains clear – to empower people, support businesses, and drive economic and social progress. By embracing cutting-edge technology, we continue to offer seamless banking experiences to our customers, prioritizing the needs and expectations of our clients, and providing tailored solutions that foster long-term relationships. We remain committed to environmentally and socially responsible banking practices, with a vision to contribute to the broader economic development of Pakistan.

As a tech-savvy mid-sized bank with a diversified portfolio of products, we take pride in our capabilities. The organization is well-structured and supported by a young, resilient, and highly skilled team that is determined to achieve the Bank’s strategic objectives efficiently and effectively. We have established clear systems and processes that support operations and drive our growth.

During the year 2024, the Bank delivered sound financial performance, and achieved the milestone of crossing PKR 500 billion in Deposits, which was a landmark achievement in the history of the Bank. On a consolidated basis, the Bank continues to remain over PKR 1 trillion in terms of overall deposits. We added 23 new branches to our network this year, expanding our outreach across the country. Our digital banking platform ‘Zindigi’ solidified its leadership in Pakistan’s digital banking sector in 2024 with several key developments, as we crossed 5 million users this year. The company expanded its lending products with Advance Salary+, offering flexible financing for salaried individuals. The new app design, Zindigi 2.0, won the “Best Mobile App” award at the Pakistan Digital Awards, reinforcing Zindigi’s commitment to sustainable growth and innovation. The Bank remains committed to digital transformation, delivering over 100 innovations. More than 80% of our customers now use at least one digital service, and the shift toward paperless processing enhances efficiency and reduces costs.

In 2024, JS Bank was recognized as a leader in innovation, sustainability, and corporate responsibility, receiving prestigious accolades on both national and international platforms.

Key highlights include being awarded Best Digital App for Zindigi and Best Content Marketing for JS Her at the Pakistan Digital Awards, showcasing our dedication to leveraging technology to empower customers. On the global stage, JS Bank was named the Fastest Growing Private Bank in Pakistan and the Fastest Growing Corporate Bank in Pakistan for 2024. We were also recognized for Best Renewable Energy Financing at the Global Banking & Finance Awards, affirming our leadership in driving financial and environmental sustainability.

Further demonstrating our holistic approach, JS Bank was honored with the Digital Transformation Bank of the Year and Health & Wellness Bank of the Year awards by Asian Banking & Finance. Additionally, we received the Workplace Wellness Programme Award from ESG Business, emphasizing our focus on employee well-being and innovation.

As a Bank, our focus remains on inclusivity, and this year we expanded on our initiatives to support underrepresented groups. Through our JS Inclusive Account, we are breaking barriers for differently abled individuals, while the JS Her Account aims to equip women entrepreneurs with resources to transform their businesses and communities. We also partnered with organizations such as UNDP and Inspiring Women Pakistan to deliver financial training and support gender-inclusive, climate-resilient businesses to create long-term impact. Our commitment to inclusivity and governance earned us the Progressive Category Award from the Global Diversity, Equity & Inclusion Benchmarks. At the same time, the title of Financial Literacy Champion Bank from the State Bank of Pakistan highlighted our role in advancing financial education nationwide. Furthermore, JS Bank was recognized as the Best Clearing Agent for 2024 by JP Morgan and awarded the Leading Digital Bank Award by CxO, further solidifying our position as a trailblazer in digital banking.

All these accolades are not just testimony to our achievements, but also reaffirm our responsibility to set new benchmarks in the banking industry. Through continued innovation and adherence to enhanced governance, JS Bank will continue on its journey to create greater value for its customers, partners, and the communities that we serve, through delivering transformative banking solutions and fostering meaningful societal impacts.

I am also pleased to share that the Pakistan Credit Rating Agency Limited (PACRA) upgraded the long-term rating of JS Bank Limited (JSBL) to ‘AA’ (Double A) in 2024, while the short-term entity rating was maintained at ‘A1+’ (A One Plus) which is the highest in this category. These ratings reflect JS Bank’s strong financial performance, robust risk management practices, and commitment to excellence in the banking sector, further enabling us to innovate, empower and drive greater value for our customers and the economy.

JS Bank acknowledges the significant responsibility that comes with its position in the banking and corporate sectors. As a committed corporate citizen, the Bank focuses on making meaningful contributions to society through its Corporate Social Responsibility (CSR) initiatives. JS Bank aims to support its customers and the communities it serves to create positive change. Effective governance plays a pivotal role in guiding the business to execute strategies while maintaining a balance between sustainable shareholder value and adherence to regulatory requirements. Ensuring good corporate governance through ethical and professional business conduct as well as effective risk and audit management are key foundation blocks for us. JS Bank has always been committed to sustainable value creation for all of its stakeholders with high standards of corporate governance through a comprehensive system of internal controls. The Board of JS Bank follows comprehensive criteria for its performance evaluation and continually reviews the Bank’s financial & operational soundness and significant policies in line with regulatory requirements. The Board has constituted sub-committees for the oversight of all key areas of the Bank, covering risk management, audit-related matters, information technology, and human resources for achieving the Bank’s strategic objectives. In its pursuit of transparency and accountability, the Board has engaged Grant Thornton Anjum Rahman (GT) to perform an annual evaluation of its members and committees and their performance.

I am confident that with our leading value-added offerings, emphasis on customer satisfaction, dedication towards excellent service quality, and focus on innovation and convenience, we are committed in our determination to strive for excellence and deliver to our stakeholders.

On behalf of the Board of Directors, I would like to thank the Ministry of Finance, the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, and the Federal Board of Revenue for their continuous support and guidance. I would also like to thank our shareholders for their continued commitment and confidence in our long-term strategic vision, as well as our management and staff for their commitment and hard work for the greater progress and prosperity of our Bank.

Sincerely,

Adil Matcheswala
Chairman

February 28, 2025

پائیدار حصص یافتگان کی قدر اور ریگولیٹری تقاضوں کی تعمیل کے درمیان توازن قائم کرتے ہوئے حکمت عملیوں کو عملی جامہ پہنانے کے لیے کاروباری آپریشنز کو ہدایت دینے کے لیے موثر حکمرانی بہت اہم ہے۔ اچھی کارپوریٹ گورننس کو برقرار رکھنے میں اخلاقی اور پیشہ ورانہ کاروباری طرز عمل شامل ہے، مؤثر رسک اور آڈٹ مینجمنٹ کے ساتھ، جو ہمارے نقطہ نظر کے لیے بنیادی ہیں۔ جے ایس بینک تمام اسٹیک ہولڈرز کے لیے پائیدار قدر کی تخلیق کے لیے وقف ہے، اندرونی کنٹرول کے ایک مضبوط نظام کے ذریعے کارپوریٹ گورننس کے اعلیٰ معیارات کو برقرار رکھتا ہے۔ جے ایس بینک کا بورڈ اپنی کارکردگی کی جانچ کیلئے تفصیلی معیارات کی تعمیل کرتا ہے۔ بورڈ بینک کی مالی اور آپریشنل مضبوط کارکردگی اور ریگولیٹری تقاضوں کے مطابق اہم پالیسیوں کا جائزہ لیتا ہے۔ بورڈ نے تمام اہم شعبوں کی نگرانی کیلئے اپنی ذیلی کمیٹیاں تشکیل دی ہیں جن میں بینک کے اسٹرا ٹیجک مقاصد کے حصول کیلئے رسک مینجمنٹ، آڈٹ سے متعلقہ معاملات، انفارمیشن ٹیکنالوجی اور انسانی وسائل شامل ہیں۔ بورڈ نے گرانت تھورنٹن انجم رحمٰن (جی ٹی) کو اپنے ممبران اور کمیٹیوں اور ان کی کارکردگی کا سالانہ جائزہ لینے کیلئے مامور کیا ہے۔

میں پراعتماد ہوں کہ ہمارے متنوع بورڈ آف ڈائریکٹرز، ویلیوایڈڈ پیشکشوں، صارف کے اطمینان پر زور اور کارکردگی کے حصول کیلئے لگن کے ساتھ ہم ہر حالات اور ماحول میں کامیاب ہوں گے اور ترقی کی منازل طے کریں گے۔

میں بورڈ آف ڈائریکٹرز کی طرف سے وزارت خزانہ، اسٹیٹ بینک آف پاکستان، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فیڈرل بورڈ آف ریونیو کی طرف سے مسلسل تعاون اور رہنمائی پر شکرگزار ہوں۔ میں اپنے حصص یافتگان کا ہمارے طویل المدتی اسٹرا ٹیجک وژن پر مسلسل عزم اور اعتماد کے ساتھ ساتھ بینک کی مزید ترقی اور خوشحالی کیلئے ہماری انتظامیہ اور عملہ کے عزم اور محنت کیلئے بھی ان کا شکریہ ادا کرنا چاہوں گا۔

خیرخواہ

عادل ماچس والا

28 فروری 2025ء

اہم کامیابیوں میں پاکستان ڈیجیٹل ایوارڈز میں زندگی کے لیے بہترین ڈیجیٹل ایپ اور جے ایس Her کے لیے بہترین کونٹینٹ مارکیٹنگ ایوارڈ شامل ہیں، جو ٹیکنالوجی کے ذریعے صارفین کو بااختیار بنانے کے ہمارے عزم کا مظہر ہیں۔ عالمی سطح پر، جے ایس بینک کو پاکستان کا تیزی سے ترقی کرنے والا انجی بینک اور پاکستان کا تیزی سے ترقی کرنے والا کارپوریٹ بینک قرار دیا گیا۔ ہمیں گلوبل بینکنگ اینڈ فنانس ایوارڈز میں بہترین قابل تجدید توانائی فنانسنگ کا اعزاز بھی ملا، جو مالی اور ماحولیاتی پائیداری میں ہماری قیادت کی تصدیق کرتا ہے۔

مزید برآں، جے ایس بینک کو ایشین بینکنگ اینڈ فنانس کی جانب سے ڈیجیٹل ٹرانسفارمیشن بینک آف دی ایئر اور ہیلتھ اینڈ ویلنس بینک آف دی ایئر کے ایوارڈز سے نوازا گیا۔ اس کے ساتھ، ای ایس جی بزنس نے ہمیں ورک پلیس ویلنس پروگرام ایوارڈ سے نوازا، جو ملازمین کی فلاح و بہبود اور جدت پر ہماری توجہ کو اجاگر کرتا ہے۔

بطور بینک، ہمارا بنیادی مقصد شمولیت کو فروغ دینا ہے، اور اس سال ہم نے ان اقدامات کو مزید وسعت دی جو کم نمائندگی رکھنے والے طبقات کی معاونت کے لیے متعارف کرائے گئے تھے۔ ہمارا جے ایس انکلیسوا اکاؤنٹ خصوصی افراد کے لیے مالی رکاوٹیں ختم کرنے میں معاون ثابت ہو رہا ہے، جبکہ جے ایس Her اکاؤنٹ خواتین کاروباری شخصیات کو وہ وسائل فراہم کرتا ہے جو ان کے کاروبار اور کمیونٹیز کو ترقی دینے میں مددگار ثابت ہوں۔ ہم نے یو این ڈی پی اور انسپائرنگ ویمن پاکستان جیسے اداروں کے ساتھ شراکت داری کی، تاکہ مالی تربیت فراہم کی جا سکے اور صنفی شمولیت پر مبنی، ماحولیاتی لحاظ سے مضبوط کاروباروں کی تشکیل میں مدد دی جا سکے، جو طویل مدتی اثرات مرتب کرے۔ ہماری شمولیتی پالیسیوں اور مؤثر گورننس کے اعتراف میں، گلوبل ڈائیورسٹی، ایکوئٹی اینڈ انکلوژن بینچ مارکس کی جانب سے ہمیں پروگریسو کیٹیگری ایوارڈ سے نوازا گیا۔ اسی دوران، اسٹیٹ بینک آف پاکستان نے ہمیں فنانشل لٹریسی چیمپئن بینک کے اعزاز سے نوازا، جو ملک بھر میں مالی تعلیم کے فروغ میں ہمارے کردار کو تسلیم کرتا ہے۔ علاوہ ازیں، جے پی مورگن نے ہمیں بہترین کلیئرنگ ایجنٹ 2024 قرار دیا، جبکہ CxO کی جانب سے لیڈنگ ڈیجیٹل بینک ایوارڈ ملا، جو ڈیجیٹل بینکنگ میں ہماری قیادت کو مزید مستحکم کرتا ہے۔

یہ تمام اعزازات نہ صرف ہماری کامیابیوں کا ثبوت ہیں بلکہ بینکنگ انڈسٹری میں نئے معیارات قائم کرنے کی ہماری ذمہ داری کو بھی مزید مستحکم کرتے ہیں۔ جدت طرازی اور بہتر گورننس پر مستقل عمل پیرا رہتے ہوئے، جے ایس بینک اپنے صارفین، شراکت داروں اور ان کمیونٹیز کے لیے مزید قدر پیدا کرنے کے سفر کو جاری رکھے گا جن کی ہم خدمت کر رہے ہیں۔ ہم جدید بینکنگ حل فراہم کرنے اور معاشرے پر مثبت اور دیرپا اثرات ڈالنے کے اپنے عزم پر قائم رہیں گے۔

مجھے یہ اعلان کرتے ہوئے بھی خوشی ہو رہی ہے کہ پاکستان کریڈٹ ریٹنگ ایجنسی (پی اے سی آر اے) کی جانب سے سال 2024 میں جے ایس بینک لمیٹڈ (جے ایس بی ایل) کی طویل مدتی ریٹنگ کو بڑھا کر AA (ڈبل اے) کر دیا گیا، جبکہ قلیل مدتی ریٹنگ A1+ (اے ون پلس) پر مستحکم رہی، جو اس کیٹیگری میں سب سے بلند درجہ ہے۔ یہ ریٹنگز جے ایس بینک کی مستحکم مالی کارکردگی، مضبوط رسک مینجمنٹ پریکٹسز، اور بینکاری شعبہ میں اعلیٰ معیار کے عزم کی عکاسی کرتی ہیں، جو ہمیں مزید جدت، صارفین کو بااختیار بنانے اور معیشت کے لیے زیادہ قدر پیدا کرنے کے قابل بناتی ہیں۔

چیئرمین کا جائزہ

میں بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2024 کوختم ہونے والے سال کیلئے جے ایس بینک لمیٹڈ کی سالانہ رپورٹ پیش کرنے میں مسرت محسوس کرر ہاہوں۔

جے ایس بینک کی مسلسل کامیابی پاکستان کے بدلتے ہوئے مالیاتی شعبے میں اس کی مدبرانہ حکمت عملیوں کا نتیجہ ہے۔ ہمارا مقصد واضح ہے – لوگوں کو مالی طور پر مستحکم بنانا، کاروباری اداروں کی ترقی میں مدد فراہم کرنا، اور ملک کی معیشت اور سماجی ترقی میں مثبت کردار ادا کرنا۔ ہم جدید ٹیکنالوجی کو اپناتے ہوئے اپنے صارفین کو آسان اور موثر بینکاری سہولیات فراہم کررہے ہیں، جہاں ان کی ضروریات اور توقعات کو اولین ترجیح دی جاتی ہے۔ ہمارا عزم ہے کہ ہم ہر صارف کو ایسی مالی خدمات مہیا کریں جو ان کے لیے فائدہ مند ہوں اور طویل مدتی تعلقات کی بنیاد رکھیں۔ اسی کے ساتھ، ہم ماحول دوست اور سماجی ذمہ داری پر مبنی بینکاری اصولوں پر عمل پیرا ہیں، تاکہ پاکستان کی مجموعی اقتصادی ترقی میں اپنا حصہ ڈال سکیں۔

ایک جدید ٹیکنالوجی سے آراستہ اور متنوع مالیاتی مصنوعات رکھنے والے درمیانے درجے کے بینک کے طور پر، ہم اپنی صلاحیتوں پر فخر کرتے ہیں۔ ہمارا ادارہ ایک مضبوط اسٹرکچر پر قائم ہے اور ایک نوجوان، باصلاحیت اور مستحکم ٹیم کی حمایت حاصل ہے، جو بینک کے حکمتِ عملی مقاصد کو موثر اور کامیابی سے حاصل کرنے کے لیے پُرعزم ہے۔ ہم نے واضح نظام اور طریقہ کار وضع کیے ہیں جو نہ صرف ہماری عملی کارکردگی کو سہارا دیتے ہیں بلکہ ہماری ترقی کو بھی آگے بڑھاتے ہیں۔

سال 2024 کے دوران، بینک نے شاندار مالی کارکردگی کا مظاہرہ کیا اور 500 بلین روپے کے ڈپازٹس کا سنگِ میل عبور کیا، جو بینک کی تاریخ میں ایک اہم کامیابی تھی۔ مجموعی طور پر، بینک کے کل ڈپازٹس ایک ٹریلین روپے سے زائد برقرار رہے۔ اس سال، ہم نے اپنی برانچ نیٹ ورک میں 23 نئی برانچز کا اضافہ کیا، جس سے ملک بھر میں ہماری رسائی مزید وسیع ہوئی۔ ہمارے ڈیجیٹل بینکنگ پلیٹ فارم ''زندگی'' نے 2024 میں نمایاں ترقی حاصل کی اور پاکستان کے ڈیجیٹل بینکنگ سیکٹر میں اپنی قیادت کو مزید مستحکم کیا، جب کہ اس سال ہمارے صارفین کی تعداد 50 لاکھ سے تجاوز کرگئی۔ کمپنی نے اپنی قرضہ جاتی سہولیات کو مزید وسعت دی، جس میں ''ایڈوانس سیلری +'' متعارف کروایا گیا، جو تنخواہ دار افراد کے لیے لچکدار مالی معاونت فراہم کرتا ہے۔ نئی ایپ ڈیزائن ''زندگی 2.0'' نے پاکستان ڈیجیٹل ایوارڈز میں ''بیسٹ موبائل ایپ'' کا اعزاز حاصل کیا، جو زِندگی کی جدت اور پائیدار ترقی کے عزم کا ثبوت ہے۔ بینک ڈیجیٹل تبدیلی کے اپنے مشن پر قائم ہے اور 100 سے زائد نئی جدتیں متعارف کرا چکا ہے۔ آج، 80 فیصد سے زائد صارفین کم از کم ایک ڈیجیٹل سروس استعمال کررہے ہیں، جب کہ کاغذ کے بغیر پروسیسنگ کے رجحان نے کام کی رفتار میں بہتری اور اخراجات میں کمی کو یقینی بنایا ہے۔

سال 2024 میں، جے ایس بینک کو جدت، پائیداری اور کارپوریٹ ذمہ داری میں نمایاں مقام حاصل کرنے پر قومی اور بین الاقوامی سطح پر باوقار ایوارڈز

DIRECTORS' REPORT

We are pleased to present the 19th Annual Report of JS Bank Limited ("JSBL") along with the audited accounts and auditors' report for the year ended December 31, 2024.

Economic review

With stable major macroeconomic indicators driven by ongoing government regulatory initiatives and structural reforms, CY24 was a breakthrough year for Pakistan's economy. Pakistan received a final tranche of US$1.1 billion under IMF's Stand-By Arrangement (SBA) in March 2024. Subsequently, Pakistan got IMF Executive Board approval for the 37-month Extended Fund Facility (EFF) for SDR 5.32 billion (~US$7 billion) in Sep-2024, with immediate disbursement of SDR 760 million (~US$1 billion). Furthermore, during the year, both Moody's and Fitch upgraded Pakistan's credit ratings.

The Current Account has been posting consecutive surpluses since Oct-2024, taking 1HFY25 CA balance to US$1,210 million, primarily driven by higher remittances and controlled trade deficit. Combined with a positive Current account, the stable Capital account helped the Balance of Payments (BoP) remain in positive territory for 1HFY25, despite loan repayments.

With a stable currency, comfortable CAD levels, and support from development and bilateral lenders, State Bank foreign exchange reserves managed to reach ~US$12 billion as of Dec-2024 compared to US$8.2 billion in Dec-2023. Resultantly Pakistan's import cover improved from 1.9x in Dec-2023 to 2.8x in Dec-2024. Meanwhile, Pak Rupee appreciated by 1 percent to PKR 278/ US$ during the year.

The State Bank of Pakistan (SBP) began monetary easing in June 2024 with a 150 percent cut in the policy rate, followed by multiple consecutive rate cuts in following meetings, taking the rate down to 13 percent over the past 6 months from a high of 22 percent. This decision was supported by a continuous drop in CPI figures, where inflation dropped down to 4.1 percent in Dec-2024 compared to the levels close to 30 percent seen last year. This was primarily led by soft food product prices, stable currency, and a decline in international oil prices.

Pakistan would need sound policies and reforms to maintain macroeconomic stability, tackle structural challenges (e.g., tax system, energy sector, PSEs), and foster inclusive, resilient growth while reducing debt levels. The IMF has so far praised steps toward a fairer tax system and urged efforts to broaden the tax base, improve tax administration, and manage spending to enable investments in human capital, infrastructure, and social protection.

Banking sector review

SBP continues monetary easing with a 9 percent decrease in the Policy Rate in around 6 months (22 percent to 13 percent). With CPI in a disinflation phase due to a high base, interest rates are also following. For Banks, this would mean a contraction of NIMs and ROEs, and an upside through higher volumetric growth is going to act as a buffer. However, as per recent changes to tax law close to the year end, banks are now required to pay an additional 5 percent tax on PBT regardless of whether they meet the ADR threshold. To recall, increased taxes on income attributable to Government Securities were to be applied to banks that failed to meet the ADR requirements previously set out. Notably, recent data indicated that industry's ADR ratio has risen from 40 percent in June 2024 to approximately 50 percent. The purpose of the additional income tax based on ADR levels was to encourage banks to lend to businesses instead of depending on the government. Most banks were on track to adjust their lending books to avoid the tax before the year-end deadline, while the change to ADR tax law and imposition of additional 5 percent tax on Banks was enacted close to the Balance Sheet date.

Capital adequacy ratios in the sector remain strong, well above regulatory requirements. The slowdown in credit growth, along with higher investments in risk-free debt instruments, has led to an increase in risk-weighted assets.

Performance of the Bank

The summarized financial position and operating results of the Bank for year ended December 31, 2024 are as follows:

Rupees in Millions

FINANCIAL POSITION	2024	2023
Advances – net	**225,519**	203,727
Investments – net	**302,437**	287,957
Total Assets	**636,107**	589,432
Deposits and other accounts	**525,134**	486,283
Shareholders' Equity	**43,707**	40,322

FINANCIAL PERFORMANCE	2024	2023
Net Markup Income	**27,313**	22,409
Non Markup Income	**11,340**	12,205
Total Revenue	**38,653**	34,614
Non-Markup Expenses	**27,574**	23,291
Profit before provisions and taxation	**11,079**	11,322
Credit loss allowance and write offs	**4,713**	2,807
Profit before taxation	**6,366**	8,515
Profit after taxation	**2,849**	4,335
Earnings per share (Rupees)	**1.39**	2.75

For the year 2024, the Bank reported a Profit Before Tax of PKR 6,366.077 million (December 31, 2023: PKR 8,515.174 million). The Earnings Per Share (EPS) stands at PKR 1.39 (December 31, 2023: PKR 2.75).

The Bank recorded Net Interest Income (NII) of PKR 27,313 million in 2024 as compared to PKR 22,409 last year (up 22 percent). This growth in NII is primarily driven by higher interest rates than last year as well as deposit optimization. The Bank's Non-Remunerative Deposit base increased from PKR 160,546 million in 2023 to PKR 198,409 million in 2024 (up 24 percent). This has also resulted in an improvement in the deposit mix, as the share of Non-Remunerative Deposits has increased from 33 percent last year to 38 percent in 2024. Gross Advances increased by 16 percent to PKR 247,714 million, as the Bank continued with its efforts towards meeting the year end Advances to Deposits Ratio target taking into consideration the previously enacted additional ADR tax measures. During the year, margins continued to remain under pressure, as secondary market yields continually adjusted in anticipation of rate cuts while funding costs remained stagnant for the first six months of the year due to unchanged minimum deposit rates (MDR). The impact of the rate cuts started to take effect towards the later half of the year, but at the same time, yields on offer continued to remain below the policy rate in continued anticipation of rate cuts.

The Bank's Non-Markup Income reduced marginally by 7 percent YoY to PKR 11,340 million with 18 percent growth from Fee Income, growth in Dividend Income of 32 percent, as well as positive impact through net gains on securities of PKR 641 million year on year. Foreign Exchange income however, ended lower than last year by PKR 2,467 million due to relatively lower volatility in the FX markets as against last year, which offset the impact of the increase in other lines. Non mark-up Expenses increased by 18 percent YoY to PKR 27,574 million owing mainly due to inflationary adjustments, Rupee Depreciation and increase in technology based costs. The Bank's Cost to Income Ratio increased marginally to 70.7 percent in 2024, while Net Interest Income to Operating Cost increased from 97 percent to 100 percent.

Year end Deposits were reported at PKR 525.134 billion. This translates to a growth of 8 percent against the December 31, 2023 position. As mentioned above, the Bank's period end Non-Remunerative Deposits mix has improved to 38 percent. In terms of averages, the Bank's average non-remunerative deposits improved from PKR 143.916 billion in year 2023 to PKR 165.927 billion in the year 2024.

With Gross Advances at a level of PKR 247.714 billion at December 31, 2024, the Bank's Gross ADR level as at the period end inched up to 47 percent. The Bank's Gross Infection Ratio also increased to 8.61 percent in December 2024 (December 2023: 7.6 percent), as non-performing loans increased to PKR 21.328 billion in December 2024 from PKR 16.184 billion in December 2023. With additional classifications considered this year, as well as charge considered against NPLs under IFRS 9, the Bank's coverage ratio has improved to 71 percent (December 2023: 60 percent).

Our digital banking platform Zindigi has an exceptional year 2024, driven by innovation, customer focus, and strategic growth. The platform processed nearly PKR 250 billion worth of transactions, marking a significant increase compared to the previous year. The growth resulted in a 30 percent increase in revenue and a remarkable 66 percent rise in deposits. The year also saw several key developments and achievements. Notable launches included the Hajj Sullis Card—the first of its kind—in collaboration with MC and MYTM, a Freelance USD account, a mini-app platform, a split bill feature, and the first inclusive contactless payment solution, Raast P2M, under 'Zindigi Pay.' Additionally, a co-branded card was introduced under Banking as a Service (BaaS). Building on its AI-driven technologies, Zindigi expanded its lending product line with the introduction of Advance Salary+, a term loan designed to offer flexible financing options for salaried individuals. A groundbreaking new app design, Zindigi 2.0, was implemented to enhance user experience, and the app's excellence was recognized when Zindigi won the "Best Mobile App" award at the prestigious Pakistan Digital Awards. Furthermore, the 'Zindigi Prize,' Pakistan's first homegrown entrepreneurial community, expanded internationally to Kenya, making an impact beyond borders. Zindigi's sustainable growth, customer-first philosophy, and commitment to innovation further solidified its position as a leader in Pakistan's digital banking sector.

The Bank has also continued with its rapid expansion drive in the areas of digital transformation and Data Sciences – delivering over 100 new innovations. Uptake of digital channels in the bank has increased tremendously where over 80 percent of customers use at least one digital channel. Additionally, significant gains have been made in the bank's drive towards paperless processing, thereby enhancing efficiency and rationalizing cost.

During the current year, the Bank made significant strides in expanding its RMA and enhancing its Global outreach. Our efforts have focused on strengthening relationships with International Financial Institutions and increasing our footprint in key markets. By forging new partnerships and entering emerging markets, we are positioning the Bank to capitalize on new growth opportunities and provide comprehensive financial solutions across borders. This global expansion not only strengthens our competitive edge but also aligns with our long-term strategy of delivering sustainable growth and value to shareholders. The Directors are confident that these initiatives will further bolster the Bank's international presence and operational resilience, ensuring long-term success in the evolving global financial landscape.

In June 2024, The Pakistan Credit Rating Agency (PACRA) upgraded the long-term rating of the Bank to "AA" (Double AA) from AA- while maintaining the short-term rating at A1+ which is the highest in this category. These ratings reflect JS Bank's strong financial performance, robust risk management practices, and commitment to excellence in the banking sector. PACRA's "AA" rating signifies high credit quality, affirming JS Bank's sound financial health and serving as a testament to the bank's prudent financial policies, solid capitalization, and strategic foresight.

Summarized financial data for the last six years is given below:

	PKR 'Million'					
Particulars	**2024**	2023	2022	2021	2020	2019
Deposits	**525,134**	486,283	464,132	460,705	433,063	369,790
Equity	**43,707**	40,322	21,547	22,024	20,592	17,333
Total Assets	**636,107**	589,432	616,715	584,289	532,168	469,821
Investments-Net	**302,437**	287,957	303,465	231,266	201,698	142,568
Advances- Net	**225,519**	203,727	231,101	254,184	250,199	242,944
Gross Mark-up Income	**108,503**	92,087	72,047	39,125	43,099	41,595
Net Mark-up Income	**27,313**	22,409	14,856	11,895	9,777	7,028
Non-Mark-up Income	**11,340**	12,205	5,300	5,077	6,676	3,943
Profit Before Tax	**6,366**	8,515	2,131	2,209	2,023	133
Profit After Tax	**2,849**	4,335	965	1,304	1,150	25
Earnings Per Share (Basic) – PKR	**1.39**	2.75	0.74	1.01	0.89	0.0004
Return on Avg. Assets (ROAA)	**0.46%**	0.72%	0.16%	0.23%	0.23%	0.01%
Return on Avg. Equity (ROAE)	**6.78%**	14.01%	4.43%	6.12%	6.06%	0.15%
Capital Adequacy Ratio (CAR)	**13.24%**	12.53%	13.26%	13.77%	12.77%	12.93%
Advs. to Deposits Ratio (ADR)	**47.17%**	43.96%	51.39%	56.62%	58.74%	66.65%

Capital Adequacy

As of December 31, 2024, JS Bank's Capital Adequacy Ratio (CAR) stood at 13.24 percent (December 2023: 12.53 percent) against SBP's minimum required CAR of 11.50 percent.

Customer Experience and Fair Treatment

At JS Bank, our Customer Experience Team (CET) is dedicated to cultivating enduring customer relationships and consistently exceeding expectations across all interactions. This team spearheads our customer-centric philosophy, prioritizing effective grievance resolution and actively soliciting customer feedback to continuously improve the banking experience and deliver unparalleled service

In 2024, the bank effectively addressed over 44,415 customer Complaints with an average resolution time of 3.2 business days. Our robust Complaint Handling Policy and transparent Grievance Redressal Mechanism are meticulously designed to ensure swift and efficient resolution of issues while proactively mitigating future occurrences. Recognizing the importance of accessibility and transparency, we offer multiple channels for customers to conveniently voice their concerns. Furthermore, customers retain the option of escalating their concerns to the Banking Mohtasib office should they be dissatisfied with the bank's initial response.

To enhance the visibility of our complaint handling process, JS Bank strategically integrates awareness messages within various customer communication channels, including account statements, ATM screens, and official correspondence. To further augment accessibility to our redressal mechanisms, the bank actively disseminates information via social media platforms and SMS notifications to its valued customers. Our comprehensive website provides detailed information regarding the grievance procedure, available touchpoints, and convenient online feedback forms.

The CET's diverse units, including the Voice, Chat, SMS Teams along with Branch Services, Customer Insights & Customer Care Unit, play a vital role in maintaining direct and effective communication with our customers. These units are integral to our strategy of delivering a fair, accessible, and efficient service, reducing operational risks and gathering insights for continuous improvement.

- Bank's multi-channel Voice, Chat and SMS Team allows officers to interact with customers over communication channels which includes interactions over Voice (Retail Banking, Private Banking, Digital Financial Services and from Overseas), WhatsApp chat, SMS to 8012 and Emails (info@jsbl.com, CCU.Helpdesk@jsbl.com, rda@jsbl.com, and jsblink@jsbl.com).
- Customer Care unit serves as the institution's philosophy about customer grievances, the hierarchy, systems, and procedures to deal with the concerns arriving at all touchpoints. The Customer Care Unit ensures that it is fair, transparent, accessible, and efficient as the first line of defense against the grievances of the Bank customers. Customer Care Unit grievance handling mechanism oriented to achieve customer satisfaction not only reduces operational and reputational risk of a Bank but also provides valuable pieces of information that eventually can be used to bring improvement in products, procedures, and delivery channels.
- The Branch Services team ensures all necessary elements and commitments are effectively implemented and in place by conducting regular visits to Branches and Offsite ATMs, thereby maintaining consistent service support & efficient service delivery.
- The Customer Insights team collects, analyzes and interprets customer behavior trends, primarily gauged through surveys with the objective of enhancing the effectiveness of products and services. Additionally, these insights inform key business decisions across various departments, including marketing, product development, and customer service.
- Business Conduct ensures responsible banking by assessing conduct risk as per SBP Conduct Assessment Framework.

Our focus extends beyond just addressing grievances/concerns as we are dedicated to understanding customer behavior through Customer Insights, thus ensuring responsible banking practices. This commitment is reflected in our comprehensive 'Consumer Protection Framework,' which prioritizes customer welfare in all our products & services. We firmly believe in offering equal treatment to all customers, without any form of discrimination, ensuring they feel valued and contended.

The Bank strives for fairness and clarity in all our interactions, fostering a service culture that puts our customers first. Our goal is to create an environment where customers feel valued and informed, empowering them to make sound financial decisions. We are committed to guiding our customers through the complexities of the financial world via awareness and financial literacy programs, ensuring that they have a positive and empowering Banking Experience.

Risk Management

The Board is committed to adopting the best risk management practices in letter and spirit. To maintain effective risk management oversight, the Bank follows an appropriate risk management framework according to the regulatory directives issued by SBP and other related guidelines under the applicable Basel framework. In this regard, the Bank has a comprehensive set of risk management policies, practices, and procedures in place which enables the Bank to take into consideration, in an appropriate manner, all major kinds of risks including credit, market, liquidity, operational, Information security, and Digital Risks. The overall risk management framework of the Bank is under the supervision of the Board of Directors (BoD)/Board Risk Management Committee (BRMC) while the operational level day-to-day functioning is carried out by the senior management of the Bank. In order to develop a holistic integrated risk management approach, a dedicated and independent Risk Management Function is in place to manage various aspects of risk management in the Bank with the segregation of Credit Risk functions into other variants of risk management. To formalize and strengthen the risk management approach within the Bank, the following significant policies were developed/ reviewed and approved by the Board:

- Risk Management Policy
- Credit Policy
- SME Financing Policy
- Collateral Management Policy
- Internal Credit Risk Rating Policy
- Consumer Credit Policy
- Market Risk Management Policy
- Interest Rate Risk Management Policy
- Operational Risk Management Policy
- Liquidity Risk Management Policy
- Country Risk Management Policy
- Agricultural Credit Policy
- Remedial Management Policy
- Debt Property Swap Policy
- Business Continuity Planning Policy
- Information Security Policy
- ICAAP
- Environmental & Social Risk Management Framework
- Green Banking Policy

The Bank's risk governance is exercised by the following committees:

- Risk Management Committee (RMC)
- Operational Risk Management Committee (ORMC)
- Central Credit Committee(CCC)
- IT Steering Committee (ITSC)
- Assets & Liabilities Committee (ALCO)

These Committees meet regularly to review market developments and the level of financial and security risk exposures of the Bank.

Risk Management plays a vital role in ensuring that an appropriate balance is maintained between risk and reward throughout the bank. Towards this end, the risk management function and framework have been modified in the year under review. The disciplines of risk management including market and liquidity, operational, BCP, portfolio, policy, agricultural credit, consumer and program lending, CAD, SAM, Digital, information security risks, and Green Banking Office, remain under the umbrella of the Chief Risk Officer.

Market Risk measurement, monitoring, and management reporting is done on a regular basis. The Market Risk & Basel Unit supported by the Treasury Middle Office is involved in the daily monitoring of all related financial risk exposures in the form of interest rate risk, equity exposure risk, currency or foreign exchange risk, cross border or country risk, financial institutions (FI) exposure risks, liquidity risk, and capital adequacy.

On the capital management side, the Bank's practices ensure that it has reasonable capital to cover the risks associated with its activities. It is the prime objective of the Bank's capital management to ensure that the bank complies with all regulatory capital requirements and at the same time maintains strong credit ratings and healthy capital ratios to support its business and maximize shareholders' value.

Bank's Operational Risk Management Framework ensures that adequate control environment exists to identify, address, and manage all operational risks and maintain an acceptable level of residual risks. Bank is focusing on embedding Risk and Control Self-Assessment for effective management of key risks and cultivating an environment where every employee understands his responsibility towards the management of operational risks.

Apart from the Risks and Control Self-Assessment (RCSA), Operational Loss Data (OLD) and Key Risk Indicators (KRI) exercise, the Operational Risk management function also maintains the Business Continuity Planning Policy and conducted numerous Business Continuity Drills to test availability of systems and services from the alternate sites.

Credit Risk management is an ongoing process. The overall credit policy and the credit risk management guidelines are approved by the Board of Directors. In this regard, a Central Credit Committee (CCC) is entrusted with the responsibility of monitoring and controlling credit risk in the Bank. CCC meets regularly to actively supervise credit risk across the lending portfolio. In order to maintain a healthy growth of the credit portfolio, the Bank's Credit Risk Management processes are consistently upgraded and improved to meet future challenges. Further, in order to bolster credit risk management monitoring activities, a separate unit is in place for regular portfolio monitoring, formulating and implementing credit risk management tools, including setting up of industry, geographic and sectorial limits, and devising credit risk quantification / statistical techniques to meet SBP and Basel requirements. The health of the credit portfolio is being monitored through the Credit Administration, which is responsible for housekeeping elements along with the management of credit limits. To identify and manage the inherent environmental and Social (E&S) risks in the Credit portfolio of the Bank, Environmental and Social Risk Management (ESRM) procedures has been developed and effectively integrated in the in the Credit Risk Management process of the Bank, as stipulated in the Green Banking Policy and ESRM Framework of the Bank.

The Bank is conscious of risks and uncertainties associated with problem credits which require a different and more intense risk management approach. In this regard, a Special Asset Management Unit is in place following SBP's regulatory guidelines to focus on remedial management issues, take ownership of classified portfolio for effective management and to determine the work-out modes for rehabilitation and settlements, as stipulated in the Remedial Management Policy of the Bank.

In terms of Information Security, the Information Security Department performs security/risk assessments, as well as vulnerability assessments, monitors critical IT, and manages information and cyber security risks across the Bank. To improve the information security posture, defense in depth / layered security architecture is deployed with real-time monitoring of emerging threats. To further strengthen cybersecurity, the Bank is striving to build a process-oriented culture, bring maturity in tool utilization, and invest in IS staff to improve management / regulatory reporting and increase JS staff security awareness training.

To combat digital risks and to support the Digital Finance business, a dedicated team of risk experts has been established under the umbrella of Digital Risk. The prime objective of this function is to optimize policies, processes, and systems, investigate and mitigate digital frauds, data analytics to identify potential risks and augment business, and implement strategic plans. Moreover, to battle fraud Risk the Bank has placed a robust fraud prevention mechanism to safeguard the Bank and its customers against potential threats/attempts of internal and external fraud across all channels, physical or digital.

Statement on Internal Controls

The Bank places significant emphasis on establishing stringent controls throughout all its operations. This focus is a key component of the Bank's policies, which are designed to adhere to the best industry practices, ethical standards, and regulatory requirements. In this regard, the Board of Directors has implemented policies that assess the overall effectiveness of the internal control environment.

Internal controls at JS Bank are designed to provide reasonable assurance regarding the effectiveness and efficiency of the Bank's operations, the reliability of financial information, and compliance with applicable laws and regulations. However, it is important to recognize that these systems can only provide reasonable, not absolute, assurance against material misstatements or losses, as they are intended to manage risks rather than eliminate them completely.

To effectively manage risk, the governance structure of the Bank's internal control functions consists of three levels of defense. The first line of defense is the business itself, which owns and manages its operational risks. The second line of defense involves oversight from Risk Management, Compliance, and control functions, which identify and assess risks impacting existing and new business initiatives, coordinate risk mitigation with specialists and businesses, and report these risks to the Risk Management Function for appropriate corrective measures. The third line of defense is an independent and effective Internal Audit Function that reviews the effectiveness and adequacy of internal controls while monitoring compliance with policies and procedures.

The Board of Directors is regularly updated on compliance status through the Board Audit Committee. Management prioritizes all significant findings from internal and external auditors, as well as regulators, ensuring that appropriate corrective actions are taken. Adequate systems are in place to minimize breaches and prevent the repetition of mistakes, ultimately strengthening the control environment. Additionally, the Compliance Function actively ensures regulatory compliance across the Bank.

The Bank diligently follows the State Bank of Pakistan (SBP) Guidelines on Internal Control to evaluate the overall effectiveness of its internal controls, including financial reporting controls. Comprehensive documentation of bank-wide processes and controls has been completed. Furthermore, the Bank has developed a robust management testing and reporting framework to ensure the effective operation of key controls and has addressed identified opportunities for design improvements.

Following the successful completion of the Internal Control over Financial Reporting (ICFR) Roadmap, the SBP granted the Bank an exemption in August 2016 from submitting a Long Form

Report (LFR) by external auditors. According to SBP directive BSD-1 Circular Letter No. 1 of July 6, 2021, banks that have completed all stages of the ICFR roadmap are allowed to discontinue the submission of the Annual Assessment Report on the efficacy of ICFR to the SBP. However, the SBP may still evaluate this report as part of supervisory assessments. As such, the Annual Assessment Report for December 31, 2024, regarding the efficacy of ICFR will be presented to the Board Audit Committee.

Management believes that the existing internal control system is adequate, effectively implemented, and continuously monitored. This view is also supported by the Board of Directors. The management is committed to enhancing its compliance with SBP guidelines on internal controls, thereby continuously strengthening its control environment.

Corporate Governance

The Bank takes pride in its strong corporate governance, which is achieved through high standards of professional and business conduct, effective internal controls, comprehensive audit functions, and a robust risk management framework. It strictly adheres to both local and international codes of practice.

The Board regularly reviews policy-related matters that have long-term implications under regulatory obligations, while also ensuring they align with the Bank's operational requirements. The Management and the Board Committees are properly established with clearly defined scopes of work to guarantee that they perform their designated functions effectively and efficiently, in line with their mandates and specific terms of reference.

Corporate and Financial Reporting Framework

The Directors confirm their compliance with the Corporate and Financial Reporting Framework set by the Securities & Exchange Commission of Pakistan:

- The financial statements prepared by the management present fairly the state of affairs of the Bank, the results of its operations, the cash flow statement, and the statement of changes in equity.
- Proper books of accounts of the Bank have been maintained.
- Accounting policies as stated in the notes to the accounts have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards as applicable to banks in Pakistan have been followed in the preparation of the financial statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no doubts about the Bank's ability as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- The details of outstanding statutory payments, if any, have been adequately disclosed in the financial statements.

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

The Bank has adopted the requirements outlined in the Listed Companies (Code of Corporate Governance) Regulations, 2019, issued by the Securities & Exchange Commission of Pakistan (SECP), and is in full compliance with them. A statement confirming this compliance is attached to the Report.

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

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

All projections are, by nature, subject to risks and uncertainties, some beyond control. The factors that may potentially affect the Bank's resources, revenues and operations are regularly focused and prioritized by the Board in setting the overall strategic direction. The following factors are considered for sensitivity analysis at the time of setting of business targets and revisions to short term forecasts. These include:

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

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

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

Holding Company

Jahangir Siddiqui & Co. Limited, listed on the Pakistan Stock Exchange Limited, is the holding company of JS Bank Limited, owning 71.2 percent of the ordinary shares.

Subsidiary Companies

BankIslami Pakistan Limited, JS Global Capital Limited, and JS Investments Limited are subsidiaries of JS Bank, with shareholdings of 75.1 percent, 92.9 percent, and 84.7 percent, respectively. The performance of these companies has been reviewed in the consolidated Directors' Report.

Attendance of Directors in the Board meetings

Six meetings of the Board of Directors were held during the year 2023. The attendance of directors at Board Meetings was as follows:

Name of Director	Eligible to attend	Meetings attended
Mr. Adil Matcheswala – Chairman	5	5
Mr. Khalilullah Shaikh	5	5
Lt. Gen. (R) Sadiq Ali	5	5
Ms. Nargis Ghaloo	5	5
Mr. Saad Ali Bhimjee	1	1
Mr. Usman Yousaf Mobin	5	5
Mr. Basir Shamsie	5	5
Syed Mumtaz Ali Shah*	2	2

The attendance of directors at Board Committees meetings was as follows:

Name of Director	Audit Committee		Risk Committee		HR Committee		IT Committee	
	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended
Mr. Adil Matcheswala	-	-	-	-	3	3	-	-
Mr. Khalilullah Shaikh	6	6	3	3	-	-	-	-
Lt. Gen. (Retd) Sadiq Ali	6	6	4	4	-	-	-	-
Ms. Nargis Ghaloo	6	6	-	-	-	-	4	4
Mr. Saad Ali Bhimjee	-	-	-	-	-	-	-	-
Mr. Usman Yousaf Mobin	-	-	-	-	3	3	4	4
Mr. Basir Shamsie	-	-	4	4	-	-	4	4
Syed Mumtaz Ali Shah*	-	-	2	2	1	1	-	-

*Saad Ali Bhimjee was appointed director of the Bank on October 25, 2024 in place of Syed Mumtaz Ali Shahi who resigned w.e.f. June 14, 2024.

Directors' Remuneration

The remuneration of directors is determined by the Board of Directors in accordance with applicable laws. Compensation for attending meetings of the Board or its Committees is set within a range that the Board reasonably establishes. However, Executive Directors do not receive any remuneration for attending meetings of the Board or its Sub-Committees. The amounts paid to the Directors, Chief Executive Officer, and other executives are detailed in Note 40 of the Unconsolidated Financial Statements.

Pattern of Shareholding

The pattern of shareholding at the close of December 31, 2024, is included as part of the Annual Report.

Related Party Transactions

Related party transactions are disclosed at note 44 and note 45 of the Unconsolidated Financial Statements and the Consolidated Financial Statements, respectively, of the Bank for the year ended December 31, 2024.

Corporate and Social Responsibility

The Statement of Corporate & Social Responsibility is included in the Annual Report.

Dividend to Shareholders

No dividend is being paid to the shareholders on the ordinary shares for the year 2024.

Employee Benefit Schemes

The Bank operates a contributory provident fund for all permanent employees. The employer and employee both contribute 7.1 percent of the basic salaries to the funded scheme every month. Number of employees covered under this plan are 3,448 (2023: 3,231). During the year, the Bank has made a contribution of PKR 366.562 million (2023: PKR 312.365 million) to the fund. The employees have also made a contribution of an equal amount to the fund.

The Bank also operates a recognised gratuity fund for all employees who opted for this scheme introduced by the management with effect from January 01, 2007. Permanent employees are eligible for the gratuity fund after 10 years of continuous service. Gratuity is payable at 65% of the last drawn basic salary per completed year of service. During the year, the Bank made a contribution of PKR 133.191 million (2023: NIL) towards the scheme.

Value of investments of Provident Fund and Gratuity Fund Schemes based on the latest audited financial statements as of December 31, 2023, was as follows:

Provident Fund – PKR 2,764.038 million (2022: PKR 2,026.228 million)

Gratuity Fund - PKR 760.442 million (2022: 929.910 million)

External Auditors

The current auditors, KPMG Taseer Hadi & Co. Chartered Accountants, being retired offered themselves for reappointment.

Auditors have confirmed that the firm is fully compliant with the International Federation of Accountants' Guidelines of Code of Ethics, as adopted by the Institute of Chartered Accountants of Pakistan (ICAP), and has a satisfactory rating under the Quality Control Review Program of the ICAP.

On the recommendation of the Board Audit Committee, the Board of Directors recommends the appointment of KPMG Taseer Hadi & Co. Chartered Accountants for the year ending December 31, 2025, at the upcoming Annual General Meeting of the Bank.

Evaluation of the Board's Performance

At JS Bank, the Board of Directors plays a crucial role in setting the strategic direction of the Bank. The Board ensures alignment with the Bank's long-term objectives while complying with regulatory standards. To fulfill their fiduciary duty of safeguarding stakeholders' interests, a formal and effective mechanism is in place for the annual evaluation of the Board, its members, and sub-committees, as required by the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan.

The Board of Directors of the Bank is composed of individuals with diverse skills, core competencies, and experiences, all committed to strong corporate governance to protect the interests of the Bank and its stakeholders. They continually review the Bank's financial stability, governance practices, internal controls, and significant policies in accordance with regulatory requirements. Furthermore, Board Committees have been established with specific mandates and terms of reference.

In line with best practices in corporate governance, the Board conducts an annual self-evaluation. During the year, we engaged Grant Thornton Anjum Rahman Chartered Accountants (GT), an external facilitator with a team of qualified consultants specializing in board evaluations for companies and banks. The self-evaluation was conducted in compliance with the State Bank of Pakistan's Guidelines on Performance Evaluation of the Board of Directors and the Listed Companies (Code of Corporate Governance) Regulation, 2019.

The evaluation assessed various aspects of the Board's performance, including the effectiveness of sub-committees, the CEO, and the Chairman. This process, grounded in best practices of corporate governance, includes a detailed quantitative analysis, ensuring that our leadership remains effective and accountable to our goals and values.

Events after the Date of the Statement of Financial Position

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

Acknowledgments

On behalf of JS Bank, we would like to express our heartfelt gratitude to our valued stakeholders for their ongoing support and patronage. We also extend our thanks to the Ministry of Finance, the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, and other regulatory authorities for their guidance and assistance to our bank. Finally, we appreciate all our colleagues at JS Bank for their dedication to achieving greater success and growth.

For and on behalf of the Board,

Basir Shamsie

President & CEO

February 28, 2025

Adil Matcheswala

Chairman

مالیاتی پوزیشن کے بیان کی تاریخ کے بعد کے واقعات:

مالیاتی پوزیشن کے بیان کی تاریخ کے بعد کوئی ایسا مادی واقعہ پیش نہیں آیا جس کے لیے منسلک مالی بیانات میں ایڈجسٹمنٹ کی ضرورت ہو۔

اظہار تشکر:

جے ایس بینک کی جانب سے، ہم اپنے قابل قدر اسٹیک ہولڈرز کی مسلسل سرپرستی اور حمایت کے لیے ان کا شکریہ ادا کرنا چاہتے ہیں۔ ہم وزارت خزانہ، اسٹیٹ بینک آف پاکستان، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اور دیگر ریگولیٹری اتھارٹیز کا بھی شکریہ ادا کرنا چاہیں گے جنہوں نے ہمارے بینک کی رہنمائی اور مدد کی۔ آخر میں ہم جے ایس بینک میں اپنے تمام ساتھیوں کو مزید کامیابی اور ترقی کے لیے ان کے عزم پر خراج تحسین پیش کرتے ہیں۔

ازطرف بورڈ

باصر شمسی	عادل ماچس والا
صدر اینڈ سی ای او	چیئرمین

28 فروری 2025ء

انسٹی ٹیوٹ آف چارٹرڈ اکاونٹس آف پاکستان (آئی سی اے پی) نے اختیار کیا اور آئی سی اے پی کے کوالٹی کنٹرول ریویو پروگرام کے تحت اس کی تسلی بخش درجہ بندی ہے۔

بورڈ آڈٹ کمیٹی کی سفارش پر، بورڈ آف ڈائریکٹرز 31 دسمبر، 2025 کو ختم ہونے والے سال کیلیئے بینک کے آمدہ سالانہ اجلاس عام میں کے پی ایم جی تاثیر ہادی اینڈ کو، چارٹرڈ اکاونٹنٹس کی تقرری کی سفارش کرتے ہیں۔

بورڈ کی کارکردگی کا جائزہ:

جے ایس بینک کا بورڈ آف ڈائریکٹرز بینک کی اسٹریٹجک سمت متعین کرتا ہے اور اس بات کو یقینی بناتا ہے کہ تنظیم اس سمت پر قائم رہے۔ ریگولیٹری تعمیل کو یقینی بناتے ہوئے اسے اپنے طویل مدتی مقاصد حاصل کرنے کے قابل بناتا ہے۔ اسٹیٹ بینک آف پاکستان اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے تحت اسٹیک ہولڈرز کے مفادات کے تحفظ کی اپنی حقیقی ذمہ داری کو نبھانے کے لیے بورڈ کی اپنی کارکردگی، بورڈ کے اراکین اور اس کی کمیٹیوں کے سالانہ جائزے کے لیے ایک رسمی اور موثر طریقہ کار وضع کیا جاتا ہے۔

جے ایس بینک کا بورڈ آف ڈائریکٹرز مہارت، بنیادی قابلیت تنوع، تجربہ اور علم کا ایک اچھا امتزاج کا حامل ہے اور بینک اور اس کے اسٹیک ہولڈرز کے مجموعی مفادات کے تحفظ کے لیے مضبوط کارپوریٹ گورنس کے لیے پرعزم ہے۔ بورڈ ریگولیٹری تقاضوں کے مطابق بینک کے مالی اور آپریشنل استحکام، گورنس، انٹرنل کنٹرولز اور اہم پالیسیوں کا مسلسل جائزہ لیتا ہے۔ مزید برآں، بورڈ کمیٹیاں تشکیل دی گئی ہیں، جن میں سے ہر ایک کے پاس ایک مقررہ مینڈیٹ اور ٹرمز آف ریفرنس ہیں۔

کارپوریٹ گورنس کے بہترین طریقوں کے مطابق، بورڈ نے سالانہ بنیادوں پر گرانٹ تھورنٹن انجم رحمان چارٹرڈ اکاؤنٹنٹس (جی ٹی) کو ایک بیرونی سہولت کار کے طور پر شامل کر کے خود تشخیصی مشق کا انعقاد کیا ہے جن کے پاس کمپنیوں اور بینکوں کے لیے بورڈ کی تشخیص کرنے کے لیے اہل کنسلٹنٹس کی ٹیم موجود ہے۔ یہ خود تشخیصی عمل اسٹیٹ بینک آف پاکستان کی ''بورڈ آف ڈائریکٹرز کی کارکردگی کے جائزے'' سے متعلق ہدایات اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنس) ریگولیشن 2019 کے مطابق انجام دیا گیا۔

تشخیص میں بورڈ کی کارکردگی کے مختلف پہلوؤں کا احاطہ کیا گیا جس میں بورڈ کی ذیلی کمیٹیاں، سی ای او اور چیئرمین وغیرہ شامل ہیں۔ یہ عمل کارپوریٹ گورنس کے بہترین طریقوں پر مبنی ہے اور ایک تفصیلی مقداری تجزیے پر مشتمل ہے، تاکہ ہماری قیادت کو مؤثر اور ہمارے مقاصد و اقدار کے لیے جوابدہ بنایا جاسکے۔

متعلقہ پارٹی سے کاروباری لین دین:

31 دسمبر، 2024 کو ختم ہونے والے سال کیلئے متعلقہ فریقین کے ساتھ کاروباری لین دین کو بینک کے غیر مربوط اور مربوط مالیاتی گوشواروں کے نوٹ نمبر 44 اور 45 میں ذکر کیا گیا ہے۔

کارپوریٹ اور سماجی ذمہ داری:

کارپوریٹ اور سماجی ذمہ داری کا بیان سالانہ رپورٹ میں شامل ہے۔

حصص یافتگان کیلئے منقسمہ منافع:

سال 2024 کیلئے عمومی حصص پر حصص یافتگان کو منافع منقسمہ ادا نہیں کیا جا رہا ہے۔

ملازمین کے فائدے کیلئے سکیمیں:

بینک تمام مستقل ملازمین کے لیے کنٹریبیوٹری پروویڈنٹ فنڈ آپریٹ کرتا ہے۔ آجر اور ملازم دونوں ہر ماہ فنڈ ڈ اسکیم میں بنیادی تنخواہ کا 7.1 فیصد حصہ ڈالتے ہیں۔ اس منصوبے کے تحت آنے والے ملازمین کی تعداد 3,448 (2023: 3,231) ہے۔ سال کے دوران، بینک نے فنڈ میں 366.562 ملین روپے (2023:312.365 ملین روپے) کا حصہ ڈالا۔ ملازمین نے بھی فنڈ میں برابر رقم کا حصہ ڈالا ہے۔

بینک ایک تسلیم شدہ گریجویٹی فنڈ بھی چلاتا ہے جو ان تمام ملازمین کے لیے ہے جنہوں نے یکم جنوری 2007 سے نافذ کردہ اس اسکیم کا انتخاب کیا۔ مستقل ملازمین 10 سال کی مسلسل ملازمت کے بعد گریجویٹی فنڈ کے اہل ہوتے ہیں۔ گریجویٹی ہر مکمل شدہ سالِ ملازمت پر آخری بنیادی تنخواہ کے 65 فیصد کے مطابق ادا کی جاتی ہے۔ رواں سال کے دوران، بینک نے اس اسکیم میں 133.191 ملین روپے کا تعاون کیا، جبکہ 2023 میں اس مد میں کوئی رقم ادا نہیں کی گئی۔

31 دسمبر 2023 تک کے تازہ ترین آڈٹ شدہ مالیاتی بیانات کے مطابق پراویڈنٹ فنڈ اور گریجویٹی فنڈ اسکیموں میں کی گئی سرمایہ کاری کی مالیت درج ذیل تھی:

پراویڈنٹ فنڈ– 2,764.038 ملین روپے (2022: 2,026.228 ملین روپے)

گریجویٹی فنڈ– 760.442 ملین روپے (2022: 929.910 ملین روپے)

ایکسٹرنل آڈیٹرز:

موجودہ آڈیٹرز کے پی ایم جی تاثیر ہادی اینڈ کو، چارٹرڈ اکاونٹس نے مدت معاہدہ ختم ہونے کے بعد دوبارہ تقرری کی پیش کش کی ہے۔

آڈیٹرز نے تصدیق کی ہے کہ فرم انٹرنیشنل فیڈریشن آف اکاونٹنٹس کے ضابطہ اخلاق کے رہنما اصولوں کی پوری طرح تعمیل کرتی ہے، جیسا کہ

ڈائریکٹرز کا نام	آڈٹ کمیٹی		رسک کمیٹی		ایچ آر کمیٹی		آئی ٹی کمیٹی	
	شرکت کا اہل	اجلاس میں شرکت	شرکت کا اہل	اجلاس میں شرکت	شرکت کا اہل	اجلاس میں شرکت	شرکت کا اہل	اجلاس میں شرکت
جناب عادل ماچس والا	-	-	-	-	3	-	-	-
جناب خلیل اللہ شیخ	6	6	3	3	-	-	-	-
لیفٹننٹ جنرل (ریٹائرڈ) صادق علی	6	6	4	4	-	-	-	-
محترمہ نرگس گھلّو	6	6	-	-	-	-	-	-
جناب سعد علی بھیم جی	-	-	-	-	-	-	4	4
جناب عثمان یوسف مبین	-	-	-	-	-	-	-	-
جناب خلیل اللہ شیخ*	-	-	-	-	3	3	4	4
جناب باصر شمسی	-	-	4	4	-	-	4	4
سید ممتاز علی شاہ*	-	-	2	2	1	1	-	-

* مورخہ 25 اکتوبر 2024 کو جناب سعد علی بھیم جی کو جناب سید ممتاز علی شاہ کی جگہ بینک کا ڈائریکٹر مقرر کیا گیا، جنہوں نے 14 جون 2024 کو استعفیٰ دے دیا تھا۔

ڈائریکٹرز کا معاوضہ:

ڈائریکٹرز کا معاوضہ قابل اطلاق قوانین کے مطابق بورڈ آف ڈائریکٹرز کی طرف سے فکسڈ ہے۔ بورڈ یا بورڈ کمیٹیوں کے اجلاسوں میں شرکت کا معاوضہ بورڈ آف ڈائریکٹرز کی طرف سے طے شدہ کے مطابق ہے، بشرطیکہ ایگزیکٹو ڈائریکٹر کو بورڈ / بورڈ سب کمیٹی کے اجلاسوں میں شرکت کے لیے کوئی معاوضہ ادا نہیں کیا جائے گا۔ ڈائریکٹرز، چیف ایگزیکیٹو آفیسر اور دیگر ایگزیکیٹوز کو ادا کئے جانے والے معاوضے کا انکشاف نوٹ نمبر 40 میں غیر متفقہ مالیاتی بیانات میں کیا گیا ہے۔

شیئر ہولڈنگ کا پیٹرن:

کمپنیز ایکٹ 2017 کے سیکشن (f)227 کے تحت 31 دسمبر، 2024 کے اختتام تک کمپنی کے شیئر ہولڈنگ کا طریقہ کار صفحہ نمبر____ پر دیا گیا ہے۔

بورڈ کی موجودہ تشخیص کی بنیاد پر، بینک کی بطور جاری ادارہ کام کرنے کی صلاحیت پر کوئی نمایاں شبہات نہیں ہیں۔

ہولڈنگ کمپنی:

جہانگیر صدیقی اینڈ کمپنی لمیٹڈ جو پاکستان سٹاک ایکس چینج لمیٹڈ میں درج ہے، جے ایس بینک لمیٹڈ کی ہولڈنگ کمپنی ہے جو 71.2 فیصد عام حصص رکھتی ہے۔

ذیلی کمپنیاں:

بینک اسلامی پاکستان لمیٹڈ، جے ایس گلوبل کیپیٹل لمیٹڈ اور جے ایس انویسٹمنٹس لمیٹڈ، جے ایس بینک کی ذیلی کمپنیاں ہیں جو بالترتیب 75.1 فیصد، 92.9 فیصد اور 84.7 فیصد حصص رکھتی ہیں۔ ڈائریکٹرز رپورٹ کے جائزہ کے تحت ان کمپنیوں کی کارکردگی کا جائزہ لیا گیا ہے۔

بورڈ اجلاسوں میں ڈائریکٹرز کی شرکت:

سال 2024 کے دوران بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ بورڈ اجلاسوں میں ڈائریکٹرز کی شرکت درج ذیل ہے:

ڈائریکٹر کا نام	شرکت کا اہل	اجلاسوں میں شرکت
جناب عادل ماچس والا۔ چیئرمین	5	5
جناب خلیل اللہ شیخ	5	5
لیفٹننٹ جنرل (ریٹائرڈ) صادق علی	5	5
محترمہ نرگس علی اکبر گھلو	5	5
جناب سعد علی بھیم جی	1	1
جناب عثمان یوسف مبین	5	5
جناب باصر شمسی	5	5
سید ممتاز علی شاہ*	2	2

بینک کے وسائل، مستقبل کی ترقی، کارکردگی اور کاروباری پوزیشن پر اثر انداز ہونے والے رجحانات، عوامل اور غیر یقینی صورتحال:

بورڈ اپنی ذمہ داریوں سے بخوبی آگاہ ہے اور بینک کی مجموعی سمت کے تعین میں فعال کردار ادا کرتا ہے۔ یہ مقرر کردہ کلیدی کارکردگی کے اشاریوں (KPIs) کے مقابلے میں بینک کی پیشرفت کی نگرانی جاری رکھے ہوئے ہے۔ بینک کی مالی اور عملی مضبوطی، گورننس اسٹرکچر، داخلی کنٹرولز، آڈٹ افعال، اور رسک مینجمنٹ فریم ورک کی مؤثریت کا باقاعدگی سے جائزہ لیا جاتا ہے۔ مزید برآں، بورڈ ریگولیٹری تقاضوں کے مطابق تمام اہم پالیسیوں پر بھی مستقل نظر رکھتا ہے۔

تمام تخمینے فطری طور پر خطرات اور غیر یقینی صورتحال سے مشروط ہوتے ہیں، جن میں سے کچھ بینک کے قابو سے باہر ہو سکتے ہیں۔ بینک کے وسائل، آمدنی اور آپریشنز پر ممکنہ اثر ڈالنے والے عوامل کو بورڈ مسلسل زیرِ غور رکھتا ہے اور انہیں مجموعی حکمتِ عملی کے تعین میں ترجیح دی جاتی ہے۔ کاروباری اہداف کے تعین اور قلیل مدتی پیش گوئیوں میں نظرِ ثانی کے دوران حساسیت کے تجزیے کے لیے درج ذیل عوامل کو مدنظر رکھا جاتا ہے:

عالمی معاشی حالات جو مجموعی اقتصادی سرگرمیوں پر اثر ڈالتے ہیں۔

☆ ڈسکاؤنٹ ریٹ / مانیٹری پالیسی سے متعلق معاشی فیصلے۔
☆ ڈیپازٹس پر منافع کی شرح میں تبدیلی اور قرضوں وایڈوانسز پر ری پرائسنگ۔
☆ سرمایہ کاری کی حکمت عملی اور اس کا دورانیہ۔
☆ جیوپولیٹیکل خطرات اور غیر یقینی صورتحال، بشمول امن وامان کی صورتحال۔
☆ قدرتی آفات کے کاروبار اور معیشت پر اثرات اور کسی بھی ممکنہ ریگولیٹری ریلیف کے اقدامات۔
☆ حکومتی قوانین اور ضوابط میں تبدیلیاں۔
☆ افراطِ زر، ایندھن اور اشیائے صرف کی قیمتوں میں اتار چڑھاؤ۔
☆ کارپوریٹ ٹیکسیشن سے متعلق حکومتی اقدامات۔
☆ تکنیکی ترقی جو مسابقتی برتری فراہم کرسکتی ہے۔
☆ ڈیویڈنڈ سے متعلق فیصلے اور کیپیٹل ایڈوکیسی۔
☆ سائبر حملوں کے خطرات۔
☆ اکاؤنٹنگ اور ریگولیٹری فریم ورک میں تبدیلیوں کے ممکنہ اثرات۔

بینک مالیاتی رپورٹنگ کے معیارات میں تبدیلیوں اور نئے معیارات کے اطلاق کے ممکنہ اثرات کا باقاعدگی سے جائزہ لیتا رہتا ہے۔ مذکورہ عوامل کے ممکنہ اثرات، خطرات اور غیر یقینی صورتحال کا مستقل طور پر جائزہ لیا جاتا ہے۔ مزید برآں، بینک کی رسک مینجمنٹ ڈویژن مختلف پیشگی طے شدہ حالات کے خلاف اسٹریس ٹیسٹنگ انجام دیتی ہے تاکہ منفی حالات کے ممکنہ اثرات کو برداشت کرنے کی بینک کی صلاحیت کا تجزیہ کیا جاسکے۔

کارپوریٹ گورننس:

بینک کو پیشہ وارانہ اور کاروبار ضبط کی اعلیٰ سطح برقرار رکھ کر، موثر انٹرنل کنٹرول پر عمل درآمد، آڈٹ فنکشنز بشمول رسک مینجمنٹ فریم ورک اور مقامی اور عالمی ضابطوں تکمیل کے ذریعے اپنے بہتر کارپوریٹ گورننس پر فخر ہے۔

بینک ریگولیٹری فرائض کے مطابق پالیسی سے متعلق معاملات اور ان کے طویل المدت اثرات کا بڑا باریک بینی سے جائزہ لیتا ہے جو بینک کے آپریشنل تقاضوں کو بھی پورا کرتا ہے۔ مینجمنٹ اور بورڈ کمیٹی کو کام کے متعین دائرہ کار کے ساتھ یہ یقینی بنانے کیلئے تشکیل دیا گیا کہ وہ اپنے مینڈیٹ اور متعلقہ ٹرمز آف ریفرنس کے مطابق اپنے متعین کام موثر انداز میں سرانجام دیں۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک:

بینک کے ڈائریکٹر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے کارپوریٹ گورنس کے ضابطہ کے کارپوریٹ اور فنانشل رپورٹنگ فریم ورک کی مندرجہ ذیل کیلئے تعمیل کی تصدیق کرتے ہیں:

- ☆ مینجمنٹ کی طرف سے تیار کیے گئے مالیاتی گوشوارے بینک کے امور حیثیت، آپریشنز کے نتائج، کیش فلو ٹیٹمنٹ اور ایکویٹی میں تبدیلیوں کا سٹیٹمنٹ کو شفاف انداز میں پیش کرتے ہیں۔
- ☆ بینک کے اکاؤنٹس کی بکس مناسب طریقہ سے برقرار رکھی گئی ہیں
- ☆ اکاؤنٹنگ پالیسیوں کو جیسا کہ اکاؤنٹس کے نوٹس میں بیان کیا گیا ہے مالیاتی گوشواروں کی تیاری میں مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر بنی ہیں۔
- ☆ مالیاتی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق انٹرنیشنل فنانشل رپورٹنگ سٹنڈرڈز پر عمل درآمد کیا گیا
- ☆ انٹرنل کنٹرولز کا نظام محفوظ طریقہ سے بنایا گیا اور موثر انداز میں نافذ اس کی نگرانی کی جارہی ہے
- ☆ بینک کی اپنے کاروبار کو جاری رکھنے کی صلاحیت پر کوئی شک وشبہات نہیں جیسا کہ خدشہ ظاہر کیا جارہا ہے۔
- ☆ کارپوریٹ گورننس کے بہترین طریقہ کار سے مادی حقائق کا اخراج نہیں کیا گیا جو کہ لسٹنگ ریگولیشنز میں تفصیلی درج ہیں۔
- ☆ بقایا قانونی ادائیگیوں کی تفصیلات، اگر کوئی ہیں، مالی بیانات میں مناسب طور پر ظاہر کی گئی ہیں۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی تعمیل:

بینک نے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی جانب سے مرتب کردہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کو اپناتے ہوئے ان کی مناسب تعمیل کی گئی ہے۔ اس سلسلے میں رپورٹ کے ساتھ ایک بیان منسلک ہے۔

رسک مینجمنٹ کو موثر انداز میں یقینی بنانے کیلئے بینک میں انٹرنل کنٹرول فنکشن کا گورننس اسٹرکچر تین دفاعی سطح پر مشتمل ہے۔ پہلی دفاعی لائن خود کاروبار ہے جو شمول آپریشنل خطرات کی ملکیت قبول کرتا ہے اور اس کے نظم و نسق کا ذمہ دار ہے۔ دوسری دفاعی لائن رسک مینجمنٹ کمپلائنس اور کنٹرول فنکشنز کی طرف سے فراہم کردہ نگرانی ہے جس کے ذریعے نئے اور موجودہ کاروباری اقدامات کو متاثر کرنے والے خطرات کی نشاندہی اور ان کی شدت کا اندازہ، رسک ماہرین اور بزنسز کے ساتھ خطرے کو کم کرنے کیلئے اقدامات ترتیب دیئے جاتے ہیں، اس کے بعد رسک مینجمنٹ فنکشن کو مناسب اصلاحی اقدامات کیلئے رپورٹ کیا جاتا ہے۔ آخری دفاعی لائن آزاد اور موثر انٹرنل آڈٹ فنکشن ہے جو انٹرنل کنٹرول کی موثریت کا جائزہ لیتا ہے اور پالیسیوں اور طریقہ کاروں کی تعمیل کی نگرانی کرتا ہے۔

بورڈ آف ڈائریکٹرز کو بورڈ آڈٹ کمیٹی کی طرف سے کمپلائنس رپورٹ سے باقاعدگی سے آگاہ کیا جاتا ہے۔ ترجیح کے طور پر، اندرونی اور بیرونی آڈیٹرز اور ریگولیٹرز کے تمام اہم اور مادی نتائج پر انتظامیہ کی طرف سے توجہ دی جاتی ہے اور اس بات کو یقینی بناتے ہوئے کہ مناسب اصلاحی اقدامات نافذ کیے گئے ہیں۔ خلاف ورزیوں کو کم کرنے، غلطیوں کی تکرار، اور کنٹرول انوائرمنٹ کو مضبوط کرنے کے لیے مناسب نظام موجود ہیں۔ اس کے علاوہ کمپلائنس فنکشن پورے بینک میں ریگولیٹری تعمیل کو یقینی بنانے کے لیے اپنا مناسب کردار ادا کر رہا ہے۔

مالیاتی رپورٹنگ کنٹرول سمیت اندرونی کنٹرول کی مجموعی موثریت کا جائزہ لینے کے لیے بینک اندرونی کنٹرول سے متعلق ایس بی پی کی گائیڈ لائنز پر پوری تندہی سے عمل کرتا ہے۔ بینک کے وسیع عمل اور کنٹرول کی تفصیلی دستاویزات مکمل ہو چکی ہیں۔ مزید برآں، بینک نے کلیدی کنٹرولز کی آپریٹنگ موثریت کو یقینی بنانے کے لیے ایک جامع انتظامی جانچ اور رپورٹنگ کا فریم ورک تیار کیا ہے اور نمایاں طور پر نشاندہی کئے گئے ڈیزائن میں بہتری کے مواقع کو حل کیا ہے۔

فنانشل رپورٹنگ پر انٹرنل کنٹرول (آئی سی ایف آر) روڈ میپ کی اطمینان بخش تکمیل پر ایس بی پی نے اگست 2016 میں ایکسٹرنل آڈیٹرز کی طرف سے لانگ فارم رپورٹ (ایل ایف آر) جمع کرانے سے استثنیٰ دیا۔ مزید برآں ایس بی پی کی طرف سے 6 جولائی، 2021 کو جاری کردہ احکام نامہ بی ایس ڈی سرکلر لیٹ نمبر 1 آف 2021 کے مطابق ایسے تمام بینک جنہوں نے آئی سی ایف آر روڈ میپ کے تمام مراحل کو مکمل کر لیا ہے، انہیں آئی سی ایف آر کی افادیت پر سالانہ اسسمنٹ رپورٹ کو جمع نہ کرانے کی اجازت دی ہے۔ تاہم ایس بی پی سپروائزری اسمنٹس کے حصے کے طور پر سالانہ اسسمنٹ رپورٹ کا جائزہ لے سکتا ہے۔ اسی طرح آئی سی ایف آر کی افادیت پر 31 دسمبر، 2024 کیلئے سالانہ اسسمنٹ رپورٹ بورڈ آڈٹ کمیٹی کو پیش کی جائے گی۔

انتظامیہ یہ سمجھتی ہے کہ موجودہ انٹرنل کنٹرول سسٹم موزوں ہے، موثر انداز میں نافذ شدہ ہے اور اس کی مسلسل نگرانی کی جارہی ہے۔ اس بیان کی بورڈ آف ڈائریکٹرز کی طرف سے توثیق کی جاتی ہے۔ انتظامیہ اپنی کوریج کو بڑھانے اور اندرونی کنٹرولز پر ایس بی پی کی گائیڈ لائنز کی تعمیل جاری رکھنے کی کوشش کرے گی اور اس طرح اس کے کنٹرول کے ماحول کو مسلسل بنیادوں پر مضبوط بنائے گی۔

بینک کریڈٹ مسائل سے جڑے خطرات اور غیر یقینی صورتحال کے حوالے سے باخبر ہے جس کیلئے رسک مینجمنٹ کے حوالے سے ایک مختلف اور سخت اپروچ کی ضرورت ہوتی ہے۔ اس سلسلے میں، ایس بی پی کی ریگولیٹری گائیڈ لائنز پر عمل کرتے ہوئے ایک اسپیشل ایسٹ مینجمنٹ یونٹ موجود ہے تا کہ اصلاحی انتظامی مسائل پر توجہ مرکوز، موثر انتظام کے لیے کلاسیفائیڈ پورٹ فولیو کی ملکیت اور بحالی اور آبادکاری کے لیے ورک آؤٹ طریقوں کا تعین کیا جا سکے، جیسا کہ بینک کی رمیڈیل مینجمنٹ پالیسی میں درج ہے۔

انفارمیشن سیکیورٹی کے لحاظ سے، انفارمیشن سیکیورٹی ڈیپارٹمنٹ سیکیورٹی خطرے کے ساتھ ساتھ خطرے نشاندہی کرتا ہے، اہم آئی ٹی کی نگرانی کرتا ہے، اور پورے بینک میں معلومات اور سائبر سیکیورٹی کے خطرات کا انتظام کرتا ہے۔ معلومات کے تحفظ کو بہتر بنانے کے لیے، ابھرتے ہوئے خطرات کی حقیقی وقت کی نگرانی کے ساتھ گہرائی پرتوں والے حفاظتی ڈھانچے تعینات کیا گیا ہے۔ سائبر سیکیوریٹی کو مزید مضبوط کرنے کے لیے، بینک ایک عمل پر مبنی کلچر بنانے، ٹول کے استعمال میں پختگی لانے اور مینجمنٹ / ریگولیٹری رپورٹنگ کو بہتر بنانے اور جے ایس اسٹاف کی سیکیورٹی سے متعلق آگاہی کی تربیت کو بڑھانے کے لئے جے ایس کے عملے میں سرمایہ کاری کرنے کی کوشش کر رہا ہے۔

ڈیجیٹل خطرات سے نمٹنے اور ڈیجیٹل فنانس کے کاروبار کو سپورٹ کرنے کے لیے، ڈیجیٹل رسک کی چھتری کے تحت خطرے کے ماہرین کی ایک قابل ٹیم بنائی گئی ہے۔ اس فنکشن کا بنیادی مقصد پالیسیوں، عمل اور نظام کو بہتر بنانا، ڈیجیٹل فراڈ کی تحقیقات اور تخفیف، ممکنہ خطرات کی نشاندہی کرنے کے لیے ڈیٹا اینالیٹکس اور کاروبار کو بڑھانا، اور اسٹراٹیجک منصوبوں کو نافذ کرنا ہے۔ مزید برآں، دھوکہ دہی کے خطرے سے نمٹنے کیلئے، بینک نے تمام چینلز، فزیکلی یا ڈیجیٹل پر اندرونی اور بیرونی دھوکہ دہی کے ممکنہ خطرات/کوششوں سے بینک اور اس کے کسٹمرز کی حفاظت کے لیے ایک مضبوط فراڈ سے بچاؤ کا طریقہ کار وضع کیا ہے۔

انٹرنل کنٹرول پر بیان:

بینک اپنے تمام تر آپریشنز میں سخت اور موثر کنٹرول قائم کرنے بہت زیادہ زور دیتا ہے۔ صنعت کے بہترین طریقہ کار اخلاقی معیارات اور ریگولیٹری تقاضوں کی تعمیل کو بینک کی پالیسیوں بنیادی اہمیت حاصل ہے۔ اسی تناظر میں بورڈ آف ڈائریکٹرز ایسی پالیسیاں مرتب کرتے ہیں جو انٹرنل کنٹرول کی مجموعی موثریت کی جانچ پڑتال فراہم کرتے ہیں۔

جے ایس بینک کے اندر انٹرنل کنٹرولز کا مقصد بینک کے آپریشنز کی موثریت اور کارکردگی بھروسہ مند مالی معلومات اور قابل اطلاق قوانین اور ریگولیشنز کی تعمیل سے متعلق مناسب اقدامات اٹھانے کی یقینی دہانی فراہم کرتے ہیں۔ تاہم یہ بات تسلیم کی جاتی ہے کہ یہ نظام مادی تبدیلیوں کے حوالے سے غلط بیان یا نقصان سے مکمل نہیں بلکہ مناسب یقین دہانی دے سکتے ہیں کیونکہ اسے غیر متوقع صورتحال میں خطرے کو ختم کرنے کیلئے نہیں بلکہ ان کا انتظام کرنے کیلئے ڈیزائن کیا گیا۔

کیپیٹل مینجمنٹ کے حوالے سے بینک کا طرزِ عمل اس بات کو یقینی بناتا ہے کہ اس کے پاس اپنی سرگرمیوں سے وابستہ خطرات کو پورا کرنے کے لیے معقول سرمایہ موجود ہے۔ یہ بینک کے کیپیٹل مینجمنٹ کا بنیادی مقصد ہے کہ اس بات کو یقینی بنائے کہ بینک تمام ریگولیٹری سرمائے کے تقاضوں کی تعمیل کرتا ہے اور ساتھ ہی ساتھ اپنے کاروبار کو معاونت فراہم کرنے اور شیئر ہولڈرز کی قدر کو زیادہ سے زیادہ کرنے کے لیے مضبوط کریڈٹ ریٹنگ اور صحت مند سرمائے کے تناسب کو برقرار رکھتا ہے۔

بینک کا آپریشنل رسک مینجمنٹ فریم ورک تمام آپریشنل خطرات کی شناخت، ان سے نمٹنے اور ان کا انتظام کرنے کے لیے ایک مناسب کنٹرول ماحول کی موجودگی کو یقینی بنانے کے لیے ڈیزائن کیا گیا ہے۔ بینک اہم خطرات کو مؤثر طریقے سے منظّم کرنے کے لیے رسک اینڈ کنٹرول سیلف اسیسمنٹ (آر سی ایس اے) کے عمل کو ترجیح دے رہا ہے۔ مزید برآں، ہم ایک ایسے ماحول کو فروغ دے رہے ہیں جہاں ہر ملازم آپریشنل خطرات کو کم کرنے میں اپنی ذمہ داری کو تسلیم کرے۔

رسک اینڈ کنٹرول سیلف اسیسمنٹ (RCSA)، آپریشنل لاسس ڈیٹا (OLD)، اور کلیدی رسک انڈیکیٹرز (KRI) مشقوں کے علاوہ، آپریشنل رسک مینجمنٹ فنکشن بزنس کنٹینیوٹی پلاننگ پالیسی کی بھی نگرانی کرتا ہے۔ اس میں رکاوٹوں کی صورت میں متبادل سائٹس سے سسٹمز اور سروسز کی دستیابی کا اندازہ لگانے کے لیے متعدد کاروباری تسلسل کی مشقیں کرنا شامل ہے۔ یہ مشقیں اس بات کو یقینی بنانے میں مدد کرتی ہیں کہ ہمارے کاروباری آپریشن منفی حالات میں بھی بغیر کسی رکاوٹ کے جاری رہ سکتے ہیں، اس طرح ہمارے کسٹمرز اور اسٹیک ہولڈرز کے مفادات کا تحفظ ہوتا ہے۔

کریڈٹ رسک مینجمنٹ ایک جاری عمل ہے۔ مجموعی کریڈٹ پالیسی اور کریڈٹ رسک مینجمنٹ کی گائیڈ لائنز کی منظوری بورڈ آف ڈائریکٹرز کی طرف سے دی جاتی ہے۔ اس سلسلے میں سینٹرل کریڈٹ کمیٹی (سی سی سی) کو بینک میں کریڈٹ رسک کی نگرانی اور کنٹرول کرنے کی ذمہ داری سونپی جاتی ہے۔ سی سی سی لینڈنگ پورٹ فولیو میں کریڈٹ رسک کی فعال نگرانی کرنے کیلئے باقاعدگی سے اجلاس منعقد کرتی ہے۔ کریڈٹ فورٹ فولیو کی مستحکم ترقی کو برقرار رکھنے اور مستقبل کے چیلنجز سے نمٹنے کیلئے بینک کے کریڈٹ رسک مینجمنٹ کے طریقہ کار کی مسلسل اپ گریڈیشن کی جاتی ہے۔ کریڈٹ رسک مینجمنٹ کی نگرانی کی سرگرمیوں کو تیز کرنے کیلئے بینک مین ایک کریڈٹ رسک مانٹرنگ یونٹ موجود ہے جو ایس بی پی اور بیسل کے تقاضوں کو پورا کرنے کیلئے باقاعدگی سے فورٹ فولیو کی نگرانی، کریڈٹ رسک مینجمنٹ کے ٹولز کی تیاری اور عمل درآمد بشمول صنعتی، جغرافیائی اور شعبہ جاتی حدود کے قیام اور کریڈٹ رسک کوانٹیفیکیشن / شماریاتی تکنیک وضع کرتی ہے۔ کریڈٹ فورٹ فولیو کے استحکام کی کریڈٹ ایڈمنسٹریشن کے ذریعے نگرانی کی جاتی ہے جو کریڈٹ حدود کے نظم و نسق کے ساتھ ہاؤس کیپنگ کی بھی ذمہ دار ہوتی ہے۔ بینک کے کریڈٹ پورٹ فولیو میں موجود ماحولیاتی اور سماجی (ای اینڈ ایس) خطرات کی نشاندہی اور مؤثر نظم و نسق کے لیے، ماحولیاتی اور سماجی رسک مینجمنٹ (ای ایس آر ایم) کے طریقہ کار وضع کیے گئے ہیں اور انہیں بینک کے کریڈٹ رسک مینجمنٹ کے عمل میں مؤثر طور پر شامل کیا گیا ہے، جیسا کہ بینک کی گرین بینکنگ پالیسی اور ای ایس آر ایم فریم ورک میں درج ہے۔

- ☆ ڈیبٹ پراپرٹی سویپ پالیسی
- ☆ بزنس کمیونٹی پلاننگ پالیسی
- ☆ انفارمیشن سیکیورٹی پالیسی
- ☆ آئی سی اے اے پی پالیسی
- ☆ فراڈ رسک مینجمنٹ پالیسی
- ☆ انوائرمنٹل اینڈ سوشل رسک مینجمنٹ فریم ورک

بینک کے رسک گورننس کو درج ذیل کمیٹیاں استعمال کرتی ہیں:

- ☆ رسک مینجمنٹ کمیٹی (آر ایم سی)
- ☆ آپریشنل رسک مینجمنٹ کمیٹی (او آر ایم سی)
- ☆ سینٹرل کریڈٹ کمیٹی (سی سی سی)
- ☆ ایگری کریڈٹ کمیٹی (اے سی سی)
- ☆ آئی ٹی سٹیرنگ کمیٹی (آئی ٹی ایس سی)
- ☆ ایسٹس اینڈ لائیملیٹیز کمیٹی (اے ایل سی او)

ان کمیٹیوں کا اجلاس مارکیٹ کی پیش رفتوں اور بینک کی مالی اور سیکورٹی رسک کی سطح کا جائزہ لینے کیلئے با قاعدہ سے منعقد ہوتا ہے۔

رسک مینجمنٹ اس بات کو یقینی بنانے کیلئے ایک اہم کردار ادا کرتی ہے کہ پورے بینک نظام میں رسک اور ریوارڈ کے درمیان مناسب توازن کو برقرار رکھا جائے۔اس لئے زیر جائزہ ہل میں رسک مینجمنٹ فنکشن درفریم ورک کو نمایاں طور پر مضبوط اور مستحکم کیا گیا ہے۔وقف چیف کریڈٹ آفیسر کے تحت علیحدہ کریڈٹ رسک گروپ جو کارپوریٹ ، مالی اداروں اور انٹرنیشنل بینکنگ کے کریڈٹ جائزہ کی نگرانی سرانجام دیتا ہے، کریڈٹ ایڈمنسٹریشن اور سپیشل ایسٹس مینجمنٹ کا قیام شامل ہے لیکن اس تک محدود نہیں ہے۔رسک مینجمنٹ کے باقی نظم وضبط میں مارکیٹ اینڈ لیکویڈیٹی، آپریشنل، بی سی پی، پورٹ فولیو، پالیسی ، ایگریکلچر کریڈٹ، کنزیومر اینڈ پروگرام لینڈنگ ،سی اے ڈی، ایس اے ایم، ڈجیٹل اور انفارمیشن سیکورٹی رسک چیف رسک آفیسر کے چھتری تلے کام کرتے ہیں۔

مارکیٹ رسک کی پیمائش ،نگرانی اور انتظامی رپورٹنگ مستقل بنیادوں پر کی جاتی ہے۔ٹریژری مڈل آفس کی معاونت سے مارکیٹ رسک اینڈ بیسل یونٹ کی طرف سے انٹریسٹ ریٹ رسک، ایکویٹی ایکسپوژر رسک، کرنسی یا فارن ایکسچینج رسک، کراس بارڈر یا کنٹری رسک ، مالیاتی اداروں (ایف آئی) ایکسپوژر رسک لیکویڈیٹی رسک اور کیپیٹل ایڈوکیسی کی شکل میں تمام متعلقہ فنانشل رسک ایکسپوژر کی یومیہ نگرانی کی جاتی ہے۔

جے ایس بینک میں، ہم ہر بات چیت میں انصاف پسندی اور وضاحت کے لیے وقف ہیں، ایک سروس کلچر کو فروغ دیتے ہیں جو ہمارے صارفین کو ترجیح دیتا ہے۔ ہمارا مقصد ایک ایسا ماحول قائم کرنا ہے جہاں صارفین کو سراہا اور باخبر محسوس ہو، جس سے وہ باخبر مالیاتی انتخاب کر سکیں۔ آگاہی کے اقدامات اور مالیاتی خواندگی کے پروگراموں کے ذریعے، ہم اپنے صارفین کو مالیاتی منظر نامے کی پیچیدگیوں کو تلاش کرنے میں مدد کرنے کے لیے پرعزم ہیں، اس بات کو یقینی بناتے ہوئے کہ ان کے پاس مثبت اور بااختیار بینکنگ سفر ہو۔

رسک مینجمنٹ:

بورڈ رسک مینجمنٹ کے بہترین طریقوں پر ان کی اصل روح کے مطابق عمل درآمد کیلئے پرعزم ہے۔ موثر رسک مینجمنٹ کو برقرار رکھنے کیلئے بینک بیسل فریم ورک کے تحت ایس بی پی کی طرف سے جاری ریگولیٹری ہدایات اور دیگر متعلقہ گائیڈ لائنز کے مطابق رسک مینجمنٹ کے مناسب فریم ورک پر عمل درآمد کرتا ہے۔ اس سلسلے میں بینک نے رسک مینجمنٹ پالیسیوں، طریقہ کاروں اور طرز عمل کا جامع نظام تشکیل دے رکھا ہے جو بینک کو تمام بڑے خطرات بشمول کریڈٹ، مارکیٹ، لیکویڈیٹی، آپریشنل، انفارمیشن سیکیورٹی، ڈجیٹل اور فراڈ رسک کو مناسب طریقے سے پرکھنے کے قابل بناتا ہے۔ بینک کا مجموعی رسک مینجمنٹ فریم ورک بورڈ آف ڈائریکٹرز (بی او ڈی) بورڈ رسک مینجمنٹ کمیٹی (بی آر ایم سی) کی نگرانی میں کام کرتا ہے جبکہ بینک کی سینئر انتظامیہ کی طرف سے آپریشنل سطح کے روزمرہ کے فنکشن انجام دیئے جاتے ہیں۔ ایک جامع مربوط رسک مینجمنٹ اپروچ تیار کرنے کی خاطر بینک میں رسک مینجمنٹ کے متعدد پہلوؤں کا انتظام کرنے کیلئے ایک الگ اور آزاد رسک مینجمنٹ فنکشن موجود ہے جبکہ کریڈٹ رسک فنکشنز کو رسک مینجمنٹ کے دیگر متعدد اقسام میں الگ کیا گیا ہے۔ بینک کے اندر رسک مینجمنٹ اپروچ کو مضبوط بنانے کیلئے بورڈ کی طرف سے مندرجہ ذیل اہم پالیسیاں مرتب کی گئیں جائزہ لیا گیا اور منظوری دی گئی ہے۔

- ☆ رسک مینجمنٹ پالیسی
- ☆ کریڈٹ پالیسی
- ☆ ایس ایم ای فنانسنگ پالیسی
- ☆ کولیٹرل مینجمنٹ پالیسی
- ☆ انٹرنل کریڈٹ رسک ریٹنگ پالیسی
- ☆ کنزیومر کریڈٹ پالیسی
- ☆ مارکیٹ رسک مینجمنٹ پالیسی
- ☆ انٹریسٹ ریٹ رسک مینجمنٹ پالیسی
- ☆ آپریشنل رسک مینجمنٹ پالیسی
- ☆ لیکویڈٹی رسک مینجمنٹ پالیسی
- ☆ کنٹری رسک مینجمنٹ پالیسی
- ☆ ایگریکلچرل کریڈٹ پالیسی
- ☆ ریمیڈیل مینجمنٹ پالیسی

آن لائن فیڈ بیک فارم پیش کرتی ہے۔

صارفین کے ساتھ ہمارے براہ راست اور موثر رابطے کو برقرار رکھنے میں سی ای ٹی میں وائس، چیٹ اور ایس ایم ایس ٹیم، کسٹمر کیئر یونٹ، ایس کیو برانچ بینکنگ، کسٹمر انسائٹس اور کاروباری طرز عمل شامل ہیں۔ یہ یونٹس منصفانہ، قابل رسائی اور مؤثر سروس فراہم کرنے کی ہماری حکمت عملی کا لازمی حصہ ہیں، جو عملی خطرات کو کم کرنے اور مسلسل بہتری کے لیے قیمتی معلومات اکٹھا کرنے میں مدد دیتے ہیں۔

- بینک کی ملٹی چینل وائس، چیٹ اور ایس ایم ایس ٹیم افسران کو کمیونیکیشن چینلز پر صارفین کے ساتھ بات چیت کرنے کی اجازت دیتی ہے جس میں وائس (رٹیل بینکنگ، پرائیویٹ بینکنگ، ڈیجیٹل فنانشل سروسز یا برانچ لیس بینکنگ اور بیرون ملک سے)، واٹس ایپ چیٹ، 8012 پر ایس ایم ایس اور ای میل (info@jsbl.com، CCU.Helpdesk@jsbl.com rda@jsbl.com اور jsblink@jsbl.com) پر بات چیت شامل ہے۔
- کسٹمر کیئر یونٹ تمام ٹچ پوائنٹس پر آنے والی شکایات سے نمٹنے کے لیے کسٹمر کی شکایات، درجہ بندی، نظام اور طریقہ کار کے بارے میں ادارے کے فلسفے کے طور پر کام کرتا ہے۔ کسٹمر کیئر یونٹ اس بات کو یقینی بناتا ہے کہ یہ منصفانہ، شفاف، قابل رسائی، اور بینک کے صارفین کی شکایت کے لئے دفاع کی پہلی لائن کے طور پر موثر ہے۔ صارفین کی اطمینان حاصل کرنے کے لیے کسٹمر کیئر یونٹ شکایات سے نمٹنے کا طریقہ کار نہ صرف بینک کے آپریشنل اور ساکھ کے خطرے کو کم کرتا ہے لیکن قیمتی معلومات بھی فراہم کرتا ہے جو بالآخر پروڈکٹس، طریقہ کار اور ترسیل کے ذرائع میں بہتری لانے کے لیے استعمال کی جاسکتی ہیں۔
- ایس کیو برانچ کی بینکنگ ٹیم برانچ کے وزٹ کے ذریعے اس بات کو یقینی بناتی ہے کہ مسلسل سروس سپورٹ اور سروس ڈیلیوری فراہم کرنے کے لیے مناسب عناصر اور وعدے موجود ہیں۔
- کسٹمر انسائٹس ایسے کسٹمر جن کا بنیادی طور پر سروے کے ذریعے اندازہ لگایا جاتا ہے کے رویوں کے رجحانات کی ترجمانی کرتی ہے جس کا مقصد کسی پروڈکٹ یا سروس کی تاثیر کو بڑھانا اور ساتھ ہی پروڈکٹ یا سروس فراہم کرنے والے کسٹمر کے مالی فائدے کے لیے فروخت میں اضافہ کرنا ہے۔
- کاروباری طرز عمل ایس بی پی کنڈکٹ اسسمنٹ فریم ورک کے مطابق طرز عمل کے خطرے کا اندازہ لگا کر ذمہ دارانہ بینکنگ کو یقینی بناتا ہے۔

بینک کی اہم توجہ کسٹمر کے ساتھ تمام معاملات میں انصاف پسندی، مواصلات میں وضاحت، سروس کلچر کو تیار کرنا اور شکایات سے نمٹنے کا ایک موثر طریقہ کار وضع کرنا ہے۔ ہمارا مقصد ایسا ماحول قائم کرنا ہے جہاں کسٹمر اپنے حقوق اور فیصلوں کے بارے میں جامع معلومات کے ساتھ قابل قدر، قابل احترام اور بااختیار محسوس کریں۔

3,943	6,676	5,077	5,300	12,205	11,340	نان مارک اپ انکم
133	2,023	2,209	2,131	8,515	6,366	قبل از ٹیکس منافع
25	1,150	1,304	965	4,335	2,849	بعد از ٹیکس منافع
0.0004	0.89	1.01	0.74	2.75	1.39	فی حصص آمدنیاں (بنیادی)۔روپے
0.01%	0.23%	0.23%	0.16%	0.72	0.46%	اوسط اثاثوں پر منافع (ROAA)
0.15%	6.06%	6.12%	4.43%	14.01%	6.78%	اوسط ایکوئٹی پر منافع (ROAE)
12.93%	12.77%	13.77%	13.26%	12.53%	13.24%	کیپیٹل ایڈوکیسی ریشو (سی اے آر)
66.65%	58.74%	56.62%	51.39%	43.96%	47.17%	ڈپازٹس ریشو کی طرف ایڈوانسز

کیپیٹل ایڈوکیسی:

31 دسمبر 2024 تک، جے ایس بینک کا کیپیٹل ایڈیکیسی ریشو (سی اے آر) دسمبر 2023 میں 12.53 فیصد کے مقابلے میں 13.24 فیصد رہا جبکہ ایس بی پی کی طرف سے مقرر کردہ کم سے کم مطلوبہ سی اے آر 11.50 فیصد ہے۔

کسٹمر ایکسپیرنس اور فیئر ٹریٹمنٹ:

بینک کی کسٹمر ایکسپیرئنس ٹیم (سی ای ٹی) تمام ٹچ پوائنٹس پر بینک اور کلائنٹس کے درمیان بہتر رابطہ کاری کو یقینی بنانے کیلئے بینک کے کلائنٹس ایکسپیرئنس کی منصوبہ بندی اور ان کی نگرانی کرتی ہے۔ سی ای ٹی ایسی حکمت عملیاں تشکیل اور انہیں نافذ کرتا ہے جو صارف کے ساتھ بہتر تعلقات قائم کرنے کیلئے سودمند ہوتی ہیں۔ صارف پر توجہ ہمارے بنیادی اقدار میں سے ایک ہے جو شکایات کے ازالہ کے انتظام، شکایت سے نمٹنے اور صارف کی فیڈ بیک کو اہمیت دینے کے ساتھ ساتھ ان کی ضروریات کو سمجھنے اور انہیں بہترین تجربہ کی پیشکش سے ہم آہنگی ہے۔

سال 2024 میں بینک کو مجموعی طور پر 44,415 شکایات موصول ہوئیں اور ان شکایات کو حل کرنے میں اوسطاً 3.2 کاروباری دن لگے۔ بینک کی شکایت سے نمٹنے کی پالیسی اور شکایات کے ازالے کا طریقہ کار اس بات کو یقینی بناتا ہے کہ شکایات کو بروقت حل کیا جائے اور جہاں ممکن ہو شکایات کی تکرار کو روکا جائے۔ ہم صارفین کو اپنے تحفظات کا اظہار کرنے کے لیے مختلف چینل فراہم کرتے ہیں، پورے عمل میں رسائی اور شفافیت کو یقینی بناتے ہیں۔ اگر وہ بینک کے جواب سے مطمئن نہیں ہیں تو صارفین کے پاس بینکنگ محتسب کے دفتر سے رابطہ کرنے کا اختیار بھی ہے۔

اپنی شکایات کو سنبھالنے کے بہتر انتظام کیلئے، جے ایس بینک نے کئی کسٹمرز کی کمیونیکیشنز جیسے اکاؤنٹ اسٹیٹمنٹس، اے ٹی ایم اسکریننز، اور خطوط میں آگاہی کے پیغامات شامل کیے ہیں۔ صارفین کے لیے ریسورس میکانزم کی بڑھتی ہوئی رسائی کیلئے بینک نے یہ معلومات سوشل میڈیا پر دستیاب کی ہیں اور اپنے صارفین کو ایس ایم ایس پیغامات بھی بھیجے ہیں۔ بینک کی ویب سائٹ شکایت کا ایک جامع طریقہ کار، ٹچ پوائنٹس اور

بینک نے ڈیجیٹل ٹرانسفارمیشن اور ڈیٹا سائنسز کے میدان میں اپنی تیزی سے وسعت پانے والی حکمت عملی کو جاری رکھا، جس کے تحت 100 سے زائد نئی جدتیں متعارف کرائی گئیں۔ بینک میں ڈیجیٹل چینلز کے استعمال میں نمایاں اضافہ ہوا، جہاں 80 فیصد سے زائد صارفین کم از کم ایک ڈیجیٹل چینل استعمال کر رہے ہیں۔ مزید برآں، بینک نے پیپرلیس پروسیسنگ کی جانب اہم پیش رفت کی، جس سے نہ صرف کارکردگی میں بہتری آئی بلکہ لاگت میں بھی کمی ممکن ہوئی۔

حالیہ سال کے دوران، بینک نے اپنی RMA کو وسعت دینے اور عالمی سطح پر اپنے اثر ورسوخ کو بڑھانے میں نمایاں پیش رفت کی۔ ہماری کاوشوں کا مرکز بین الاقوامی مالیاتی اداروں کے ساتھ تعلقات کو مضبوط بنانا اور اہم مارکیٹوں میں اپنے قدم جمانا رہا۔ نئے شراکت داریاں قائم کر کے اور ابھرتی ہوئی مارکیٹوں میں داخل ہو کر، بینک نئی ترقی کے مواقع سے فائدہ اٹھانے اور سرحد پار جامع مالی حل فراہم کرنے کے لیے خود کو بہتر پوزیشن میں لا رہا ہے۔ یہ عالمی توسیع نہ صرف ہمارے مسابقتی برتری کو مستحکم کرتی ہے بلکہ پائیدار ترقی اور حصص یافتگان کے لیے قدر میں اضافے کی طویل مدتی حکمت عملی سے بھی ہم آہنگ ہے۔ ڈائریکٹرز پُراعتماد ہیں کہ یہ اقدامات بینک کی بین الاقوامی موجودگی اور عملی لچک کو مزید مضبوط کریں گے، جو کہ بدلتے ہوئے عالمی مالیاتی منظرنامے میں طویل مدتی کامیابی کو یقینی بنائیں گے۔

جون 2024 میں، پاکستان کریڈٹ ریٹنگ ایجنسی (پی اے سی آر اے) نے بینک کی طویل مدتی ریٹنگ کو "AA" (ڈبل اے) میں اپ گریڈ کیا، جو پہلے -AA تھی، جبکہ مختصر مدتی ریٹنگ کو +A1 پر برقرار رکھا، جو اس کیٹیگری میں سب سے بلند درجہ ہے۔ یہ ریٹنگز جے ایس بینک کی مضبوط مالی کارکردگی، مستحکم رسک مینجمنٹ طریقوں اور بینکاری شعبے میں عمدگی کے عزم کی عکاسی کرتی ہیں۔ پے اے سی آر اے کی "AA" ریٹنگ اعلیٰ کریڈٹ کوالٹی کی علامت ہے، جو بینک کی مالی مضبوطی کو ظاہر کرتی ہے اور اس کی محتاط مالیاتی پالیسیوں، مستحکم سرمایہ کاری اور دور اندیش حکمت عملی کی تصدیق کرتی ہے۔

گذشتہ چھ سالوں کیلئے مالی اعداد وشمار کا خلاصہ ذیل میں دیا گیا ہے:

تفصیلات	2024	2023	2022	2021	2020	2019
ڈپازٹس	525,134	486,283	464,132	460,705	433,063	369,790
ایکوئٹی	43,707	40,322	21,547	22,024	20,592	17,333
کل اثاثے	636,107	589,432	616,715	584,289	532,168	469,821
سرمایہ کاریاں۔صافی	302,437	287,957	303,465	231,266	201,698	142,568
ایڈوانسز۔صافی	225,519	203,727	231,101	254,184	250,199	242,944
مجموعی مارک اپ	108,503	92,087	72,047	39,125	43,099	41,595
صافی مارک اپ	27,313	22,409	14,856	11,895	9,777	7,028

بینک کی نان مارک اپ آمدنی سالانہ بنیاد پر 7 فیصد کمی کے ساتھ 11,340 ملین روپے رہی، جس میں فیس انکم میں 18 فیصد اور ڈیویڈنڈ انکم میں 32 فیصد اضافہ ہوا، جبکہ سیکیورٹیز پر خالص منافع کے نتیجے میں 641 ملین روپے کا مثبت اثر دیکھنے میں آیا۔ تاہم، فارن ایکسچینج انکم میں 2,467 ملین روپے کی کمی واقع ہوئی، جو کہ گزشتہ سال کے مقابلے میں زرمبادلہ کی مارکیٹ میں کم اتار چڑھاؤ کے باعث ہوئی، جس نے دیگر آمدنی میں اضافے کے اثر کو کم کردیا۔ نان مارک اپ اخراجات 18 فیصد اضافے کے ساتھ 27,574 ملین روپے ہوگئے، جس کی بنیادی وجوہات مہنگائی کے اثرات، روپے کی قدر میں کمی، اور ٹیکنالوجی سے متعلقہ اخراجات میں اضافہ ہیں۔ بینک کا کاسٹ ٹو انکم ریشو معمولی اضافے کے ساتھ 70.7 فیصد رہا، جبکہ خالص مارک اپ آمدنی سے آپریٹنگ لاگت کا تناسب 97 فیصد سے بڑھ کر 100 فیصد ہوگیا۔

سال کے اختتام پر بینک کے ڈپازٹس 525.134 بلین روپے رپورٹ کیے گئے، جو کہ 31 دسمبر 2023 کے مقابلے میں 8 فیصد اضافہ ظاہر کرتے ہیں۔ جیسا کہ اوپر ذکر کیا گیا، بینک کے مدت کے اختتام پر نان ریمونریٹیو ڈپازٹس کا تناسب بہتر ہو کر 38 فیصد ہوگیا۔ اوسط کے لحاظ سے، بینک کے نان ریمونریٹیو ڈپازٹس سال 2023 میں 143.916 بلین روپے سے بڑھ کر سال 2024 میں 165.927 بلین روپے ہو گئے۔

31 دسمبر 2024 کو مجموعی ایڈوانسز 247.714 بلین روپے کی سطح پر پہنچنے کے ساتھ، بینک کا مجموعی ADR تناسب مدت کے اختتام پر بڑھ کر 47 فیصد ہوگیا۔ غیر فعال قرضوں میں اضافے کے باعث بینک کا مجموعی انفیکشن تناسب دسمبر 2024 میں بڑھ کر 8.61 فیصد ہوگیا (دسمبر 2023: 7.6 فیصد)، جبکہ نان پرفارمنگ لونز دسمبر 2023 میں 16.184 بلین روپے سے بڑھ کر دسمبر 2024 میں 21.328 بلین روپے ہو گئے۔ اس سال اضافی درجہ بندیوں اور IFRS-9 کے تحت NPLs کے خلاف چارج کے پیش نظر، بینک کا کوریج تناسب بہتر ہو کر 71 فیصد (دسمبر 2023: 60 فیصد) ہوگیا۔

سال 2024 میں ہمارے ڈیجیٹل بینکنگ پلیٹ فارم "زندگی" نے شاندار کارکردگی کا مظاہرہ کیا، جو جدت، صارفین کی توجہ اور اسٹراٹیجک ترقی سے تقویت یافتہ تھا۔ پلیٹ فارم نے تقریباً 250 بلین روپے مالیت کے ٹرانزیکشنز کو پروسیس کیا، جو گزشتہ سال کے مقابلے میں نمایاں اضافہ ہے۔ اس ترقی کے نتیجے میں آمدنی میں 30 فیصد اور ڈپازٹس میں 66 فیصد اضافہ ہوا۔ سال کے دوران کئی اہم سنگ میل حاصل کیے گئے، جن میں Hajj Sullis Card (MC اور MYTM کے اشتراک سے)، فری لانس یو ایس ڈی اکاؤنٹ، منی ایپ پلیٹ فارم، اسپلٹ بل فیچر، اور "زندگی پے" کے تحت پہلا انکلوژو کونٹیکٹ لیس پیمنٹ سلوشن Raast P2M شامل ہیں۔ اس کے علاوہ، بینکنگ ایز اے سروس (BaaS) کے تحت ایک کو-برانڈ کارڈ بھی متعارف کرایا گیا۔ AI ٹیکنالوجی کو مزید وسعت دیتے ہوئے، زندگی نے "ایڈوانس سیلری+" متعارف کرایا، جو تنخواہ دار افراد کے لیے ایک لچکدار فنانسنگ آپشن ہے۔ صارفین کے تجربے کو بہتر بنانے کے لیے "زندگی 2.0" کا جدید ایپ ڈیزائن متعارف کرایا گیا، اور پاکستان ڈیجیٹل ایوارڈز میں "بہترین موبائل ایپ" کا اعزاز حاصل کیا۔ مزید برآں، پاکستان کی پہلی ہوم گرون انٹرپرینیورشپ کمیونٹی "زندگی پرائز" کو بین الاقوامی سطح پر کینیا تک توسیع دی گئی، جس سے یہ سرحدوں سے باہر بھی اثرانداز ہو رہا ہے۔ زندگی کی پائیدار ترقی، صارفین کے لیے بہترین سہولیات، اور جدت پسندی نے اسے پاکستان کے ڈیجیٹل بینکنگ سیکٹر میں ایک نمایاں مقام دلایا۔

مالی کارکردگی	2024	2023
خالص مارک اپ آمدنی	27,313	22,409
نان مارک اپ آمدنی	11,340	12,205
مجموعی آمدنی	38,653	34,614
نان مارک اپ اخراجات	27,574	23,291
منافع قبل از پرووبژن وٹیکسیشن	11,079	11,322
کریڈٹ خسارہ الاؤنس اور رائٹ آف	4,713	2,807
قبل از ٹیکس منافع	6,366	8,515
بعداز ٹیکس منافع	2,849	4,335
فی شیئر آمدنی (روپے)	1.39	2.75

سال 2024 میں بینک کا قبل از ٹیکس منافع 6,366.077 ملین روپے رہا (31 دسمبر 2023: 8,515.174 ملین روپے)، جبکہ فی شیئر آمدنی 1.39 روپے (31 دسمبر 2023: 2.75 روپے) رہی۔

2024 میں، بینک نے 27,313 ملین روپے کی نیٹ انٹریسٹ انکم (NII) ریکارڈ کی، جو گذشتہ سال 22,409 ملین روپے کے مقابلے میں 22 فیصد کا اضافہ ہے۔ NII میں یہ اضافہ بنیادی طور پر گذشتہ سال کے مقابلے میں زیادہ سود کی شرحوں کے ساتھ ساتھ ڈپازٹ کی اصلاح کی کوششوں سے ہوا ہے۔ بینک کا غیر منافع بخش ڈپازٹ بیس 2023 میں 160,546 ملین روپے سے بڑھ کر 2024 میں 198,409 ملین روپے ہوگیا، جو کہ 24 فیصد کے اضافہ کی نمائندگی کرتا ہے۔ ڈپازٹ مکس میں بہتری واضح ہے اور غیر منافع بخش ڈپازٹس کا حصہ 33 فیصد سے بڑھ کر 38 فیصد ہوگیا۔ مجموعی ایڈوانس 16 فیصد اضافہ کے ساتھ 247,714 ملین روپے تک پہنچ گئے۔ دوسری طرف، ہماری بہتر بینکنگ خدمات نے ہمیں پاکستان کے کچھ مشہور مقامی اور کثیر القومی صارفین کی توجہ اپنی جانب مبذول کرانے کے قابل بنایا۔ سال کے دوران مارجنز دباؤ میں رہے کیونکہ ثانوی مارکیٹ کی پیداوار متوقع شرح سود میں کمی کے مطابق ایڈجسٹ ہوتی رہی جبکہ پہلے چھ ماہ کے دوران فنڈنگ لاگت مستحکم رہی۔ سال کے دوسرے نصف میں شرح سود میں کمی کا اثر نظر آیا، لیکن اس کے باوجود مارکیٹ میں دستیاب منافع بخش مواقع پالیسی ریٹ سے کم ہی رہے۔

پاکستان کو اپنے معاشی استحکام کو برقرار رکھنے، ساختی چیلنجز (جیسے ٹیکس نظام، توانائی کا شعبہ، اور سرکاری ادارے) سے نمٹنے اور جامع اور پائیدار ترقی کو فروغ دینے کے لیے مؤثر پالیسیوں اور اصلاحات کی ضرورت ہوگی، ساتھ ہی قرضوں کی سطح کو کم کرنا بھی ایک اہم ہدف ہوگا۔ اب تک آئی ایم ایف نے ٹیکس نظام میں بہتری کے لیے کیے گئے اقدامات کو سراہا ہے اور زور دیا ہے کہ ٹیکس نیٹ کو وسیع کیا جائے، ٹیکس انتظامیہ کو مؤثر بنایا جائے، اور ترقیاتی سرمایہ کاری کے لیے مالی وسائل کو بہتر طریقے سے استعمال کیا جائے۔ اس میں انسانی وسائل، بنیادی اسٹرکچر، اور سماجی تحفظ کے شعبوں میں سرمایہ کاری شامل ہے تاکہ معیشت کو مزید مستحکم اور متوازن بنایا جا سکے۔

بینکنگ سیکٹر کا جائزہ:

اسٹیٹ بینک آف پاکستان (SBP) نے تقریباً چھ ماہ میں پالیسی ریٹ 22 فیصد سے کم کر کے 13 فیصد کر دیا، جس سے مہنگائی میں کمی کے بعد شرح سود بھی کم ہو رہی ہیں۔ بینکوں کے لیے یہ خالص سودی مارجن (NIMs) اور منافع میں کمی کا باعث بن سکتا ہے، تاہم زیادہ قرضوں کی فراہمی اس اثر کو کم کر سکتی ہے۔ سال کے آخر میں ٹیکس قوانین میں تبدیلی کے تحت بینکوں کو اپنے قبل از ٹیکس منافع (PBT) پر اضافی 5 فیصد ٹیکس ادا کرنا ہوگا، چاہے وہ ADR کی مطلوبہ حد پوری کریں یا نہ کریں، جبکہ پہلے یہ ٹیکس صرف حکومتی سیکیورٹیز سے آمدنی پر لاگو ہوتا تھا۔ صنعت کا ADR تناسب جون 2024 میں 40 فیصد سے بڑھ کر دسمبر 2024 میں 50 فیصد ہو گیا، جس کا مقصد بینکوں کو نجی کاروباروں کو قرض دینے کی ترغیب دینا تھا۔ زیادہ تر بینک اپنی قرضہ جاتی حکمت عملی کو ایڈجسٹ کر رہے تھے تاکہ اضافی ٹیکس سے بچ سکیں، لیکن ADR ٹیکس قانون میں تبدیلی اور 5 فیصد اضافی ٹیکس مالی سال کے آخر میں لاگو کر دیا گیا۔

بینکنگ سیکٹر میں کیپیٹل ایڈوکسی ریشوز مضبوط سطح پر ہیں اور ریگولیٹری تقاضوں سے کہیں زیادہ ہیں۔ قرضوں کی نمو میں سست روی اور بغیر خطرے کے حکومتی قرضوں میں زیادہ سرمایہ کاری کے باعث رسک ویٹڈ اثاثے میں اضافہ دیکھا گیا ہے۔

بینک کی کارکردگی:

31 دسمبر 2024 کو اختتام پذیر ہونے والے سال کیلئے بینک کی مالی حیثیت اور آپریٹنگ نتائج کا خلاصہ درج ذیل ہے:

روپے ملین میں

مالی تفصیل	2024	2023
ایڈوانسز۔ خالص	225,519	203,727
سرمایہ کاری۔ خالص	302,437	287,957
کل اثاثہ جات	636,107	589,432
ڈپازٹس اور دیگر اکاؤنٹس	525,134	486,283
حصص یافتگان کی ایکوئٹی	43,707	40,322

ڈائریکٹرز رپورٹ

ہم 31 دسمبر، 2024 کوختم ہونے والے سال کیلئے جے ایس بینک لمیٹڈ (جے ایس بی ایل) کی ۱۹ ویں سالانہ رپورٹ معہ آڈیٹڈ کھاتوں اورآڈیٹرز کی رپورٹس پیش کرنے میں مسرت محسوس کرتے ہیں۔

اقتصادی جائزہ:

مسلسل حکومتی اصلاحات اور پالیسی اقدامات کی بدولت 2024 پاکستان کی معیشت کے لیے ایک نمایاں پیش رفت کا سال ثابت ہوا۔ مارچ 2024 میں پاکستان کوآئی ایم ایف کے اسٹینڈ بائی ارینجمنٹ (SBA) کے تحت آخری 1.1 بلین امریکی ڈالر کی قسط موصول ہوئی۔اس کے بعد، ستمبر 2024 میں آئی ایم ایف ایگزیکٹو بورڈ نے 37 ماہ کے ایکسٹینڈڈ فنڈ فیسلٹی (EFF) کے تحت 5.32 بلین اسپیشل ڈرائنگ رائٹس (SDR) (تقریباً 7 بلین امریکی ڈالر) کی منظوری دی، جس کے تحت فوری طور پر 760 ملین اسپیشل ڈرائنگ رائٹس (تقریباً 1 بلین امریکی ڈالر) کی ادائیگی کی گئی۔ مزید برآں، اسی سال موڈیز اور فچ دونوں نے پاکستان کی کریڈٹ ریٹنگ کواپ گریڈ کیا، جو کہ معیشت کی بہتری اور حکومتی پالیسیوں پر اعتماد کا مظہر ہے۔

اکتوبر 2024 سے کرنٹ اکاؤنٹ مسلسل فاضل (سرپلس) میں جارہا ہے، جس کے نتیجے میں مالی سال 2025 کی پہلی ششماہی میں کرنٹ اکاؤنٹ بیلنس 1.21 بلین امریکی ڈالر تک پہنچ گیا۔اس بہتری کی بنیادی وجوہات میں ترسیلات زر میں اضافہ اور تجارتی خسارے پر قابو پانا شامل ہیں۔ مزید برآں، مثبت کرنٹ اکاؤنٹ کے ساتھ مستحکم کیپیٹل اکاؤنٹ نے مالی سال 2025 کی پہلی ششماہی میں ادائیگیوں کے توازن کومثبت رکھا، حالانکہ قرضوں کی ادائیگیوں کا سلسلہ بھی جاری رہا۔

مستحکم کرنسی، متوازن کرنٹ اکاؤنٹ خسارہ (CAD)، اور ترقیاتی و دوطرفہ قرض دہندگان کی معاونت کی بدولت دسمبر 2024 تک اسٹیٹ بینک کے زرمبادلہ کے ذخائر بڑھ کر تقریباً 12 بلین امریکی ڈالر تک پہنچ گئے، جو دسمبر 2023 میں 8.2 بلین امریکی ڈالر تھے۔ اس کے نتیجے میں پاکستان کی درآمدی سکت دسمبر 2023 میں 1.9 گنا سے بڑھ کر دسمبر 2024 میں 2.8 گنا ہوگئی۔اسی دوران، پاکستانی روپیہ 1 فیصد مستحکم ہوااور سال کے دوران 278 روپے فی امریکی ڈالر کی سطح پر پہنچ گیا۔

اسٹیٹ بینک آف پاکستان (SBP) نے جون 2024 میں مالیاتی نرمی کا آغاز کیااور پالیسی ریٹ میں 150 بیس پوائنٹس کی کمی کی۔اس کے بعد مسلسل کئی اجلاسوں میں مزید کمی کی گئی، جس کے نتیجے میں پالیسی ریٹ 22 فیصد کی بلند سطح سے کم ہوکر گزشتہ 6 ماہ میں 13 فیصد تک آ گیا۔ یہ فیصلہ CPI میں مسلسل کمی کے باعث ممکن ہوا، جہاں مہنگائی کی شرح دسمبر 2024 میں کم ہوکر 4.1 فیصد رہ گئی، جبکہ گزشتہ سال یہ شرح 30 فیصد کے قریب تھی۔اس بہتری کی بنیادی وجوہات میں غذائی اشیاء کی قیمتوں میں نرمی، کرنسی کا استحکام، اور عالمی منڈی میں تیل کی قیمتوں میں کمی شامل ہیں۔

BUDGETING BASICS

Learn to create a monthly budget that works for you. Explore different budgeting methods like the 50/30/20 rule, which allocates 50% for needs, 30% for wants, and 20% for savings. Use expense-tracking apps to stay on top of your spending.

PERFORMANCE AND POSITION

HIGHLIGHTS

Net Markup Income Rs. 27,312.98 million	**Profit Before Tax** Rs. 6,366.08 million	**Profit After Tax** Rs. 2,848.47 million
Advances (Gross) Rs. 247,714.40 million	**Investments (Net)** Rs. 302,436.60 million	**Deposits** Rs. 525,134.38 million
Assets Rs. 636,107.27 million	**Equity** Rs. 43,706.63 million	**ROE** 6.78%
ROA 0.46%	**CAR** 13.24%	**EPS** Rs. 1.39

SIX YEARS' FINANCIAL SUMMARY

Rs. in million

	2024	2023	2022	2021	2020	2019
Statement of Financial Position						
Cash and balances with treasury banks	**43,058**	40,895	24,765	34,267	30,421	25,589
Balances with other banks	**3,617**	3,727	1,800	1,186	1,106	463
Lendings to financial institutions	**2,000**	-	11,351	31,939	23,240	30,321
Investments - net	**302,437**	287,957	303,465	231,266	201,698	142,568
Advances - net	**225,519**	203,727	231,102	254,184	250,199	242,945
Property and equipment	**12,087**	8,627	7,717	7,322	5,216	6,100
Right-of-use assets	**2,610**	2,140	2,287	2,845	2,383	3,593
Intangible assets	**6,806**	4,873	3,832	3,135	2,488	2,271
Deferred tax assets	**-**	-	-	-	-	9
Other assets	**37,974**	37,486	30,396	18,145	14,678	16,194
Assets held for sale	**-**	-	-	-	739	374
Total Assets	**636,108**	589,432	616,715	584,289	532,168	470,427
Bills payable	**8,126**	5,669	5,403	7,039	4,982	3,804
Borrowings	**28,699**	27,222	97,808	70,474	48,303	54,468
Deposits and other accounts	**525,134**	486,283	464,132	460,705	433,063	369,790
Lease liabilities	**2,788**	2,234	2,546	3,129	2,584	3,696
Sub-ordinated debts	**8,496**	8,498	6,995	6,997	7,493	7,496
Deferred tax liabilities	**671**	1,316	320	1,386	1,194	-
Other liabilities	**18,487**	17,888	17,964	12,535	13,957	13,840
Total Liabilities	**592,401**	549,110	595,168	562,265	511,576	453,094
Net Assets	**43,707**	40,322	21,547	22,024	20,592	17,333
Represented by						
Share capital	**20,507**	20,507	12,975	12,975	12,975	12,975
Discount on issue of shares	**-**	-	(2,855)	(2,855)	(2,855)	(2,855)
Preference shares	**-**	-	-	-	-	-
Reserves	**7,114**	6,563	2,787	2,331	1,991	1,748
Surplus on revaluation of assets - net of tax	**3,378**	1,960	795	2,466	2,333	637
Unappropriated profit	**12,708**	11,292	7,845	7,107	6,148	4,828
Total Equity	**43,707**	40,322	21,547	22,024	20,592	17,333
Profit and Loss Account						
Mark-up / return / interest earned	**108,503**	92,087	72,047	39,125	43,099	41,595
Fee and commission income	**4,885**	4,133	3,213	3,207	3,596	2,860
Dividend income	**2,310**	1,752	130	574	98	300
Foreign exchange income	**3,290**	5,758	2,164	1,187	1,010	963
Gain / (loss) on securities - net	**755**	114	(307)	95	1,873	(711)
Income / (loss) from derivatives	**26**	-	(77)	12	29	47
Other Income	**73**	448	177	3	70	484
Total Gross Income	**119,842**	104,292	77,347	44,203	49,775	45,538
Mark-up / return / interest expensed	**81,190**	69,678	57,191	27,231	33,322	34,566
Operating expenses	**27,345**	23,042	16,749	12,723	13,019	10,792
Credit loss allowance / Provisions (reversals) and write offs - net	**4,713**	2,807	1,099	1,995	1,280	(92)
Worker welfare fund & Other Charges	**228**	250	177	45	131	139
Total Expenses	**113,476**	95,777	75,216	41,994	47,752	45,405
Profit Before Tax	**6,366**	8,515	2,131	2,209	2,023	133
Taxation	**3,518**	4,180	1,166	905	873	108
Profit After Taxation	**2,848**	4,335	965	1,304	1,150	25

SIX YEARS' VERTICAL ANALYSIS

Rs. in million

	2024	%	2023	%	2022	%	2021	%	2020	%	2019	%
Statement of Financial Position												
Cash and balances with treasury banks	**43,058**	**7%**	40,895	7%	24,765	4%	34,267	6%	30,421	6%	25,589	5%
Balances with other banks	**3,617**	**1%**	3,727	1%	1,800	0%	1,186	0%	1,106	0%	463	0%
Lendings to financial institutions	**2,000**	**0%**	-	0%	11,351	2%	31,939	5%	23,240	4%	30,321	6%
Investments - net	**302,437**	**48%**	287,957	49%	303,465	49%	231,266	40%	201,698	38%	142,568	30%
Advances - net	**225,519**	**35%**	203,727	35%	231,102	37%	254,184	44%	250,199	47%	242,945	52%
Property and equipment	**12,087**	**2%**	8,627	1%	7,717	1%	7,322	1%	5,216	1%	6,100	1%
Right-of-use assets	**2,610**	**0%**	2,140	0%	2,287	0%	2,845	0%	2,383	0%	3,593	1%
Intangible assets	**6,806**	**1%**	4,873	1%	3,832	1%	3,135	1%	2,488	0%	2,271	0%
Deferred tax assets	**-**	**0%**	-	0%	-	0%	-	0%	-	0%	9	0%
Other assets	**37,974**	**6%**	37,486	6%	30,396	5%	18,145	3%	14,678	3%	16,194	3%
Assets held for sale	**-**	**0%**	-	0%	-	0%	-	0%	374	0%	-	0%
Total Assets	**636,108**	**100%**	589,432	100%	616,715	100%	584,289	100%	532,168	100%	470,427	100%
Bills payable	**8,126**	**1%**	5,669	1%	5,403	1%	7,039	1%	4,982	1%	3,804	1%
Borrowings	**28,699**	**5%**	27,222	5%	97,808	16%	70,474	12%	48,303	9%	54,468	12%
Deposits and other accounts	**525,134**	**83%**	486,283	83%	464,132	75%	460,705	79%	433,063	81%	369,790	79%
Lease liabilities	**2,788**	**0%**	2,234	0%	2,546	0%	3,129	1%	2,584	0%	3,696	1%
Sub-ordinated debts	**8,496**	**1%**	8,498	1%	6,995	1%	6,997	1%	7,493	1%	7,496	2%
Deferred tax liabilities	**671**	**0%**	1,316	0%	320	0%	1,386	0%	1,194	0%	-	0%
Other liabilities	**18,487**	**3%**	17,888	3%	17,964	3%	12,535	2%	13,957	3%	13,840	3%
Total Liabilities	**592,401**	**93%**	549,110	93%	595,168	97%	562,265	96%	511,576	96%	453,094	96%
Net Assets	**43,707**	**7%**	40,322	7%	21,547	3%	22,024	4%	20,592	4%	17,333	4%
Represented by												
Share capital	**20,507**	**3%**	20,507	3%	12,975	2%	12,975	2%	12,975	2%	12,975	3%
Discount on issue of shares	**-**	**0%**	-	0%	(2,855)	0%	(2,855)	0%	(2,855)	-1%	(2,855)	-1%
Reserves	**7,114**	**1%**	6,563	1%	2,787	0%	2,331	0%	1,991	0%	1,748	0%
Surplus on revaluation of assets - net of tax	**3,378**	**1%**	1,960	0%	795	0%	2,466	0%	2,333	0%	637	0%
Unappropriated profit	**12,708**	**2%**	11,292	2%	7,845	1%	7,107	1%	6,148	1%	4,828	1%
Total Equity	**43,707**	**7%**	40,322	7%	21,547	3%	22,024	4%	20,592	4%	17,333	4%
Profit and Loss Account												
Mark-up / return / interest earned	**108,503**	**91%**	92,087	88%	72,047	93%	39,125	89%	43,099	87%	41,595	91%
Fee and commission income	**4,885**	**4%**	4,133	4%	3,213	4%	3,207	7%	3,596	7%	2,860	6%
Dividend income	**2,310**	**2%**	1,752	2%	130	0%	574	1%	98	0%	300	1%
Foreign exchange income	**3,290**	**3%**	5,758	6%	2,164	3%	1,187	3%	1,010	2%	963	2%
Gain / (loss) on securities - net	**755**	**1%**	114	0%	(307)	0%	95	0%	1,873	4%	(711)	-2%
Gain / (loss) from derivatives	**26**	**0%**	-	0%	(77)	0%	12	0%	29	0%	47	0%
Other Income	**73**	**0%**	448	0%	177	0%	3	0%	70	0%	484	1%
Total Gross Income	**119,842**	**100%**	104,292	100%	77,347	100%	44,203	100%	49,775	100%	45,538	100%
Mark-up / return / interest expensed	**81,190**	**68%**	69,678	67%	57,191	74%	27,231	62%	33,322	67%	34,566	76%
Operating expenses	**27,345**	**23%**	23,042	22%	16,749	22%	12,723	29%	13,019	26%	10,792	24%
Credit loss allowance / Provisions (reversals) and write offs - net	**4,713**	**4%**	2,807	3%	1,099	1%	1,995	5%	1,280	3%	(92)	0%
Worker welfare fund & Other Charges	**228**	**0%**	250	0%	177	0%	45	0%	131	0%	139	0%
Total Expenses	**113,476**	**95%**	95,777	92%	75,216	97%	41,994	95%	47,752	96%	45,405	100%
Profit Before tax	**6,366**	**5%**	8,515	8%	2,131	3%	2,209	5%	2,023	4%	133	0%
Taxation	**3,518**	**3%**	4,180	4%	1,166	2%	905	2%	873	2%	108	0%
Profit After Taxation	**2,848**	**2%**	4,335	4%	965	1%	1,304	3%	1,150	2%	25	0%

SIX YEARS' HORIZONTAL ANALYSIS

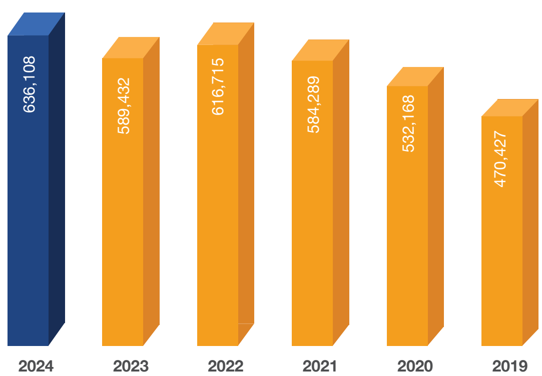
Rs. in million

	Years 6 CAGR	2024	2023	2022	2021	2020	2019
Statement of Financial Position							
Cash and balances with treasury banks	11%	43,058	40,895	24,765	34,267	30,421	25,589
Balances with other banks	51%	3,617	3,727	1,800	1,186	1,106	463
Lendings to financial institutions	-42%	2,000	-	11,351	31,939	23,240	30,321
Investments - net	16%	302,437	287,957	303,465	231,266	201,698	142,568
Advances - net	-1%	225,519	203,727	231,102	254,184	250,199	242,945
Property and equipment	15%	12,087	8,627	7,717	7,322	5,216	6,100
Right-of-use assets	-6%	2,610	2,140	2,287	2,845	2,383	3,593
Intangible assets	25%	6,806	4,873	3,832	3,135	2,488	2,271
Deferred tax assets	-100%	-	-	-	-	-	9
Other assets	19%	37,974	37,486	30,396	18,145	14,678	16,194
Assets held for sale	-100%	-	-	-	-	739	374
Total Assets	6%	636,108	589,432	616,715	584,289	532,168	470,427
Bills payable	16%	8,126	5,669	5,403	7,039	4,982	3,804
Borrowings	-12%	28,699	27,222	97,808	70,474	48,303	54,468
Deposits and other accounts	7%	525,134	486,283	464,132	460,705	433,063	369,790
Lease liabilities	-5%	2,788	2,234	2,546	3,129	2,584	3,696
Sub-ordinated debts	3%	8,496	8,498	6,995	6,997	7,493	7,496
Deferred tax liabilities	100%	671	1,316	320	1,386	1,194	-
Other liabilities	6%	18,487	17,888	17,964	12,535	13,957	13,840
Total Liabilities	6%	592,401	549,110	595,168	562,265	511,576	453,094
Net Assets	20%	43,707	40,322	21,547	22,024	20,592	17,333
Represented by							
Share capital	10%	20,507	20,507	12,975	12,975	12,975	12,975
Discount on issue of shares	-100%	-	-	(2,855)	(2,855)	(2,855)	(2,855)
Reserves	32%	7,114	6,563	2,787	2,331	1,991	1,748
Surplus on revaluation of assets - net of tax	40%	3,378	1,960	795	2,466	2,333	637
Unappropriated profit	21%	12,708	11,292	7,845	7,107	6,148	4,828
Total Equity	20%	43,707	40,322	21,547	22,024	20,592	17,333
Profit and Loss Account							
Mark-up / return / interest earned	21%	108,503	92,087	72,047	39,125	43,099	41,595
Fee and commission income	11%	4,885	4,133	3,213	3,207	3,596	2,860
Dividend income	50%	2,310	1,752	130	574	98	300
Foreign exchange income	28%	3,290	5,758	2,164	1,187	1,010	963
Gain / (loss) on securities - net	-201%	755	114	(307)	95	1,873	(711)
Gain / (loss) from derivatives	-11%	26	-	-77	12	29	47
Other Income	-31%	73	448	177	3	70	484
Total Gross Income	21%	119,842	104,292	77,347	44,203	49,775	45,538
Mark-up / return / interest expensed	19%	81,190	69,678	57,191	27,231	33,322	34,566
Operating expenses	20%	27,345	23,042	16,749	12,723	13,019	10,792
Credit loss allowance / Provisions (reversals) and write offs - net	-320%	4,713	2,807	1,099	1,995	1,280	(92)
Worker welfare fund & Other Charges	10%	228	250	177	45	131	139
Total Expenses	20%	113,476	95,777	75,216	41,994	47,752	45,405
Profit Before tax	117%	6,366	8,515	2,131	2,209	2,023	133
Taxation	101%	3,518	4,180	1,166	905	873	108
Profit After Taxation	158%	2,848	4,335	965	1,304	1,150	25

SIX YEARS' FINANCIAL PERFORMANCE

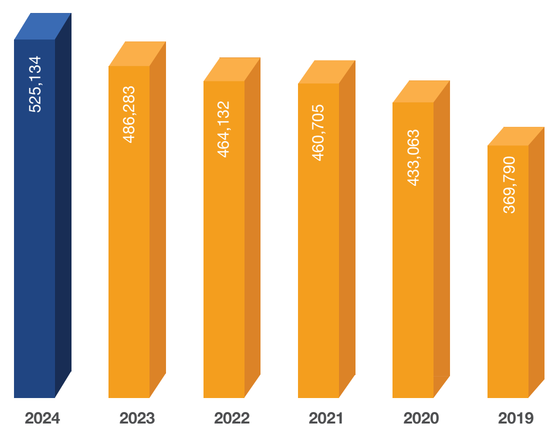
Total Assets

Rs. in million



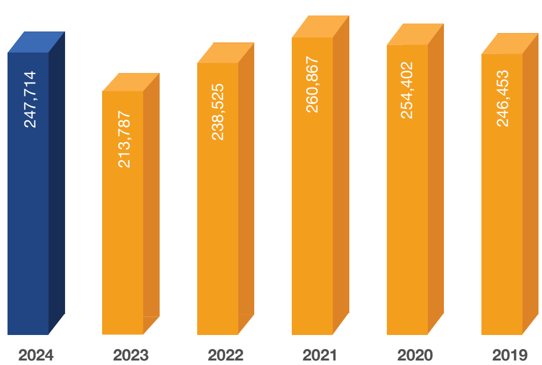
Deposits

Rs. in million



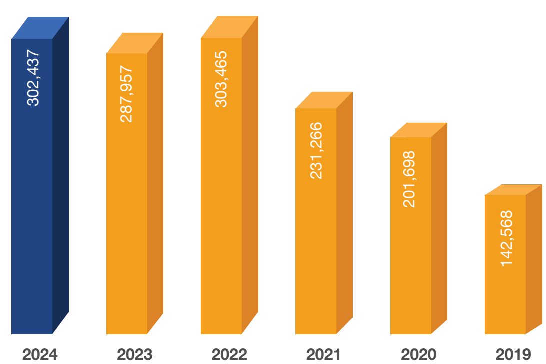
Gross Advances

Rs. in million



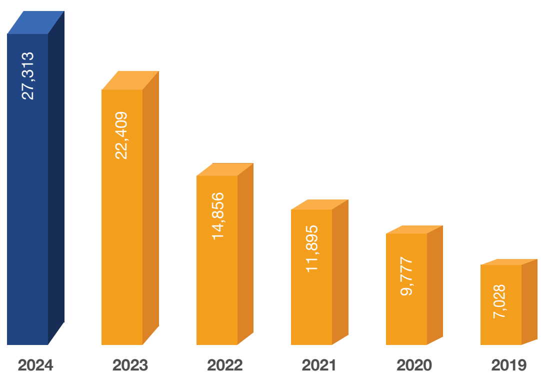
Investments

Rs. in million



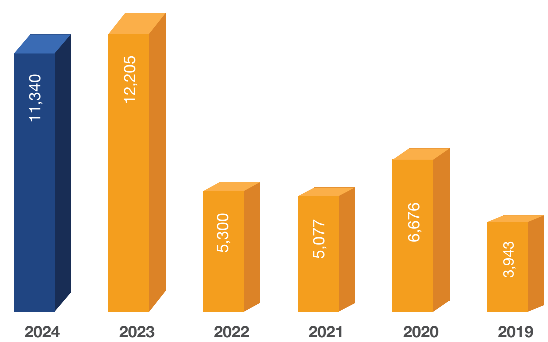
Net Markup Income

Rs. in million



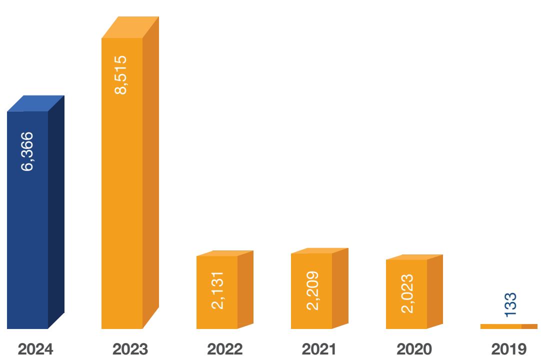
Non Markup Income

Rs. in million



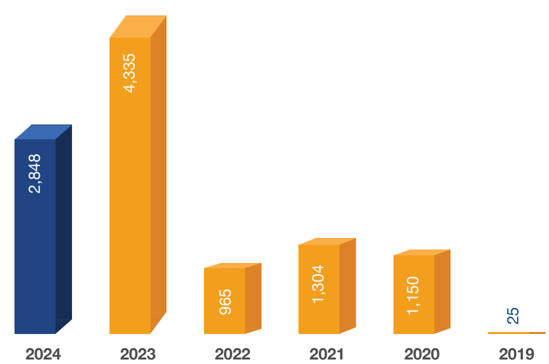
Profit Before Tax

Rs. in million

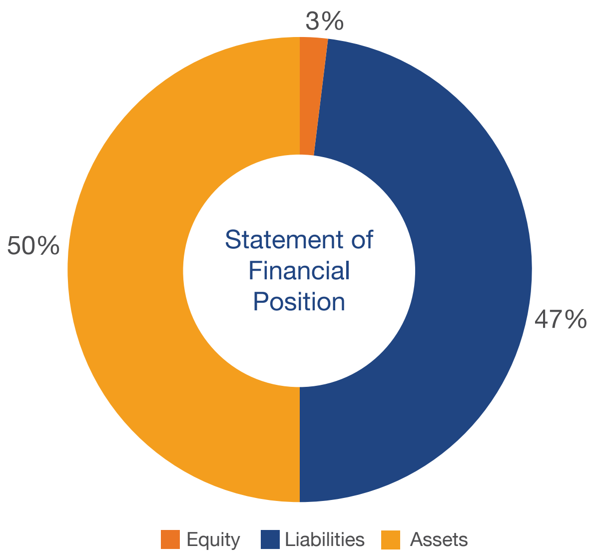


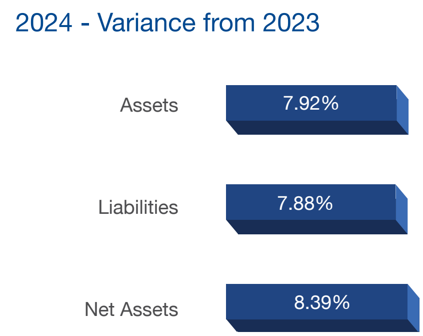
Profit After Tax

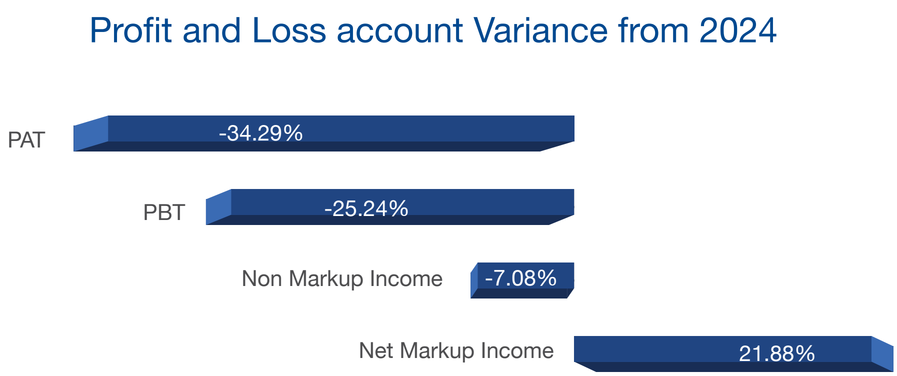
Rs. in million

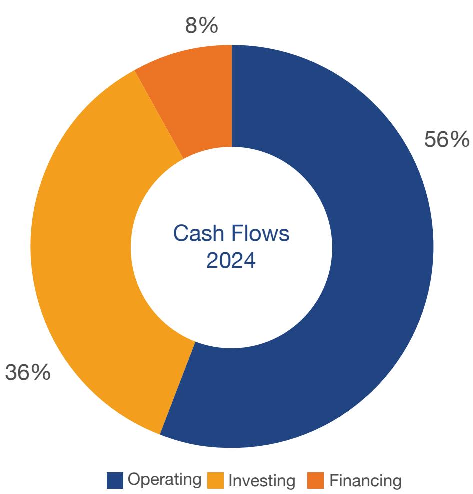


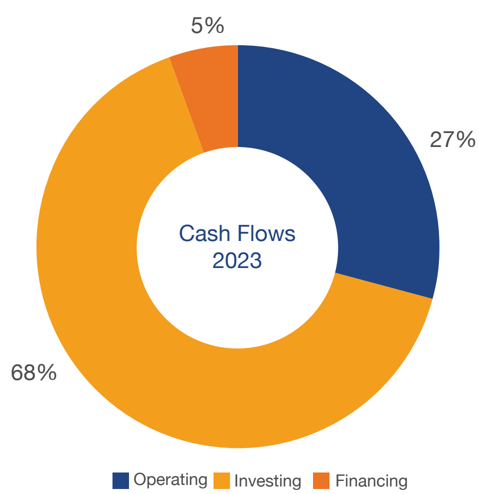
GRAPHICAL PRESENTATION OF FINANCIAL STATEMENTS











FINANCIAL RATIOS

	2024	2023	2022	2021	2020	2019
Profitability Ratios			(Percentage)			
Profit before tax ratio (PBT / Total Income)	**16.47%**	24.60%	10.57%	13.02%	12.29%	1.22%
Gross yield on earning ratio	**20.47%**	18.75%	13.20%	7.56%	9.07%	10.00%
Gross spread ratio	**25.17%**	24.33%	20.62%	30.40%	22.69%	16.90%
Non Interest income to total income	**29.34%**	35.26%	26.30%	29.91%	40.58%	35.94%
Cost / Income ratio	**70.75%**	67.29%	83.97%	75.23%	79.93%	99.62%
Return on Equity (PAT / Average Equity)	**6.78%**	14.01%	4.43%	6.12%	6.06%	0.15%
Investors' Ratios						
Market Price per share (Rs)	**9.06**	9.04	4.69	4.82	6.30	5.40
Earning per share (Rs)	**1.39**	2.75	0.74	1.01	0.89	0.00
Breakup Value or Net assets per share (Rs)	**21.31**	19.66	16.61	16.97	15.87	13.36
Breakup Value per share without surplus on revaluation of property and equipment (Rs)	**20.60**	19.15	15.72	16.05	15.14	12.54
Market capitalisation (Rs in million)	**18,579.00**	18,537.99	6,085.11	6,253.78	8,174.02	7,006.31
Number of shares (Number in million)	**2,050.66**	2,050.66	1,297.46	1,297.46	1,297.46	1,297.46
Price to Book ratio (%)	**42.51%**	45.97%	28.24%	28.40%	39.69%	40.42%
Assets Quality and Liquidity Ratios			(Percentage / Times)			
Gross Advances to Deposits ratio	**47.17%**	43.96%	51.39%	56.62%	58.74%	66.65%
Net Advances to Deposits ratio	**42.94%**	41.89%	49.79%	55.17%	57.77%	65.70%
Investments to Deposits ratio	**57.59%**	59.12%	65.38%	50.20%	46.57%	38.55%
Infection Ratio (NPLs to Gross Advances)	**8.61%**	7.57%	6.84%	5.34%	4.61%	4.20%
NPLs to Net Advances ratio	**9.46%**	7.94%	7.06%	5.48%	4.69%	4.26%
Coverage ratio (Specific provisions to NPLs)	**70.72%**	59.69%	44.21%	47.18%	35.64%	32.26%
Deposits to shareholders' equity	**12.0 Times**	12.1 Times	21.5 Times	20.9 Times	21.0 Times	21.3 Times
Assets to shareholders' equity	**14.6 Times**	14.6 Times	28.6 Times	26.5 Times	25.8 Times	27.1 Times
Earning assets to total assets ratio	**83.31%**	83.34%	88.52%	88.55%	89.28%	88.40%
Capital Adequacy			(Rs. in million / Percentage)			
Tier 1 Capital	**22,001**	19,747	20,661	20,055	18,479	17,120
Total Eligible Capital	**28,769**	25,654	24,759	25,810	23,100	21,426
Risk Weighted Assets (RWAs)	**217,217**	204,688	186,736	187,444	180,889	165,774
RWAs to Total Assets	**34.15%**	34.73%	30.28%	32.08%	33.99%	35.24%
Tier 1 to RWAs	**10.13%**	9.65%	11.06%	10.70%	10.22%	10.33%
Capital adequacy ratio	**13.24%**	12.53%	13.26%	13.77%	12.8%	12.93%
Other Financial Ratios			(Percentage / Times)			
Net Operating Margin (PAT / Total Income)	**7.37%**	12.52%	4.79%	7.69%	6.99%	0.24%
Return on capital employed	**5.64%**	11.21%	3.35%	4.57%	4.35%	0.11%
Return on Assets (PAT / Average Assets)	**0.46%**	0.72%	0.16%	0.23%	0.23%	0.01%
Debt to Equity Ratio (Long term Debt / Equity)	**0.2 Times**	0.2 Times	0.3 Times	0.3 Times	0.4 Times	0.4 Times
Weighted Average cost of deposit	**12.11%**	11.30%	8.41%	4.88%	7.32%	8.22%
Others			(Number)			
Number of Branches	**315**	292	282	282	308	360
Number of Employees (Permanent, contractual and outsourced)	**5,142**	4,940	4,739	4,487	5,311	4,904

DIRECT METHOD CASH FLOW STATEMENT

	2024	2023
	---Rupees in 000---	
CASHFLOW FROM OPERATING ACTIVITIES		
Payments to employees, suppliers and Others	**(14,298,489)**	(10,103,428)
(Decrease) / increase in operating assets		
Lendings to financial institutions	**(2,000,000)**	11,351,162
Securities measured at FVPL	**(10,805,449)**	(14,543)
Advances	**(21,183,110)**	24,683,232
Other assets (excluding advance taxation)	**(15,040,851)**	(2,341,420)
	(49,029,410)	33,678,431
Increase / (decrease) in operating liabilities		
Bills payable	**2,457,120**	265,776
Borrowings from financial institutions	**2,901,710**	(69,843,454)
Deposits	**38,851,598**	22,150,858
Other liabilities (excluding current taxation)	**865,656**	(1,591,675)
	45,076,084	(49,018,495)
Mark-up / interest received	**117,191,376**	85,643,573
Mark-up / interest paid	**(81,479,714)**	(67,862,109)
Contribution made to Gratuity fund	**(133,191)**	-
Income tax paid	**(6,397,019)**	(2,955,647)
Net cash flow from / (used in) operating activities	**10,929,637**	(10,617,675)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in amortised cost securities	**(19,245,629)**	47,291,663
Net investments in securities classified as FVOCI	**16,853,470**	(12,047,023)
Dividend received	**2,309,821**	1,751,922
Investments in property and equipment	**(4,835,843)**	(2,183,431)
Effect of translation of net investment in foreign branch	**(19,253)**	219,841
Disposal of property and equipment	**99,467**	167,611
Investment in subsidiary	**-**	(6,618,634)
Investments in intangible assets	**(2,204,617)**	(1,321,382)
Net cash (used in) / generated from investing activities	**(7,042,584)**	27,260,567
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt of subordinated debt	**-**	3,500,000
Payments of subordinated debt	**(1,934)**	(1,997,233)
Payments of lease obligations against right-of-use assets	**(1,656,950)**	(1,551,908)
Issue of share capital (Right shares)	**-**	2,205,689
Net cash (used in) / generated from financing activities	**(1,658,884)**	2,156,548
Increase in cash and cash equivalents	**2,228,169**	18,799,440
Cash and cash equivalents at beginning of the year	**44,073,112**	25,273,672
Cash and cash equivalents at end of the year	**46,301,281**	44,073,112

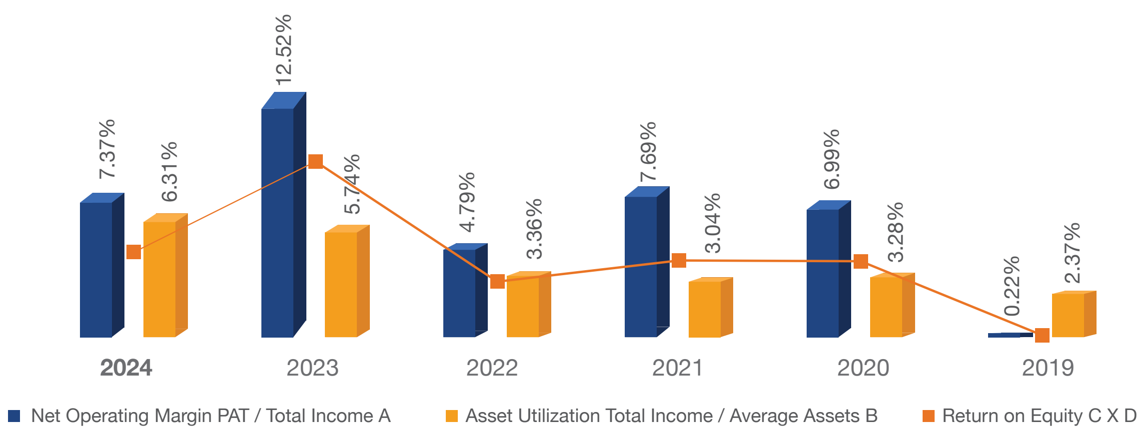
DUPONT ANALYSIS

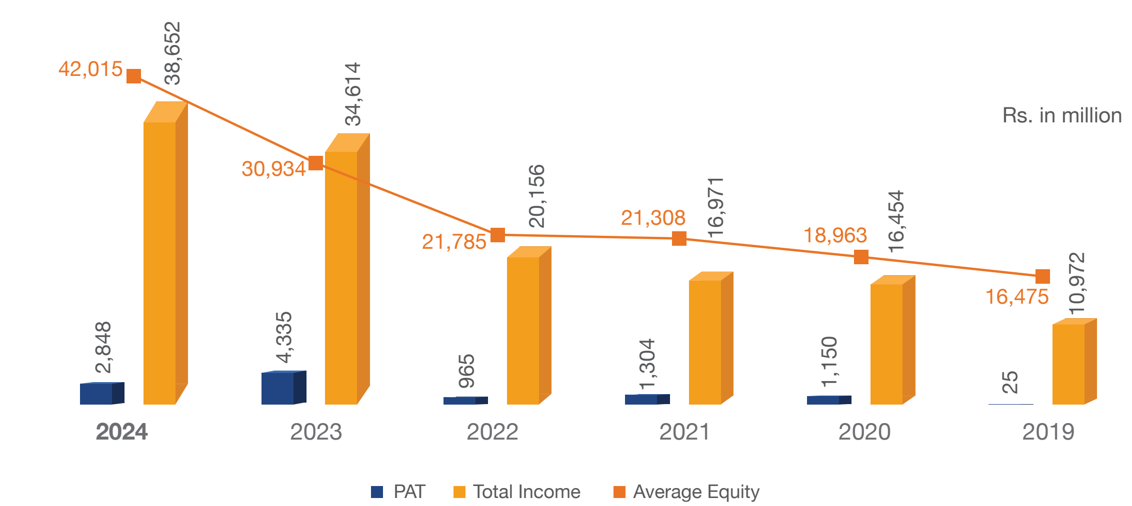
DuPont model is a financial ratio based on the return on equity ratio that is used to analyze the Bank's ability to increase its return on equity. This is the method of breaking down the original equation for ROE into three components: operating efficiency, asset efficiency, and leverage.

Operating efficiency is measured by net profit margin and indicates the amount of net income generated after taking account all the expenses.

Asset efficiency is measured by the total asset turnover and represents how much revenue has been generated by optimum utilization of the assets. Finally, financial leverage is determined by the Equity Multiplier.

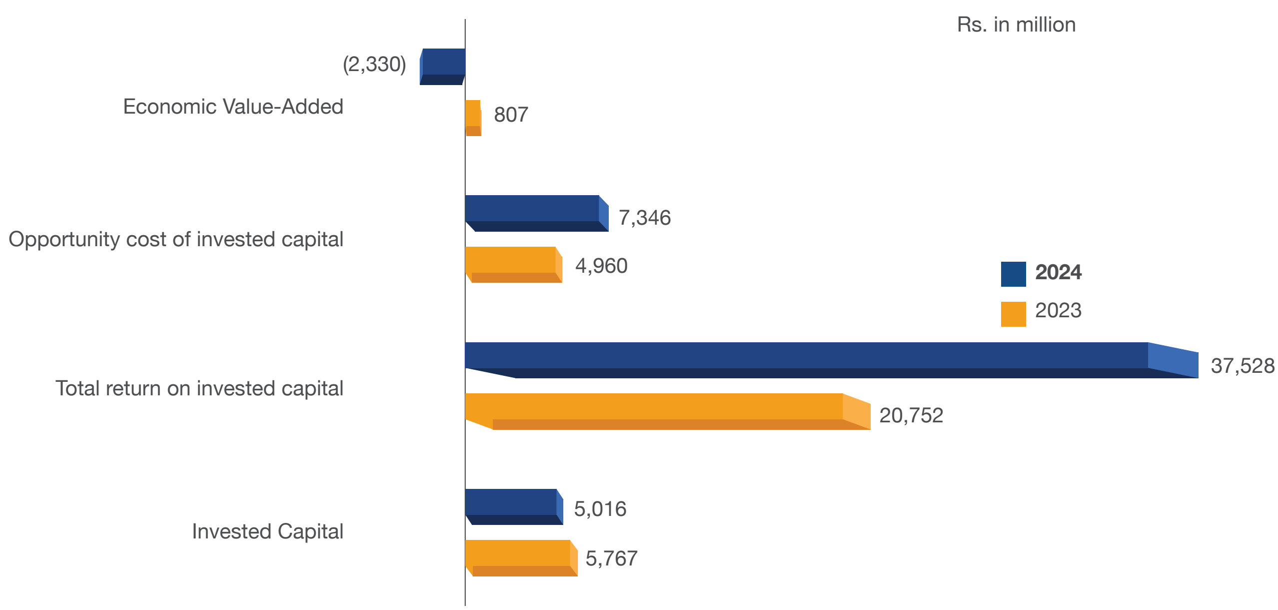
			2024	2023	2022	2021	2020	2019
Net Operating Margin	PAT / Total Income	A	**7.37%**	12.52%	4.79%	7.69%	6.99%	0.22%
Asset Utilization	Total Income / Average Assets	B	**6.31%**	5.74%	3.36%	3.04%	3.28%	2.37%
Return on Assets		C = A X B	**0.46%**	0.72%	0.16%	0.23%	0.23%	0.01%
Leverage Ratio / Equity Multiplier	Average Assets / Average Equity	D	**14.58**	19.50	27.56	26.20	26.42	28.12
Return on Equity		C X D	**6.78%**	14.01%	4.43%	6.12%	6.06%	0.15%





ECONOMIC VALUE-ADDED STATEMENT

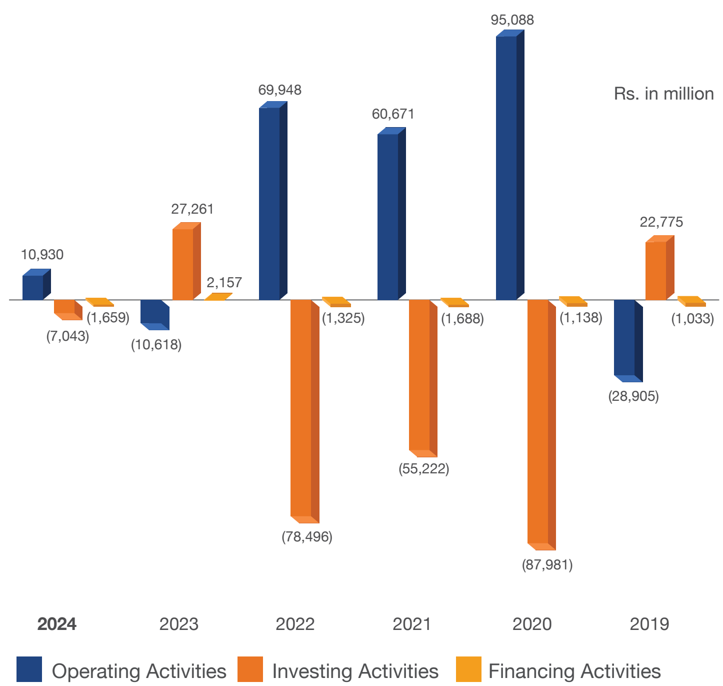
	2024	2023
	------- Rs. in million	-------
Return on Invested Capital		
Profit after taxation	**2,848**	4,335
Provision and write offs	**4,713**	2,807
Income Tax	**2,545**	1,376
Provision and write offs - net of Tax	**2,168**	1,432
Return on invested capital	**5,016**	5,767
Invested Capital		
Equity at start of the year (excluding surplus)	**37,528**	20,752
Economic cost	**19.58%**	23.90%
Opportunity cost of invested capital	**7,346**	4,959
Economic Value Added (EVA)	**(2,330)**	807



SUMMARY OF CASH FLOWS

Rs. in million

	2024	2023	2022	2021	2020	2019
Cash flows from operating activities	**10,930**	(10,618)	69,948	60,671	95,088	(28,905)
Cash flows from investing activities	**(7,043)**	27,261	(78,496)	(55,222)	(87,981)	22,775
Cash flow from financing activities	**(1,659)**	2,157	(1,325)	(1,688)	(1,138)	(1,033)
Cash and cash equivalents at beginning of the year	**44,073**	25,274	35,146	31,384	25,415	32,578
Cash and cash equivalents at end of the year	**46,301**	44,073	25,274	35,146	31,384	25,415



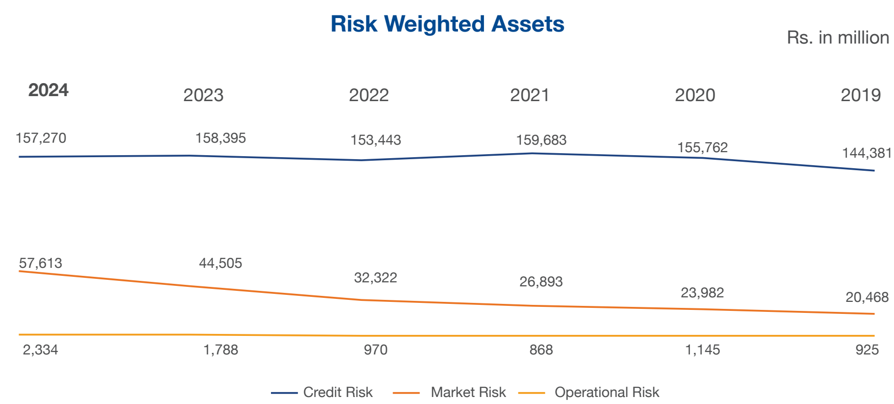
FREE CASH FLOWS

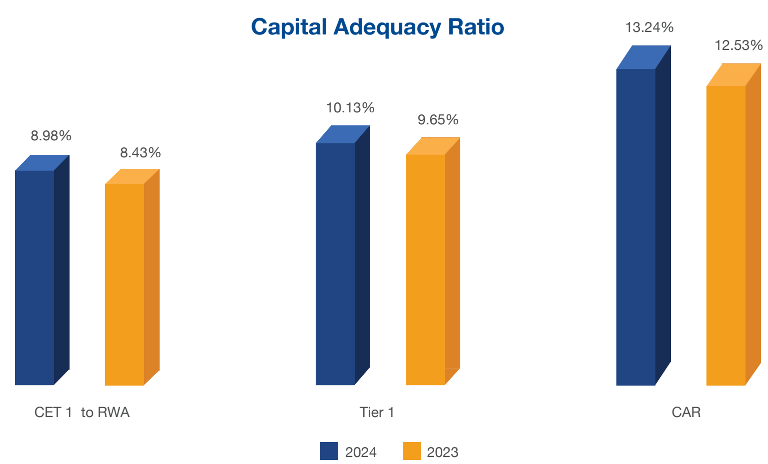
Rs. in million

	2024	2023	2022	2021	2020	2019
Profit before taxation	**6,366**	8,515	2,131	2,209	2,023	133
Adjustment for non-cash items	**(20,665)**	3,790	3,434	3,306	3,476	1,457
Operating assets / liabilities changes	**25,228**	(22,923)	64,382	55,156	89,589	(30,495)
Net cash (used in) / generated from operations	**10,930**	(10,618)	69,948	60,671	95,088	(28,905)
Capital expenditure	**(7,040)**	(3,505)	(2,326)	(2,629)	(1,076)	(2,032)
Free cash flows	**3,889**	(14,122)	67,623	58,042	94,012	(30,937)

ANALYSIS OF CAPITAL ADEQUACY RATIO

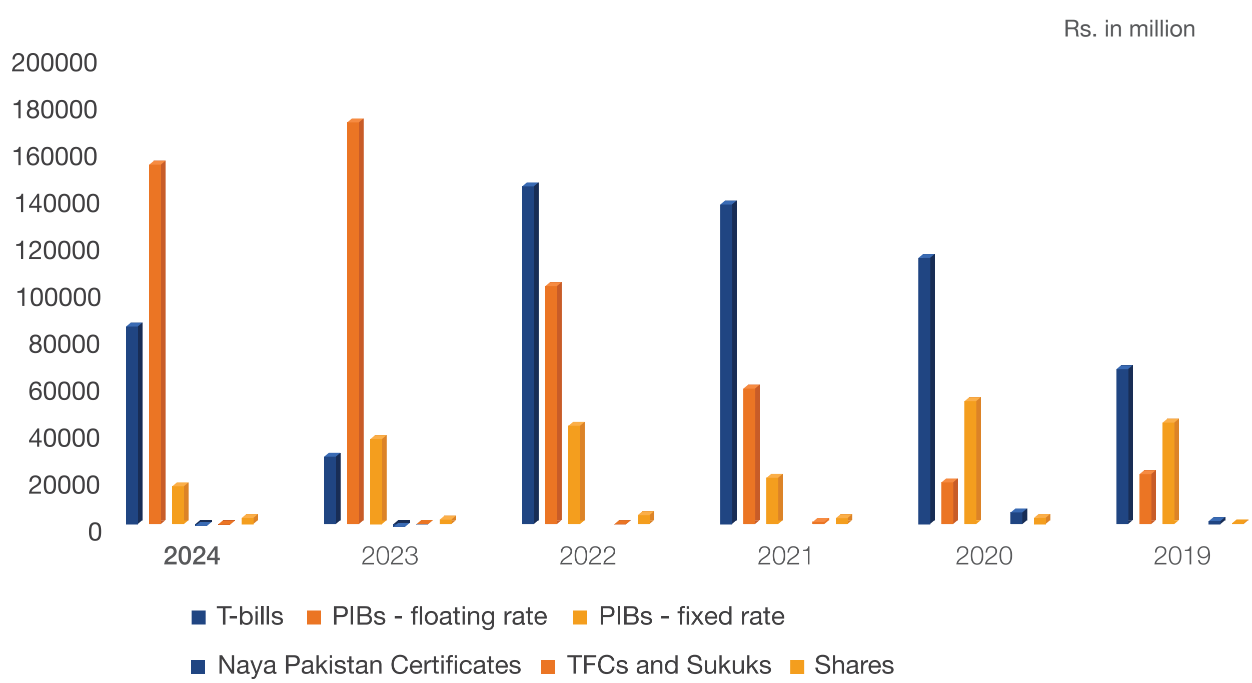
	2024	2023
Minimum Capital Requirement (MCR):	-------- Rs. in million	--------
Paid-up capital (net of losses)	**20,507**	20,507
Eligible Common Equity Tier 1 (CET 1) Capital	**19,501**	17,247
Eligible Additional Tier 1 (ADT 1) Capital	**2,500**	2,500
Total Eligible Tier 1 Capital	**22,001**	19,747
Eligible Tier 2 Capital	**6,768**	5,907
Total Eligible Capital (Tier 1 + Tier 2)	**28,769**	25,654
Risk Weighted Assets (RWAs):		
Credit Risk	**157,270**	158,395
Market Risk	**2,334**	1,788
Operational Risk	**57,613**	44,505
Total	**217,217**	204,688
Total Eligible Capital	**28,769**	25,654
Risk Weighted Assets (RWAs)	**217,217**	204,688
Capital Adequacy Ratio	**13.24%**	12.53%





CATEGORY OF INVESTMENTS - FAIR VALUE

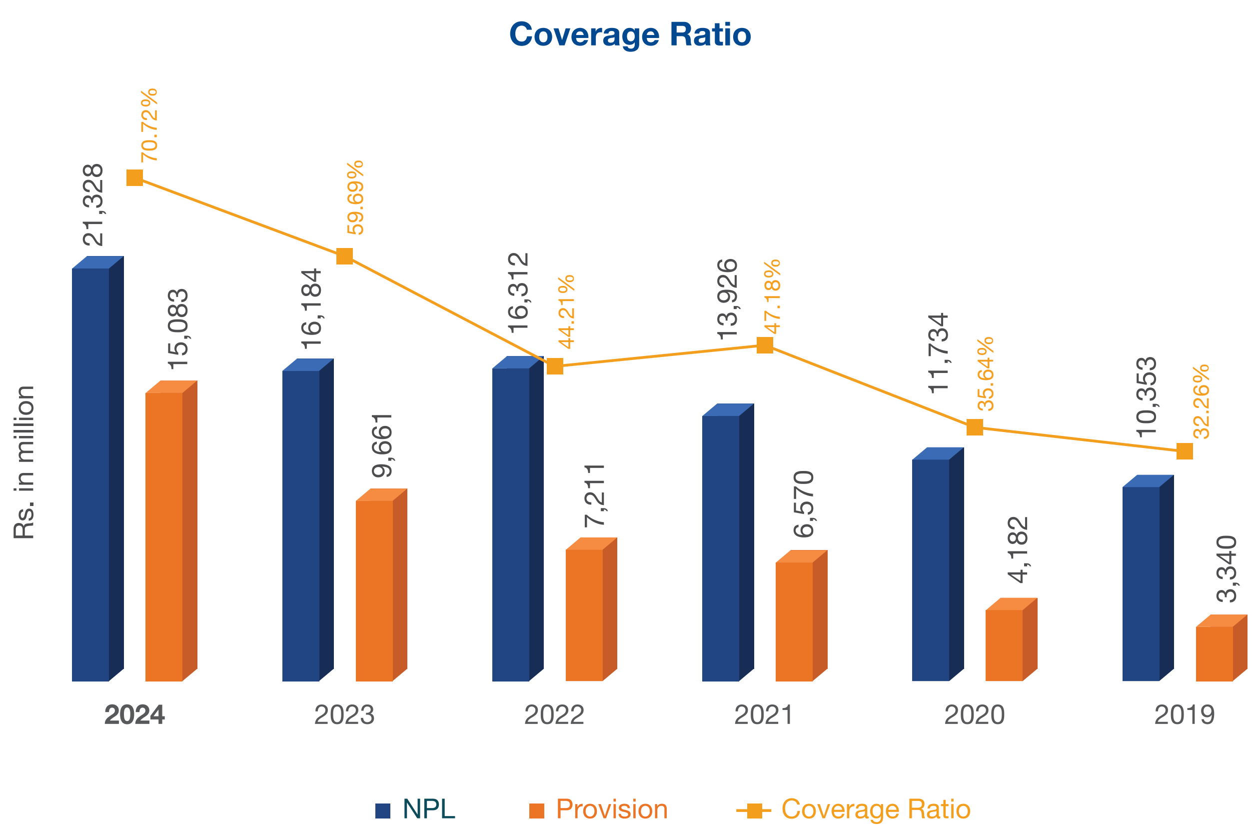
	2024	2023	2022	2021	2020	2019
	Rs. in million					
T-Bills	**85,803**	30,363	145,571	137,818	115,052	67,669
PIBs - floating rate	**154,800**	172,829	103,061	59,377	19,424	22,927
PIBs - fixed rate	**17,773**	37,877	43,548	21,375	54,044	44,881
Naya Pakistan Certificates	**883**	478	-	-	-	-
TFCs and Sukuks	**1,399**	1,642	1,707	2,577	6,639	2,963
Shares	**4,233**	3,534	5,450	4,160	4,264	1,966
Associates and subsidiaries	**21,067**	21,086	2,141	2,141	2,161	2,120
Others	**16,478**	20,149	1,988	3,819	114	41
	302,436	287,957	303,465	231,267	201,698	142,568



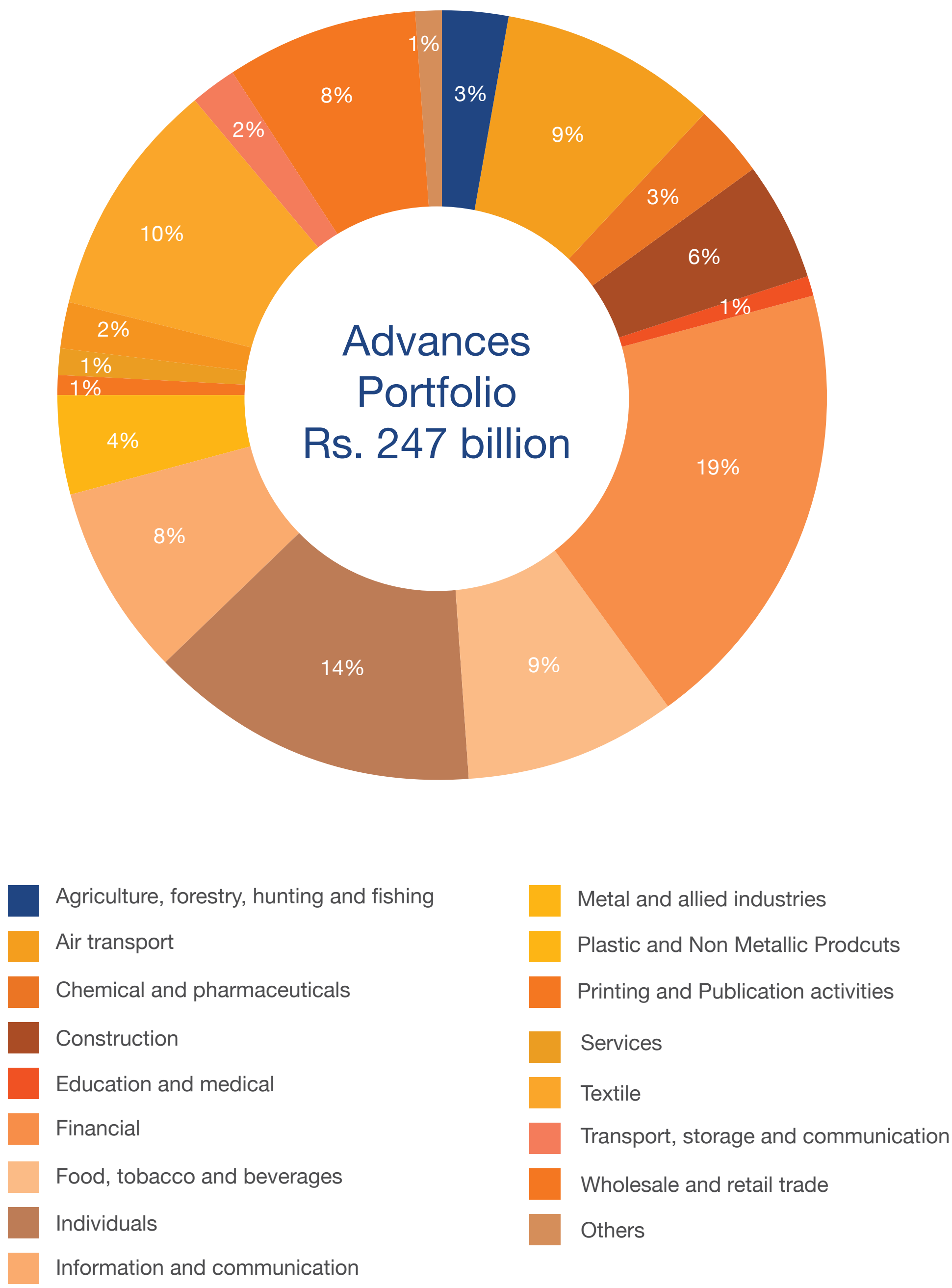
NON-PERFORMING LOANS

Rs. in million

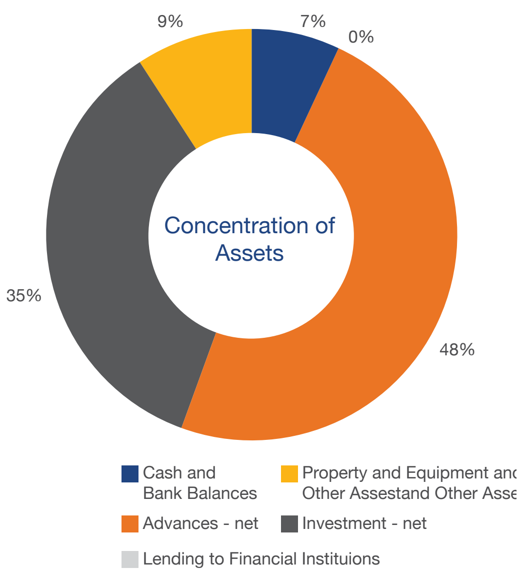
	2024		2023		Variance		2024
	NPLs	**Provision**	NPLs	Provision	NPLs	Provision	Coverage
Category wise							
OAEM	**368**	**24**	364	2	5	22	**6.53%**
Substandard	**2,295**	**856**	1,337	118	958	739	**37.31%**
Doubtful	**4,250**	**1,923**	2,510	221	1,741	1,702	**45.24%**
Loss	**14,415**	**12,281**	11,974	9,320	2,440	2,961	**85.20%**
Total	**21,328**	**15,084**	16,184	9,661	5,144	5,423	**70.72%**



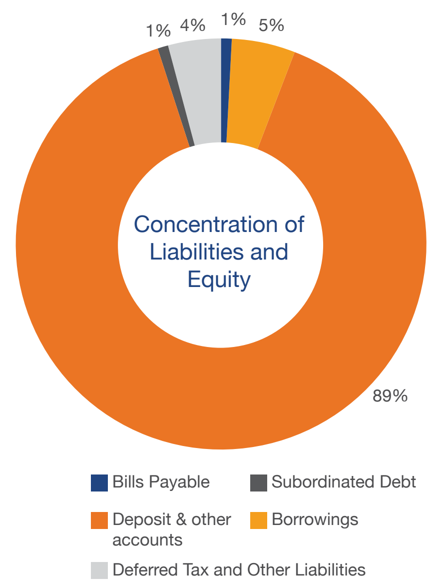
ADVANCES BY SEGMENT



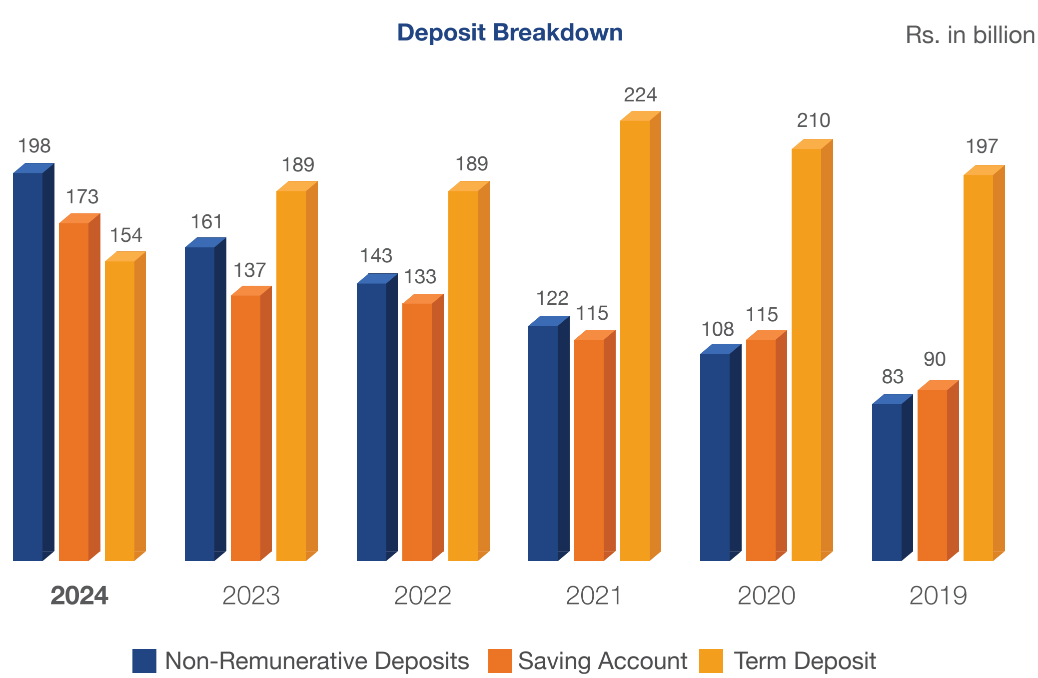
FUNDING MIX



9%
7%
0%
35%
48%
Concentration of Assets
Cash and Bank Balances
Property and Equipment and Other Assestand Other Asse
Advances - net
Investment - net
Lending to Financial Instituions



1%
4%
1%
5%
89%
Concentration of Liabilities and Equity
Bills Payable
Subordinated Debt
Deposit & other accounts
Borrowings
Deferred Tax and Other Liabilities



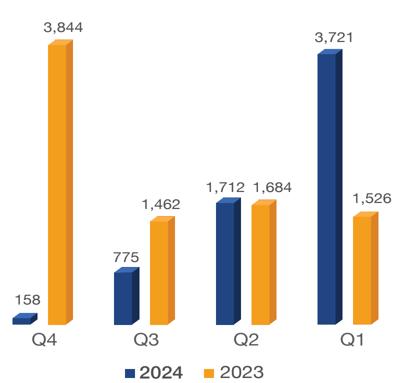
Deposit Breakdown
Rs. in billion
198 173 154
161 137 189
143 133 189
122 115 224
108 115 210
83 90 197
2024 2023 2022 2021 2020 2019
Non-Remunerative Deposits
Saving Account
Term Deposit

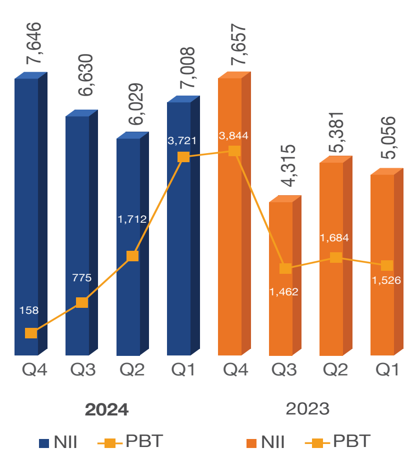
QUARTERLY PERFORMANCE

	2024				2023			
	4th Quarter	**3rd Quarter**	**2nd Quarter**	**1st Quarter**	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Profit and loss account								
Mark-up earned	**26,119**	**29,659**	**26,494**	**26,231**	27,585	22,035	21,485	20,982
Mark-up expensed	**(18,473)**	**(23,029)**	**(20,465)**	**(19,223)**	(19,927)	(17,721)	(16,104)	(15,926)
Net mark-up income	**7,646**	**6,630**	**6,029**	**7,008**	7,657	4,315	5,381	5,056
Non mark-up income	**1,555**	**3,652**	**2,419**	**3,714**	5,284	2,909	1,805	2,207
Total Income	**9,201**	**10,282**	**8,448**	**10,722**	12,941	7,223	7,186	7,263
Non-mark-up expenses	**(7,526)**	**(7,168)**	**(6,590)**	**(6,290)**	(7,528)	(5,525)	(5,264)	(4,974)
Profit before credit loss allowance / provisions	**1,675**	**3,114**	**1,858**	**4,432**	5,413	1,699	1,922	2,288
Credit loss allowance and write off	**(1,517)**	**(2,339)**	**(146)**	**(711)**	(1,569)	(237)	(238)	(763)
Profit before taxation	**158**	**775**	**1,712**	**3,721**	3,844	1,462	1,684	1,526
Taxation	**(411)**	**(437)**	**(657)**	**(2,013)**	(1,830)	(648)	(1,032)	(669)
Profit after taxation	**(253)**	**338**	**1,055**	**1,708**	2,014	813	652	856
Statement of Financial Position								
Assets								
Cash and balance with treasury banks	**43,058**	**47,296**	**47,790**	**44,336**	40,895	35,730	35,836	33,983
Balances with other banks	**3,617**	**3,216**	**4,198**	**2,992**	3,727	2,798	3,693	3,491
Lendings to Financial Institutions	**2,000**	**1,691**	**4,978**	**-**	-	-	37,117	837
Investments	**302,437**	**310,219**	**376,504**	**319,904**	287,957	302,224	253,500	238,416
Advances	**225,519**	**263,004**	**194,885**	**197,449**	203,727	202,405	201,235	223,564
Property and equipment	**12,087**	**8,883**	**8,624**	**8,771**	8,627	8,548	8,493	7,692
Right-of-use assets	**2,610**	**2,558**	**2,398**	**2,288**	2,140	2,169	2,128	2,221
Intangible assets	**6,806**	**6,365**	**5,750**	**5,250**	4,873	4,458	4,116	3,934
Deferred tax assets	**-**	**-**	**-**	**-**	-	-	-	279
Other assets	**37,974**	**37,074**	**41,868**	**39,857**	37,486	33,711	34,269	28,380
	636,108	**680,306**	**686,995**	**620,847**	589,432	592,043	580,387	542,797
Liabilities								
Bills payable	**8,126**	**5,234**	**7,615**	**5,064**	5,669	5,607	6,591	6,210
Borrowings	**28,699**	**80,536**	**46,845**	**29,144**	27,222	34,831	52,191	52,087
Deposits and other accounts	**525,134**	**518,735**	**557,862**	**514,013**	486,283	484,112	469,814	436,988
Lease liabilities	**2,788**	**2,711**	**2,556**	**2,378**	2,234	2,292	2,318	2,453
Subordinated debts	**8,496**	**8,496**	**8,497**	**8,498**	8,498	8,499	10,138	6,995
Deferred tax liabilities	**671**	**1,157**	**158**	**217**	1,316	899	110	-
Other liabilities	**18,487**	**19,955**	**21,653**	**20,795**	17,888	18,834	16,519	16,480
	592,401	**636,824**	**645,186**	**580,109**	549,110	555,074	557,681	521,213
Net assets	**43,707**	**43,482**	**41,808**	**40,738**	40,322	36,969	22,706	21,584
Represented by:								
Share capital	**20,507**	**20,507**	**20,507**	**20,507**	20,507	20,507	10,119	10,119
Reserves	**7,114**	**7,158**	**7,095**	**6,882**	6,563	6,188	3,316	3,175
Surplus / (deficit) on revaluation of assets - net of tax	**3,378**	**2,795**	**1,462**	**1,046**	1,960	526	205	(285)
Unappropriated profit	**12,708**	**13,022**	**12,745**	**12,303**	11,292	9,748	9,066	8,575
	43,707	**43,482**	**41,808**	**40,738**	40,322	36,969	22,706	21,584

Quarterly PBT and NII

Rs. in million



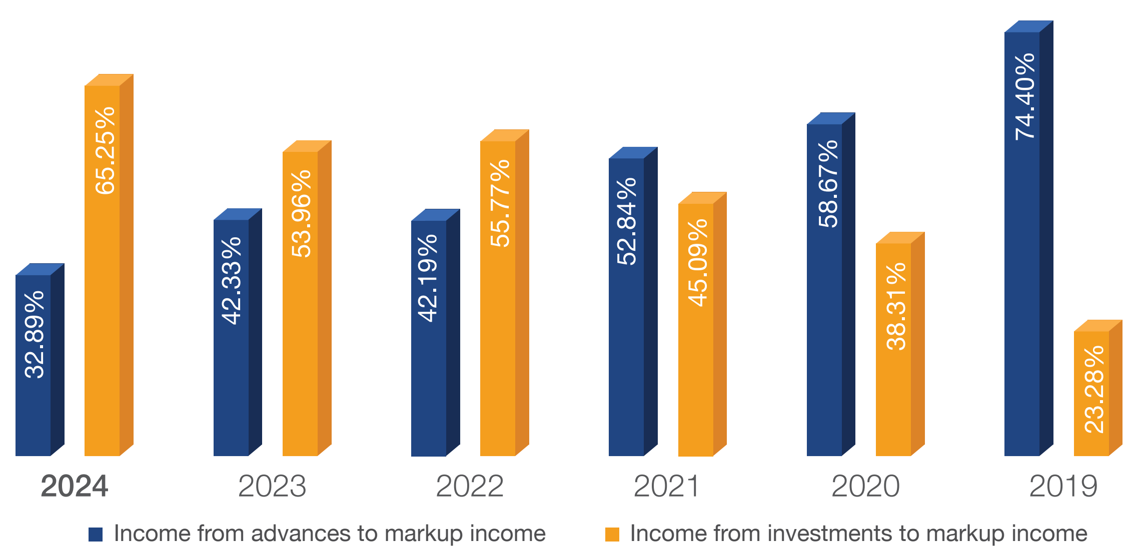


MARKUP AND NON-MARKUP INCOME

Rs. in million

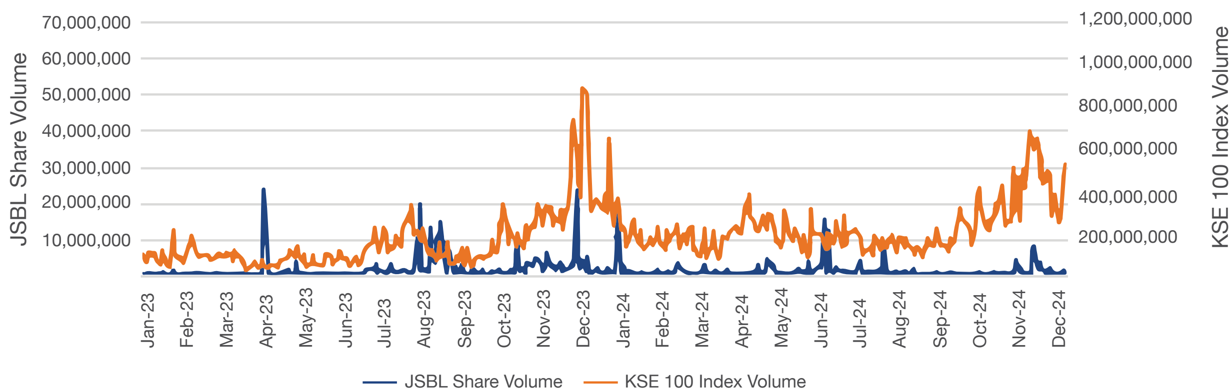
	2024	2023	2022	2021	2020	2019
Mark-up/return/interest earned						
Loans and advances	**35,683**	38,977	30,398	20,672	25,288	30,945
Investments	**70,800**	49,689	40,180	17,643	16,509	9,683
Lendings to financial institutions	**385**	247	60	26	33	53
Balances with others banks	**383**	305	79	46	10	55
Securities purchased under resale agreements	**1,252**	2,869	1,329	738	1,259	859
	108,503	92,087	72,047	39,125	43,099	41,595
Mark-up/return/interest expensed						
Deposits	**61,222**	53,705	38,912	21,814	29,390	28,415
Borrowings	**14,137**	12,446	16,279	3,815	1,889	3,678
Sub-ordinated debts	**1,909**	1,782	1,064	696	900	1,029
Cost of foreign currency swaps against foreign currency deposits /borrowings	**3,526**	1,445	581	518	736	937
Lease liability against right-of-use assets	**396**	301	356	388	406	507
	81,190	69,678	57,191	27,231	33,322	34,566
Net Markup income	**27,313**	22,409	14,856	11,895	9,777	7,029
Non-markup / interest income						
Fee and commission income	**4,885**	4,133	3,213	3,207	3,596	2,860
Dividend income	**2,310**	1,752	130	574	98	300
Foreign exchange income	**3,290**	5,758	2,162	1,187	1,010	963
Gain / (loss) on securities	**755**	114	(307)	95	1,873	(711)
Income from derivatives	**26**	0.01	(77)	12	29	47
Other income	**73**	448	177	3	70	484
	11,339	12,205	5,300	5,077	6,676	3,943

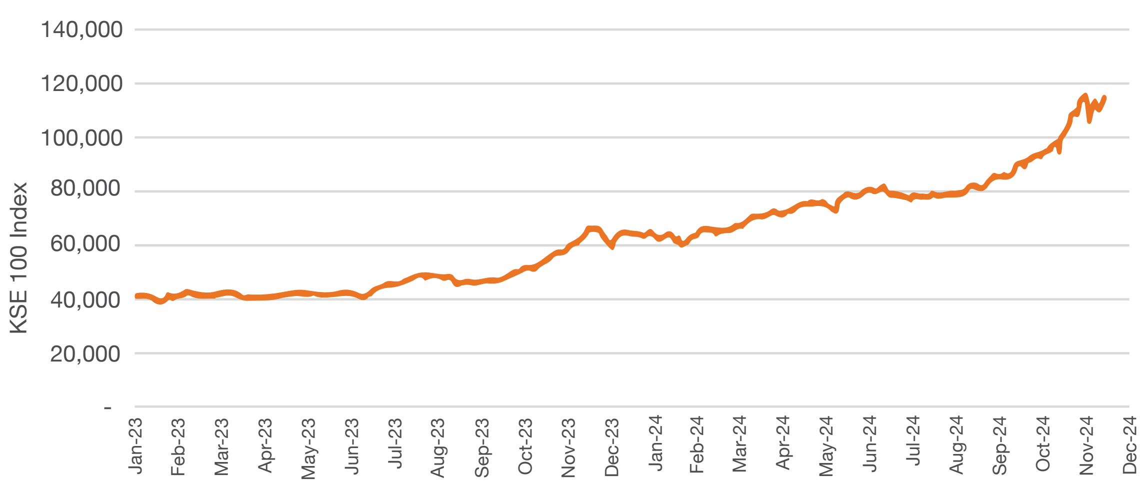
Markup income from Advances and investments (2024 - 2019)



MARKET SHARE INFORMATION

Period end	JSBL Share Price			Free Float		Market Capitalization	
	High	Low	Close	Shares (m)	%	Shares (m)	Value (m)
December 31, 2024	**9.50**	**8.20**	**9.06**	**410**	**20%**	**2,051**	**18,579**
September 30, 2024	**11.92**	**8.62**	**8.62**	**410**	**20%**	**2,051**	**17,677**
June 30, 2024	**10.15**	**8.57**	**9.77**	**410**	**20%**	**2,051**	**20,035**
March 31, 2024	**10.1**	**8.26**	**9.26**	**410**	**20%**	**2,051**	**18,989**
December 31, 2023	10.09	5.65	9.04	410	20%	2,050	18,538
September 30, 2023	6.20	4.98	5.70	410	20%	2,050	11,689
June 30, 2023	4.89	4.00	4.89	324	25%	1,297	6,345
March 31, 2023	4.88	3.90	4.12	324	25%	1,297	5,346





SHARE PRICE SENSITIVITY ANALYSIS

Factors that can influence the share price of JS Bank Limited are given below:

Policy Rate

The monetary policy rate can be changed by the SBP based on different macroeconomic factors. Any volatility in the interest rates may impact revenue and profitability of the Bank and the share price as well.

Regulatory Changes

Any changes in regulatory measures or requirements such as upward revision in the minimum deposit rate, higher minimum capital ratios or stricter liquidity rules, can affect bank's operations and stock price.

Economic Environment

Factors such as GDP growth, inflation, Balance of Payment, and general economic conditions affect loan demand, credit quality and overall financial performance of the Bank.

Political Stability & Law and order situation

Political instability and turmoil would adversely impact the market sentiment and investor confidence. This could influence the capital market performance and share price volatility.

Sensitivity Analysis of Change in Market Capitalization

Sensitivity Analysis of Change in Market Capitalization

Share Price as of December 31, 2024	Rs. 9.06
Market Capitalization as of December 31, 2024	Rs. 18,579 Million
Change in Share Price by	Change in Market Capitalization
+10%	Rs. 1,857 Million
-10%	Rs. (1,857) Million

SENSITIVITY ANALYSIS - FOREIGN CURRENCY FLUCTUATIONS

In 2024, the Pakistani rupee (PKR) demonstrated notable resilience and reduced volatility against the US dollar (USD). This stability was attributed to a stable external account, increased remittances, rising exports, improved foreign exchange reserves, a narrowed gap between interbank and open market rates, and the successful IMF Extended Fund Facility (EFF) program. Throughout the year, the rupee appreciated by 1.2% against the USD, starting at 281.86 and closing at 278.55. The rupee maintained a range-bound movement, reaching highs and lows of 281.89 and 277.51, respectively. This stability also contributed to lower inflation observed in 2024.

The Bank's risk appetite is determined by the Board and monitored by the Risk team. The Treasury team proactively manages day-to-day liquidity, Net Open Positions, and Foreign Exchange Exposure limits. The Risk management team ensures adherence to the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) as per State Bank of Pakistan (SBP) guidelines. The Bank ensures full implementation of Basel III liquidity standards and liquidity ratios.

CALENDAR OF MAJOR EVENTS - 2024

February 29, 2024	Annual Results – 2023 approved by Board
March 29, 2024	Annual General Meeting
April 25, 2024	1st Quarter Results – 2024 approved by Board
August 27, 2024	2nd Quarter Results – 2024 approved by Board
October 25, 2024	3rd Quarter Results – 2024 approved by Board
December 27, 2024	Budget Meeting for of Budget 2025
December 30, 2024	Corporate Briefing Session

VALUE CHAIN

JS Bank value chain activities can be divided into two categories: primary activities and support activities. The primary activities are related to internal and external logistics, marketing, and after-sales service. Support activities are the value activities that sustain and facilitate the primary activities.

Downstream activities (Primary Activities)

- Conception of financial Products and Services
- Mobilization of deposits and distribution network
- Asset Management and portfolio Enhancement
- Marketing & Sales - Choice of the method of distribution, of the advertising, of the target market
- Associated services to the products and after-sales: consumer services

Upstream activities (Supporting Activities)

- Banking infrastructure,
- Technology development,
- Human resource management,
- Risk Management, and
- Governance and Stakeholders engagement

Basic Competencies

- Well-equipped Physical and electronic network
- Robust familiarity of consumer's needs, their behavior and background
- Specialized know-how in view of interpreting the sector
- Staff training programs
- Automation of operations
- Technological control in products and services

Distinctive competencies

- Product and process innovation: getting ahead of the competition
- Perfect fusion of services and products in order to offer the complete package
- Capability of staff to advise consumers in many situations: financial expertise
- Differentiated offer with respect to a variety of situations: flexible products, possibility to renegotiate

SAVING STRATEGIES

Build a savings plan by starting with an emergency fund to cover 3 to 6 months' worth of living expenses. Set aside a portion of your income each month to prepare the unexpected and achieve your financial goals.

STRATEGY AND RESOURCE ALLOCATION

STRATEGY AND RESOURCE ALLOCATION

At JS Bank, we are dedicated to spearheading sustainable growth and delivering comprehensive solutions that transcend traditional banking. To achieve this, we are investing in technology, people and enhancing our network. Our strategy supports steady growth, prioritizing customer satisfaction and cost efficiency. We have streamlined our structure for agility in decision-making. Our expansion into Islamic Banking with “BankIslami” caters to diverse banking needs, fostering benefits of scale.

Our strategic focus spans from leveraging technology for customer service excellence, particularly for younger demographics, to expanding our reach for income growth, and eventually establishing a significant presence nationally and internationally. We’re committed to partnerships that add value and support environmental, social, and governance (ESG) initiatives, aiming to integrate deeply into Pakistan’s financial ecosystem.

Strategic Objectives

Short Term	• Continue to leverage on technology and deliver superior customer service by digitalizing and automating core banking processes. Our aim is to improve our customer interface and enable customers to interact and transact digitally with a sharp focus on catering to emerging millennial and Gen-Z population. • Data driven decision making to optimize costs, drive quality and core profitable earnings instead of just a growth in headline numbers. Focused efforts to grow in high yielding conventional banking products. • Increase our presence across the country through an optimized branch network to maximize income streams via profitable growth in deposits, prudent and measured expansion in advances.
Medium Term	• Steadily increase our customer base and deposits, grow our market share in consumer products to be a leader within mid-sized banks with a diversified portfolio of products and low infection ratio. • Through our diversified portfolio of products providing financial solutions to individuals, SMEs, Agriculture customers and Public and private sector organizations. • To have end to end digitally enabled banking solutions for Gen Zs and millennials and establish the Bank as an innovative and customer centric.
Long Term	• Develop JS Bank as a prominent Bank of the country with an international presence. Deliver a user experience that transcends conventional and Islamic banking norms and embeds deeply within the financial eco system of Pakistan’s economy. • Continue to connect with like-minded organizations to create synergies and build a network of partners that bring value through solutions to our customers, utilizing benefits of synergies created between such partnerships. • Support environmental, social, and good governance (ESG) initiatives for economic growth, social progress, and environmental protection.

Strategies in place

At JS Bank, we are redefining our branch network, placing operational excellence and customer centricity at the heart of everything we do. By harnessing data analytics and actively engaging with customer feedback, we are committed to delivering a seamless banking experience that meets our high service standards at every touchpoint.

Our focus remains on expanding the reach of our WhatsApp, mobile and online banking services, creating secure and user-friendly solutions for our tech-savvy customers. With the fast-paced growth of digital landscape in the country we will remain focused on delivering robust digital banking solutions. Collaborations with tech innovators will continue to be crucial, ensuring our services are secure and our operations agile in the face of change.

We will concentrate on leveraging our core strengths in Retail and SME banking, refining our flagship product offerings, and driving revenue growth through strategic initiatives in deposits and non-funded income streams, including Trade and Cash Management.

Our greatest asset is our human resource. Inspired by an organizational vision where talent thrives, we are fostering a dynamic, inclusive work culture that celebrates diversity and equality and propels us towards our growth ambitions. We regularly recalibrate our Key Performance Indicators to align them with our strategic objectives, ensuring that they stay relevant amid evolving economic and regulatory landscapes.

Key performance Indicators to developed measure performance are:

Strategic Objective	Strategy for meeting objective	KPI
Accelerate digital transformation, optimize costs and automate processes to enhance efficiency, and improve customer satisfaction	Enabling end to end banking solutions through digital channels i.e., Mobile, WhatsApp and Internet banking. Automate and simplify customer onboarding through Digital Account Opening, Micro Payment Gateway, Pakistan Single Window, freelancer account, etc. 360 views of customer across all touchpoints with enhanced focus on deposits, transactional solutions and capitalize on cross-sell opportunities in existing relationships.	% Increase in Mobile banking usage in comparison to target set and previous year. % Decrease in manual account opening in comparison to target set and previous year. % Increase in CRM Utilization in comparison to target set and previous year.

Strategic Objective	Strategy for meeting objective	KPI
Provide value added services and deliver operational excellence through an established branch footprint	Establish a strategically positioned network of branches offering top notch service and a welcoming and appealing look and feel. Improve customer experience by reducing turnaround times, monitoring service levels through customer feedback and digital/ technology platforms.	Improvement in BSI score in comparison to target set and previous year.
Maintain a strong capital base and healthy deposits and advances	Steadily grow our deposits and advances, retain existing pool and capitalize on opportunities present in the market in public and private sector. Greater focus on SME and commercial clients through competitive pricing and differentiated offerings.	Growth in deposits and Advances in comparison to target set and previous year.
A diverse portfolio of profitable products meeting consumer needs across each segment and demography	Offer innovative and digitally enabled financial solutions addressing financing needs of SME enterprises and leverage on our flagship and profitable products. Increasing deposits and customer stickiness via conversion of customers to digital channels.	Growth in Ending Net Receivable from customer comparing with target and previous year.
An optimized and well led diverse organization	Encourage gender equality and diversity across all businesses. Develop a caring and compassionate culture that drives the right employee behavior. Foster employee developing needs by providing relevant and challenging on the job learning and career growth.	Global Diversity & Inclusion Benchmark

Resource Allocation Plan

Nature of Capital	Resource Allocation Plan
Human Capital	• Based on business requirements and customer needs, organizational changes are being done to ensure we are well positioned as a team in line with the bank's strategic goal. • Prioritize the retention of hi-potential talent by nurturing their professional development and growth within our bank's culture. • Dedicate continuous effort to train and develop our team members to excel in customer service.
Manufactured Capital	• Investments in our branches' infrastructure, to increase footprint strategically. • Strategically position our branches and tailor our services to expand our customer base through targeted product offerings. • Equipping branches with latest digital technology to improve service levels.
Financial Capital	• Invest in process automation and IT network improvement and build capacity internally to achieve technological advancements. • Allocate capital to infrastructural enhancements and high-return assets, driving cost efficiencies and profitability.
Intellectual Capital	• Reengineer processes whenever needed to create synergy between functions aiming to increase customer satisfaction. • Drive compliance across the organization ensuring all Governance standards are strictly implemented and followed. • Drive constant innovation in products and processes to improve customer satisfaction.
Social and Relationship Capital	• Forge strategic partnerships with organizations that reflect our innovative spirit to introduce pioneering banking. • Collaborate with entities that advance sustainable energy initiatives, underlining our commitment to environmental consciousness. • Conserve energy through renewable energy solutions, promote paperless environment and contribute to the environment by actively participating in cleanliness.

Strategy to Overcome Liquidity Problem

JS Bank actively manages the Bank's liquidity and funding to support its business strategy and meet regulatory requirements at all times, including stress scenarios. The liquidity risk is managed through a detailed risk management framework, which is approved by the Board of Directors. Under this framework, the Bank closely monitors its liquidity position by analyzing early warning indicators and various risk appetite measures, including the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). The Bank's Current, Savings and Term deposit base indicates a stable and sound liquidity position. The Bank also has a reasonable portfolio of marketable securities that can be realized in the event of liquidity stress. The Bank is fully compliant with Basel III Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), which shows the Bank's ability to meet its short-term funding requirements and provision of stable funding against its asset portfolio. The Bank has a well-defined Liquidity Contingency Plan for liquidity crisis management. Further, our risk management section of the report discusses detail aspect of liquidity risks.

Significant Changes from Prior Years

No significant changes in objectives and strategies from prior year.

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

BUSINESS MODEL

FINANCIAL CAPITAL
Share Capital Rs. 20,507 million
Total Equity Rs. 43,707 million
Deposits Rs. 525,134 million
Subordinated Debt Rs. 8,496 million

HUMAN CAPITAL
Staff Strength 5,142
Hub of creativity and excellence
Culture of integrity and diligent professionalism

MANUFACTURED CAPITAL
Branch Network 315
Intangible Assets Rs. 6,806 million
Property and Equipments Rs.12,087 million

INTELLECTUAL CAPITAL
Well-defined strategic direction and coherent policies
Robust and capable board with diverse expertise
Effective leadership and skilled management
Streamlined and optimized infrastructure system

SOCIAL AND RELATIONSHIP CAPITAL
Engaging and dynamic social media presence
Well-maintained and user-friendly website
Responsive and preemptive grievance redressal system

INSTITUTIONAL CAPITAL
Long-Term Credit Rating AA
Short-Term Credit Rating A1+
Outlook: Stable

NATURAL CAPITAL
Stringent Health and Safety protocols prioritized across all premises

Sustainable office practices and eco-friendly operations

Continuous improvement of customer experience and satisfaction

Effective and agile risk management strategies

Ongoing professional development and upskilling opportunities for employees

High employee satisfaction and motivation levels

Commitment to diversity and inclusion, including hiring people with disabilities

Full compliance with all regulatory standards and requirements

Continuous innovation and adoption of digital technologies

Socially responsible business practices and community involvement

Meaningful contributions to Corporate Social Responsibility initiatives

Strong ethical values and principles ingrained in all business practices

TO SHAREHOLDERS

Profit after Tax Rs. 2,848 million
Earnings per Share Rs. 1.39
Return on Equity 6.78%
CAR 13.24%
Return on Assets 0.46%

TO HUMAN CAPITAL

Salaries & Benefit Rs. 10,007 million
Robust training and development programs
Professionally trained and skilled service staff
Well-structured and beneficial internship opportunities.
Engaging team building and motivational programs to foster collaboration and productivity.

TO CUSTOMERS

Deposits Growth 7.99%
CASA Mix Improved to 70.70%
Commendable customer complaint resolution rate.

TO REGULATOR

Strict adherence to all regulatory mandates and standards.
Effective corporate governance policies and their rigorous implementation.

TO SOCIETY

Contribution to CSR Rs.127 million
Strong and positive customer relations and engagement.
Inclusive hiring practices that welcome people with disabilities.
Supportive and inspiring workplace culture and environment.

INVESTING ESSENTIALS

Get familiar with the basics of investing, including stocks, bonds and mutual funds. Diversification is key to managing risk. Invest in Mutual Funds with JS Mobile; start small and gradually increase your investments as you learn more and gain confidence.

IDENTIFICATION AND MITIGATION OF RISKS AND OPPORTUNITIES

RISKS AND OPPORTUNITIES

Summarized risks, opportunities and related mitigating factors are documented below:

Risk Type	Materiality Rating	Residual Risk Post Embedded Controls	Source	Strategy	Impacted Capital
Credit Risk refers to the possibility that a borrower will fail to meet their financial obligations, resulting in a loss. The risk of loss arises from the borrower's failure to repay the obligation amount including principal and markup and other receivables.	High	Medium	External	**Measurement:** Credit Risk Management function under Credit Risk Group identifies, measures, manages, monitors, and mitigates credit risk. Credit Risk is measured and estimated through detailed quantitative financial and qualitative analysis, internal and external credit risk ratings including Obligor risk rating, facility risk ratings, and borrower's account behavior analysis. **Monitoring:** Ongoing monitoring of credit risk pertaining to the advances portfolio is a crucial part of managing Credit risk. The Credit Risk function carries out review of borrowers through evaluation of credit proposals and the Credit Admin Department (CAD) function under Risk Management Group, performs post disbursement monitoring including security documentation and limits monitoring. In addition, the Business function teams are continuously in contact with customers and are vigilant about any problematic behavior that may pose an imminent credit risk event. Credit Risk, in coordination with Business teams, proactively categorizes problematic accounts into Early Alert and Watchlist categories, which further aid in monitoring the advances portfolio. **Management:** The Bank has a diversified loan portfolio spread over Corporate / Commercial & SME Business Segments with different industry sectors. The Credit Risk function ensures the minimization of credit risk associated with borrowers. Credit & Risk Management Groups have a defined structure with credit approving authorities with Central Credit Committee in place to approve large credit exposures. The Bank has fully implemented Loan Originating System (LOS) for automated credit approval process in a paperless environment to optimize the turnaround time with effective credit and control policies. To further enhance the credit risk analysis, the Bank has in place Internal Credit Risk Rating (ICRR) model for Obligor Risk Ratings (ORR) and Facility Risk Ratings (FRR) along with Environmental Risk Rating (ERR) for corporate, commercial, and small & medium enterprise borrowers. The Bank has a Risk Management Committee (RMC) at the management level and a Board Risk Management Committee (BRMC) at the board level, which convene on a quarterly basis to discuss and deliberate key risk issues at the portfolio level and to oversee that exposures remain within risk limits.	Financial

Risk Type	Materiality Rating	Residual Risk Post Embedded Controls	Source	Strategy	Impacted Capital
The risk of loss arising from potential unfavorable change in the Bank's assets and liabilities from market variables including, but not limited to, interest rates, foreign exchange rates, equity prices, commodity prices, spreads, and market volatilities	High	Low	External	**Measurement**: The Bank is exposed to market risk through its trading and other investment activities, including derivatives and options. VaR methodologies, augmented by sensitivity analysis, notional limits, management action triggers, stop-loss triggers at the script and portfolio levels, and stress testing, are used to capture and report the various aspects of market risk. **Monitoring:** The Bank has a separate Market Risk Unit under the Risk Management Group, which ensures that market risk limits do not exceed the tolerance levels set by the Board. The Assets & Liabilities Committee (ALCO) is entrusted with monitoring market risk exposures and limits through periodic meetings. **Management**: The Bank follows a balanced approach to risk-taking in the market risk area. Its robust risk management framework ensures that exposures remain within the defined risk appetite. Dashboards for money market and foreign exchange exposures are presented regularly to manage limits and exposures within defined levels.	Financial

Risk Type	Materiality Rating	Residual Risk Post Embedded Controls	Source	Strategy	Impacted Capital
Liquidity Risk The risk that the Bank is unable to offset certain positions at marketplace or the inability of the Bank to convert assets to cash or obtain funding from other sources	High	Low	Internal & External	**Measurement:** The Bank measures liquidity risk as part of its liquidity monitoring activities. The purpose of liquidity risk assessments and stress tests is to ensure sufficient liquidity for the Bank under both normal and stress conditions. **Monitoring:** In line with SBP's directives under the Liquidity Risk Framework and Basel III guidelines, the Bank regularly monitors liquidity risk using various tools, including the Net Stable Funding Ratio (NSFR) and the Liquidity Coverage Ratio (LCR). The Bank has also established Early Warning Indicators and Liquidity Risk Analysis tools to trigger management attention when necessary. The Bank employs stress testing to assess its balance sheet's vulnerability to hypothetical stress events. Liquidity risk factors undergo significant shocks, and their impact on the balance sheet is quantified. Stress testing encompasses scenarios defined by both regulatory standards and internally identified risks. Results are communicated to senior management, the Board of Directors, and regulators. **Management:** The Bank follows a liquidity risk management approach to manage funding sources and intraday liquidity management. The Bank's deposit base indicates a stable liquidity position, and its NSFR and LCR are well above the regulatory requirements. The Bank strategically emphasizes diversification and stability in its funding approach. Its funding base is varied, encompassing stable sources like equity, subordinated loans, retail and small business deposits, and less stable forms such as deposits from larger entities. It is fully compliant with Basel III Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), ensuring an ample supply of high-quality liquid assets relative to liabilities. The Liquidity Coverage Ratio's (LCR) key drivers include High-Quality Liquid Assets (HQLA) and Net Cash Outflow, determined by asset liquidity quality and liability profile volatility, while NSFR's key drivers primarily include equity base, long-term funding, and High-Quality Liquid Assets. ALCO has the responsibility for liquidity management and the contingency funding plan. Underlying policies are approved by the Board for liquidity, investment, and \\treasury. A Contingency Funding Plan (CFP) is in place to address liquidity challenges during crises. The CFP identifies stress scenarios and corresponding funding plans, incorporating early warning indicators. Three contingency levels are defined in the CFP, with varying action plans for each level.	Financial

Risk Type	Materiality Rating	Residual Risk Post Embedded Controls	Source	Strategy	Impacted Capital
Operational Risk It is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes legal risk, but excludes strategic and reputational risk	Medium	Low	Internal & External	**Measurement and Monitoring** The Bank's Operational Risk Management Framework ensures that an adequate control environment exists to identify, address, and manage operational risks. The focus is on fostering a culture wherein all employees understand that they have the primary responsibility of managing operational risk and integrate the defined control framework into their daily jobs. Effective Risk and Control Self-Assessment reviews, coupled with Key Risk Indicator reporting by the first line, enable monitoring of the effectiveness of existing controls and help readily identify improvement areas if something goes wrong. **Management** There is an Operational Risk Management Committee (ORMC) at the management level to oversee the Bank's operational risk profile and exposure to significant operational risk events. This committee plays a vital role in setting the "tone at the top," embedding a strong operational risk management culture throughout the organization. Periodic updates on operational risk and loss events are presented to the ORMC and the board sub-committee.	Financial, Social, Human and Intellectual Capital
Capital Adequacy Risk This risk is registered in an event when the Bank has an insufficient capital to support its business activities and to meet the regulatory requirements under normal and stressed situations	High	Medium	Internal & External	**Measurement:** The Bank has a capital base above the regulatory limits and Basel requirements and is following the predefined format and criteria mentioned in the Basel II and III guidelines. **Monitoring:** The Bank assesses the current and future capital requirements and ensures that the minimum capital requirements specified by the State Bank are adhered to. Regular assessment of capital enables the Bank to evaluate adequacy of the amount, type and distribution of capital required to cover various risks. **Management:** The Bank's total Capital Adequacy Ratio is above the requirement of 11.50% (including capital conservation buffer of 1.50%). The Bank's Common Equity Tier-1 (CET1) to total risk weighted assets ratio is also above the requirement of 7.5% (inclusive of 1.5% CCB). The Bank maintains a leverage ratio above the regulatory limit of 3.0%. The Bank will continue to accumulate profits to capitalize opportunities in short, medium and long term.	Financial

Risk Type	Materiality Rating	Residual Risk Post Embedded Controls	Source	Strategy	Impacted Capital
Country Risk The risk of likelihood of a country unable to fulfill its obligations towards one or more foreign lenders/ investors	Low	Low	External	**Measurement:** The Bank's country Risk exposure is assessed against the Bank's cross border trade and treasury activities. Risk Tolerance Limits are set for various countries with different country ratings. **Monitoring & Management:** Market Risk Unit and ALCO are responsible for regular monitoring of risk exposure. Country Exposure Limits both for Trade and Treasury exposures are in place, which broadly capture direct exposure on sovereigns and foreign domiciled counterparties.	Financial
Information Security Risk This risk comprises the impacts to the Bank and its stakeholders that could occur due to the threats and vulnerabilities associated with the operations and use of information systems and the Technology environments in which those systems operate	High	Low	Internal & External	**Monitoring & Management**: The Bank always focuses to provide simplified banking solutions to its customers through innovative technology applications with an aim to protect the customer information from vulnerabilities and threats. The Bank has embedded various controls on the information security and consistently developing more controls. The Bank developed a risk-based approach to identify the threats and vulnerabilities and their appropriate mitigation. Controls are arranged in a layered way to value the prevention, detection and corrective measures for its operations/Data/Systems. In this regard JSBL also get benefit from local and international regulations to comply with.	Financial & Intellectual

Risk Type	Materiality Rating	Residual Risk Post Embedded Controls	Source	Strategy	Impacted Capital
Compliance Risk It is the risk of legal or regulatory sanctions, material financial loss, or loss to reputation a bank may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct applicable to its banking activities.	Medium	Medium	Internal & External	**Measurement**: The Bank takes into consideration all regulatory risks for effective management of changes in legislature and regulatory requirements that may affect the Bank. **Monitoring & Management:** Compliance Function of the Bank reviews key regulatory developments to anticipate changes and their potential impact on its performance. The Bank aims to keep continued compliance with regulatory requirements and is managed by maintaining a governance framework, policies, procedures, systems, and customer support arrangement with an aim to proactively minimize reputational risk. We can manage reputational risk through: ▪ Existence of a well-articulated and socialized policy statement that the Bank personnel must not engage in activities that could negatively impact its reputation ▪ Existence of socialization of policies such as Code of Conduct, Whistle Blowing and Personal Account Dealing ▪ Refraining from activities that could lead to monetary and non-monetary fines from the Regulators ▪ Avoiding any unfavorable/ negative news in the media	Financial & Reputational

RISK MANAGEMENT FRAMEWORK

Board's efforts for determining the company's level of risk tolerance by establishing risk management policies.

Risk Governance Structure

- Board of Directors
- Board Risk Management Committee (BRMC)
- Management Committees for Risks; including Central Credit Committee (CCC), Risk Management Committee (RMC), ALCO, Operational Risk Management Committee (ORMC), and IT Steering Committee (ITSC) to review IS related matters
- Risk Management Function under the Chief Risk Officer (CRO) broadly covers Agri Credit Risk, Market & Basel, Enterprise Risk Management, Business Continuity Planning, Operational and Environmental Risk, Consumer & Program Lending Risk, Credit Administration, Special Assets Management, Information Security, Digital Risk and Strategic Projects and Quantitative Analysis
- Credit Risk Function under the Chief Credit Officer (CCO) covers risk heads under Corporate, Commercial Banking, Investment & International Banking, and Financial Institutions (FI)

The Bank has a well-structured risk management framework which is based on three lines of defense; business and support functions directly involved in risk taking activities constitute the first line of defense, Risk and Compliance, being the second line of defense, are responsible for ensuring policies, procedures and limits are within strategic objectives and regulatory requirements, and audit function plays an independent part for oversighting as the third line of defense.

Inadequacy in the Capital Structure and Plans to Address Such Inadequacy

The Bank is not facing any kind of inadequacy in the capital structure and has capital adequacy over and above the regulatory requirement.

Information about default in payment of any debts and reasons thereof

There were no defaults in the payment of any borrowing / debt during the year. The Bank has sufficient liquidity to fulfill all its commitments.

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

BUILDING WEALTH

Understand the principles of building long-term wealth by focusing on wise investing, asset building, and equity management. Consistent efforts and good habits will lead to significant financial growth over time.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Role and Responsibilities of the Board

The roles, responsibilities, prohibitions, and restrictions relevant to the directors of JS Bank Limited are outlined in the Directors' Handbook, which has been prepared and approved by the Board in accordance with existing laws and regulations.

The Board is responsible for establishing the Bank's goals and strategies, as well as defining and implementing policies regarding its operations. This framework allows Management to operate within clearly defined parameters. Additionally, the Board sets priorities for the Bank and plays a crucial role in monitoring the performance of Senior Management.

Sub-Committees of the Board

To effectively fulfil its responsibilities, the Board has established several sub-committees. For each sub-committee, the Board has adopted formal Terms of Reference that detail the composition, roles, functions, responsibilities, and administration of each committee. The sub-committees meet regularly throughout the year to ensure they can carry out their duties effectively.

The current sub-committees of the Board include:

1. Board Audit Committee
2. Board Risk Management Committee
3. Board Human Resource, Remuneration, and Nomination Committee
4. Board Information Technology Committee

All Board sub-committees have access to appropriate external and professional advice as needed to assist them in fulfilling their roles.

Annual Evaluation of the Board's Performance

The Board of Directors of JS Bank establishes the strategic direction of the Bank and ensures that the organization adheres to this direction. This commitment enables the Bank to achieve its long-term objectives while maintaining regulatory compliance. To fulfil its fiduciary responsibility of safeguarding the interests of stakeholders, the Board has implemented a formal and effective mechanism for annual evaluations of its performance, as well as that of individual Board members and its sub-committees, as required by the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan.

The Board of Directors of JS Bank is composed of individuals with diverse skills, core competencies, experience, and knowledge, all while being dedicated to strong corporate governance to protect the interests of the Bank and its stakeholders. The Board continuously reviews the Bank's financial and operational soundness, governance practices, internal controls, and significant policies in accordance with regulatory requirements. Additionally, specific sub-committees have been formed with defined mandates and terms of reference.

In alignment with Best Practices of Corporate Governance, the Board conducts an annual self-evaluation, engaging Grant Thornton Anjum Rahman Chartered Accountants (GT) as an external facilitator. GT employs a team of qualified consultants to perform board evaluations for companies and banks. In compliance with the State Bank of Pakistan's Guidelines on Performance Evaluation of the Board of Directors and the Listed Companies (Code of Corporate Governance) Regulation of 2019, the JS Bank Board conducted its self-evaluation with the assistance of GT. This evaluation assessed various aspects of Board performance, including the effectiveness of its sub-committees, the CEO, and the Chairman.

The evaluation was executed using a quantitative method based on subjective assessments, utilizing questionnaires developed by the consultants.

This quantitative approach has the advantage of being specific and measurable. The measurement scale used in JS Bank's Board evaluation is based on a summated rating system, allowing members to indicate how strongly they agree or disagree with given statements. This method ensures that the data collected is specific and measurable, enabling benchmarking over time.

Role and Responsibilities of the Chairman

The Chairman of the Board of Directors is responsible for leading the Board and ensuring that it fulfils its responsibilities effectively. The key responsibilities of the Chairman include:

- Presiding over general meetings of the Bank.
- Setting the agenda for Board meetings and ensuring there is adequate time for discussion.
- Ensuring that the minutes of the meetings accurately reflect what occurred.
- Keeping the minutes in accordance with legal requirements.
- Ensuring that the Board operates efficiently and in line with regulatory requirements.

Role and Responsibilities of the President & CEO

The role of the President & CEO is highly engaged and requires complete involvement in guiding the organization. This position includes the following responsibilities:

- Ensure the successful execution of the strategy developed by the Board of Directors.
- Allocate and manage organizational resources and budgets effectively to meet short- and mid-term objectives that contribute to the long-term strategic goals.
- Establish a system of checks and balances to support the growth of the Bank.
- Serve as a liaison between the Board of Directors and the Bank's Management, ensuring that management efforts align with the Board's directives.
- Promote a culture of professionalism and uphold high ethical standards within the Bank.
- Foster an organizational culture that encourages the development of innovative products and services to meet the diverse needs of our customers.

Board's Performance Evaluation

Grant Thornton Anjum Rahman Chartered Accountants (GT) carried out the Board's Performance Evaluation.

Formal Orientation Courses for Directors

The Board members receive regular updates on newly applicable laws, rules, and regulations, including any amendments, to ensure they are informed about their powers, duties, and responsibilities. When a new director is appointed, they are provided with comprehensive written materials, including extracts from relevant laws, rules, and regulations regarding the roles and responsibilities of the Board of Directors.

Directors' Training

The members of the Board are well aware of their duties and responsibilities as directors of the Bank. Out of seven directors, six have completed the Directors' Training Program, while one director is exempt from this requirement.

The Bank has an effective orientation system in place to familiarize its directors with the relevant codes, applicable laws, and their responsibilities. This enables them to effectively govern the Bank's affairs on behalf of the shareholders.

Directors' Remuneration

The Bank has an official Directors' Remuneration Policy for non-executive directors, including independent directors, which has been approved by the shareholders.

The remuneration for directors is set by the Board of Directors in accordance with applicable laws. Compensation for attending meetings of the Board and/or Board Committees is determined by the Board of Directors within a reasonable scale. However, Executive Directors do not receive any remuneration for attending Board or Board sub-committee meetings.

Security Clearance of Foreign Director

There is no foreign director on the Board.

Board meetings held outside Pakistan

None.

Policy for Actual and Perceived Conflict of Interest

The Bank has an effective system in place to deal with conflicts of interest relating to the Board members. Under this mechanism, any director who has a business or other interest in a matter being presented at a Board meeting does not participate in either the discussion or the decision on that matter. The procedure to handle conflict of interest in the Board meetings is followed strictly and no breach occurred during the year.

Customers' Grievance Policy

The Bank is committed to enhancing customer understanding and delivering the highest levels of service quality and satisfaction. To achieve this, we have established an independent Service Quality function responsible for managing service quality, phone banking, problem resolution, quality assurance, and ensuring fair treatment of customers.

In accordance with the SBP Consumer Grievance Handling Mechanism, the Bank conducts survey every two years to assess customer satisfaction regarding our grievance handling process. The findings from these surveys are reported to the Board and the SBP, and we take proactive steps to address any areas of service that require improvement.

Our objectives include maintaining fairness in customer interactions, ensuring clear communication, fostering a service-oriented culture, and designing an effective grievance handling mechanism. Additionally, we emphasize the importance of financial literacy among our customers through our Consumer Education and Financial Literacy Program. This initiative promotes responsible behavior and informed financial decision-making.

To improve the visibility of our complaint-handling process, we incorporate awareness messages in various customer communications, such as account statements, ATM screens, and letters. Furthermore, we have made information about our recourse mechanism available on social media and regularly send SMS messages and E-Shots to our customers every quarter to enhance accessibility.

Investors' Grievance

Investors may speak with the Company Secretary or go to the Bank's official touchpoints at https:// jsbl.com/touchpoints to express their complaints (against any stakeholder):

Company Secretary

JS Bank Limited

1st Floor Shaheen Commercial Complex,

Dr Zia Uddin Ahmed Road,

Karachi, Pakistan.

Contact Number: +92 (21) 111 572 265 Ext: 7576

Investors can visit the SECP service desk management at https://sdms.secp.gov.pk/ sdmsadmn/ to file a complaint.

Whistle Blowing Policy

Whistle blowing policy was established to receive and handle complaints in a fair and transparent manner and providing protection to the complainant against victimization. Disclosure of such incidences reported to the Audit Committee during the year.

HR has clear Disciplinary action procedures, according to which Disciplinary Action Committee explicitly handles all disciplinary related cases in a fair and transparent manner via a standard process to ensure prompt, consistent and fair treatment for all employees. It aims to provide bank's employee a fair, clear and useful tool for correcting performance problems.

All employees (full-time, part-time, ad hoc, temporary, contract staff, interns and secondees) and outside parties are expected and encouraged to escalate any actual or suspected irregularities, financial malpractices, frauds, forgeries, and improper conduct to any/ all of the following for their attention and appropriate action:

- Head of Human Resources (HoHR).
- Chief Compliance Officer (CCO).
- Chief Internal Auditor (CIA).

The Bank has made necessary arrangements to provide safe, secure, and confidential reporting channel(s)/ mechanism and implemented a whistleblowing program so that employees and outside parties may escalate their concerns without fear of reprisal or adverse consequences.

Where whistleblower chooses to reveal his/ her identity, reasonable efforts are made to ensure confidentiality of the whistleblower's identity (unless otherwise required by law or regulatory authority) to prevent discrimination or victimization.

The whistleblower report may be shared with relevant stakeholders (for review, investigation, and appropriate action) strictly on need-to-know basis without disclosing the identity of the whistle-blower.

HoHR, CCO, and CIA take appropriate measures to protect the whistle blower from discrimination and/ or victimization.

The Internal Audit provides summary findings on significant whistleblowing cases to the BAC on quarterly basis.

The BAC reviews the effectiveness of whistle blowing procedures for receiving (through internal or external sources) complaints/ concerns. Further, The BAC ensures that such concerns are treated confidentially, and the reporting employee(s) are protected and not penalized in any manner and employees remain aware of existence of such procedures and encouraged to be a 'whistle blower'.

Related Parties Policy

Transactions with Related Parties are a normal feature of trade, commerce and business. JS Bank's Policy ensures that transactions between the Bank and its Related Parties are based on principles of transparency and arm's length pricing. The Bank ensures that it meets its obligations under The Companies Act 2017, The Banking Companies Ordinance 1962, Prudential Regulations of SBP, Code of Corporate Governance, Rule Book of Pakistan Stock Exchange, applicable International Financial Reporting Standards and International Accounting Standards and relevant guidelines and directives while entering into and reporting transactions with Related Parties. Facilities extended to Related Parties should be at arm's length basis and on normal terms and conditions applicable to other borrowers of JSBL. Further, JSBL ensures that the standards are not compromised in such cases and market rates are used while extending facilities to the Related Parties. The details of all Related Party Transactions are placed before the Board Audit Committee and upon recommendations of the Committee, the same shall be placed before the Board for review and formal approval. In the financial statements, which are appended to this Annual Report, the Bank has included adequate disclosures regarding Related Party Transactions while maintaining required protocols.

Business Continuity Plan

The Bank has a Board of Directors' approved Business Continuity Planning Framework clearly documenting the roles and responsibilities of each stakeholder. This framework is well implemented, and regular testing are undertaken to ensure that key functions of the Bank can continue their operations from alternate processing site(s) in case the primary site(s) are not accessible or available. For technology side, Bank has Disaster Recovery Plan (DRP) under the ownership of Information Technology Group which ensures high systems availability (or near zero system downtime) for critical systems. Bank has a dedicated disaster recovery site that is geographically separated from the primary site to enable the restoration of critical systems and resumption of business operations in case of disruption at the primary site.

REPORT OF THE AUDIT COMMITTEE

The Board Audit Committee comprises of three non-executive directors including two Independent directors, one being Chairman of the Committee. The Committee members as a whole possesses rich diversified experience at various strategic positions which provides the Committee significant economic, financial, and business strength for better oversight, supervision, monitoring and control.

The Committee assists the Board to effectively carry out its supervisory oversight responsibilities on financial reporting, compliance, risk assessment and internal controls. The Committee discharged its duties and responsibilities in accordance with the Terms of Reference (TOR) as approved by the Board of Directors, requirements of the Code of Corporate Governance and other directives issued by the State Bank of Pakistan (SBP).

- The Committee ensures the Internal Audit Function of the Bank equipped with the necessary financial, human, operational, physical, and technological resources to carry out its mandated responsibilities.
- The Committee approves annual risk-based internal audit plan as part of risk assessment process.
- The Committee oversees the activities of Internal Audit Function in accordance with the Internal Audit Charter duly approved by the Committee and ensures its independence in the organizational structure.
- The Committee ensures that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective.
- The Committee reviews the Bank's statement on internal controls prior to endorsement by the Board of Directors.
- The Committee reviews and reports to the Board any significant matter(s) identified by the Internal Audit Function / External Auditors that warrant Board's immediate attention.
- The Committee reviews and recommends the annual financial statements and interim financial information of the Bank to the Board of Directors for approval.
- The Committee recommends appointment of External Auditors of the Bank.
- The Chief Internal Auditor (CIA) shall report functionally to the Audit Committee and administratively to the Chief Executive Officer. The overall staff strength of the Internal Audit shall be decided by the Audit Committee based on network and business volume requirements.

Meetings of the Committee

The meetings of the Committee are held to assess overall risk management and control environment of the Bank, review activities of Internal Audit Function and the actions taken by Business and Support Groups for implementation on the Committee observations. During the year, six meetings of the Committee were held and following matters (including significant matters) were discussed:

- Review and approve Risk Based Annual Internal Audit Plan.
- Review and Approve Internal Audit Charter.
- Review Quarterly Report on Internal Control System and significant findings. In addition, review the management's actions to ensure that audit observations/ recommendations receive proper and timely attention by the senior management.
- Review the annual independent assessment /opinion of CIA on the state of Bank's internal controls based on the audits conducted over the period.

- Review of quarterly, half yearly and annual financial statements; prior to their approval by the Board of Directors.
- The Committee oversight and periodically review the ICFR system for effective implementation and its continuous up-gradation.
- Review the Management Letter issued by the External Auditors and Management's response thereto.
- Recommend to the Board of Directors the appointment of External Auditors.
- Review Quarterly Activity Report of Compliance.

Internal Controls Framework and Role of Internal Audit Function

The Board of Directors has promulgated policies for assessing the overall effectiveness of the internal control environment. It is the responsibility of senior management to evolve systems and procedures that ensure overall comprehensive controls in the light of Board of Directors guidelines.

To ensure effective management of risk, the governance structure of internal control functions at the Bank consists of three levels of defense. The first line of defense is the business itself which owns its risks, including its operational risk and is responsible for its management. The second line of defense is the oversight provided by the Risk Management, Compliance and control functions who identify and assess risks impacting existing and new business initiatives, coordinate risk mitigation with risk specialists and business, and then report and escalate it to the Risk Management Function for appropriate corrective measures. The last line of defense is an independent and effective Internal Audit Function which reviews the effectiveness and adequacy of internal controls and continues to monitor compliance with policies and procedures.

The Board of Directors is regularly kept up to date about the state of compliance through the Board Audit Committee. As a priority, all significant and material findings of the internal and external auditors and regulators are addressed by the management ensuring that appropriate corrective actions have been implemented.

The Bank diligently follows SBP's Guidelines on Internal Control to evaluate the effectiveness of the overall set of internal controls including financial reporting controls. A detailed documentation of bank-wide processes and controls has been completed. Furthermore, the Bank has developed a comprehensive management testing and reporting framework for ensuring operating effectiveness of key controls, and has significantly addressed the identified design improvement opportunities.

Upon satisfactory completion of all the stages of SBP's guidelines on Internal Controls over Financial Reporting (ICFR) roadmap, SBP has granted exemption to the Bank from the submission of a Long Form Report (LFR) by external auditors.

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of JS Bank Limited

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

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

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

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

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

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

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 07 March 2025

Karachi

UDIN: CR202410106nsaV4vwix

STATEMENT OF COMPLIANCE

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

Name of company: **JS Bank Limited (the 'Bank')**
Year ended: **December 31, 2024**

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

1. The total number of directors of the Bank is seven as per the following:

a. Male: Six (06) (including the Chief Executive Officer (CEO)

b. Female: One (01)

2. The composition of the Board is as followss:

Category	Names
i) Independent Directors	• Ms. Nargis Ghaloo • Lt. Gen. (R) Sadiq Ali • Mr. Khalilullah Shaikh • Mr. Usman Yousaf Mobin
ii) Non-Executive Directors	• Mr. Adil Matcheswala – Chairman • Mr. Saad Ali Bhimjee
iii) Executive Director	• Mr. Basir Shamsie – President & CEO
iv) Female Director	• Ms. Nargis Ghaloo (Independent Director)

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Bank.

4. The Bank has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Bank. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Bank.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (Act) and the Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording, and circulating minutes of meetings of the Board.

8. The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and the Regulations.

9. Out of seven directors, six directors have completed the Director's Training Program, and one director is exempted from the requirement in accordance with the Regulations.

10. The Board has approved the appointment of the Chief Financial Officer (CFO), Company Secretary, and Head of Internal Audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of the Regulations. No new appointment has been made during the financial year except that of the Chief Financial Officer and Company Secretary.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board..

12. The Board has formed committees comprising of members given below-

Audit Committee:

Mr. Khalilullah Shaikh (Independent Director)	Chairperson
Ms. Nargis Ghaloo (Independent Director)	Member
Lt. Gen. Retd. Sadiq Ali (Independent Director)	Member

HR Remuneration & Nomination Committee:

Ms. Nargis Ghaloo (Independent Director)	Chairman
Mr. Adil Matcheswala (Non-Executive Director)	Member
Mr. Usman Yousaf Mobin (Independent Director)	Member

Risk Management Committee:

Mr. Khalilullah Shaikh (Independent Director)	Chairman
Lt. Gen. (R) Sadiq Ali (Independent Director)	Member
Mr. Saad Ali Bhimjee (Non-Executive Director)	Member
Mr. Basir Shamsie (Director and President & CEO)	Member

IT Committee:

Mr. Usman Yousaf Mobin (Independent Director)	Chairman
Mr. Saad Ali Bhimjee (Non-Executive Director)	Member
Mr. Basir Shamsie (Director and President & CEO)	Member

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committees for compliance.

14. The frequency of meetings of the committees was as follows:

Committees	Meetings held during the year
Audit Committee	Six
HR Remuneration & Nomination Committee	Three
Risk Management Committee	Four
IT Committee	Four

15. The Board has set up an effective internal audit function comprising suitably qualified and experienced persons for the purpose and is conversant with the policies and procedures of the Bank.

16. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or Director of the Bank.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations, or any other regulatory requirement, and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with.

For and on behalf of the Board

Basir Shamsie
President & CEO
Karachi: February 28, 2025

Adil Matcheswala
Chairman

SALIENT FEATURES OF BOARD COMMITTEES' TOR

Board Audit Committee (BAC)

- The Audit Committee shall review the effectiveness of the Bank's internal control and operational controls, integrity and adequacy of financial reporting and appraise the audit efforts of the Bank's external auditors and internal audit function; and review the Bank's process for monitoring compliance with relevant laws and regulations.
- Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof.
- Consideration of any issue or matter as may be assigned by the Board of Directors.
- Report to the Board any significant matter(s) identified by the IAF / External Auditors that warrant the Board's immediate attention.
- Review of BAC performance on an annual basis against the defined roles and responsibilities.
- Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective.
- Determination of appropriate measures to safeguard the Bank's assets.
- Determination of compliance with relevant statutory requirements.
- Review the Bank's statement on internal controls prior to endorsement by the Board of Directors.
- Consider and approve the Internal Audit Charter.
- Review and approve Risk Based Annual Audit Plan.
- Review scope and adequacy of IAF and ensure that IAF has adequate resources and is appropriately placed within the Bank.
- The BAC shall ensure that IAF remains equipped with the necessary financial, human, operational, physical and technological resources to carry out its mandated responsibilities.
- Review major findings of special reviews, internal and external frauds, internal control deficiencies and significant audit issues and ensure audit recommendations have been effectively implemented.
- Review action taken by Business and Support Groups for implementation of Audit
- Committee observations on issues deliberated in Committee meetings.
- The BAC shall formulate and document 'Key Performance Indicators' (KPIs) for CIA and
- evaluate his/her performance against the set KPIs on an annual basis.
- The BAC shall ensure independence of any investigations/ disciplinary actions against CIA and Internal Auditors.
- Review quarterly, half-yearly and annual financial statements of the Bank, prior to their approval by the Board of Directors and any announcements to be made in the public domain with regard to these accounts.
- The committee shall review the Related Party transactions and recommend the same for review and approval by the Board of Directors.
- Recommend to the Board of Directors the appointment of External Auditors

and consider any questions of their resignation or removal, audit fees and provision of other services in addition to audit of financial statements.

- Discuss with External Auditors, major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary).
- Review the Management Letter issued by the External Auditors and Management's response thereto.
- Ensure coordination between the Internal and External Auditors of the Bank.
- The Compliance Department shall periodically, every quarter, report to the Board Audit Committee on the Bank's management of its compliance risk and identified gaps, in such a manner as to assist the Committee to make an informed judgment on whether the bank is managing its compliance risk effectively.

Board Risk Management Committee (BRMC)

Ensure implementation of all Risk Management Policies approved by the Board and subsequent monitoring thereof and periodically oversee updating of the risk policies (if the same have not already been approved/reviewed by the BOD) based on changing business requirements as well as SBP guidelines.

- Portfolio Reviews including NPLs, remedial actions, and strategy for the same.
- To approve/review the list of shares and margins to be accepted as collateral for Financing Against Shares (FAS). Also, to approve/ratify any exceptions to existing FAS requirements as laid down in the Credit Policy of the bank.
- Approve/review Sector / Industry Concentration guidelines for the overall credit portfolio of the Bank;
- To approve/ratify credit bulletins issued by RMG from time to time for effective implementation of Credit Policy / Risk Management Framework.
- To ratify any other urgent matter which has been approved by the management subject to subsequent ratification by the Committee;
- Review the Market / Liquidity limits as recommended by ALCO / IRMC / CCC as when required.
- Review the risks and other relevant matters with respect to Digital Financial Services including overseeing the effectiveness of the Digital Fraud Risk Management Unit.
- Delegation of powers to the President / CEO & Group Head Risk Management to appoint credit officers, based on their experience and ability to understand associated risks while approving the credits;
- Review of Quarterly Fraud & Forgery statement / report.
- Review any other risk related matters / regulatory changes that warrant discussion at the committee.

Board HR Remuneration & Nomination Committee (BHRRNC)

- Recommending Human Resource management policies to the Board
- Review and recommend to the Board selection, evaluation, compensation, increments, performance bonuses, succession planning, fringe benefits including service end benefits of the Executive Directors, CEO, Key Executives, and any other employee or group of employees institution-wide (as required by the Board).
- Consideration and approval on recommendation of CEO on such matters

for key management positions who report directly to the Chief Executive Officer or Chief Operating Officer or Deputy Chief Executive Officer.

- The Committee shall assess whether the remuneration policy is aligned with the significant regulatory requirements including Guidelines on Remuneration Practices issued by the State Bank of Pakistan (SBP). The review may focus on the following:

  - Criteria for identification of personnel who may subject the Bank to significant risks i.e. Material Risk Takers (MRTs) and Material Risk Controllers (MRCs).

  - Remuneration principles including the concept of fixed and variable remuneration, risk-adjusted balanced scorecard mechanism to ensure alignment of remuneration with long-term and short-term business objectives of the Bank and incorporate necessary risk adjustments.

  - Major types of risks and how these are taken into account for determination of risk-adjusted compensation.

  - Separate structures of remuneration for MRTs and MRCs.

  - Review of scorecards for MRTs and MRCs and their performance evaluation mechanisms.

  - Criteria for determining the variable portion of remuneration to be deferred, the period of deferral for different types and levels of employees identified as MRTs or MRCs and the payout structure of deferred remuneration.

  - Ensure that institution-wide remuneration policy should take into account all cadres of employees. The remuneration policy should specifically take into account the pay gap between the highest-paid and the lowest-paid employees, across various levels as well as across the organization.

- Review the Bank-wide program for implementation of Guidelines on Remuneration Practices, including necessary awareness and change management initiatives, review, progress against roadmap for onward reporting to State Bank of Pakistan (SBP).

- Review the remuneration policy and remuneration setting mechanism at least once every three years. Amongst other factors, the review of remuneration framework may include but not limited to the effectiveness of remuneration policy and mechanism.

- Review and obtain approval for fixed and variable compensation pools from the Board of Directors.

- Approve development of a fund for deferred compensation pool management and monitoring progress there against.

- Role of BHRRC in facilitating enablement of Internal Audit and Compliance role in implementation reviews, as per Guidelines on Remuneration Practices.

- Receive and consider information from the Bank's risk management, compliance and internal audit functions, to assess the appropriateness of the compensation system relative to the organizational goals and risk profile of the Bank.

- Grievance handling & Disciplinary Action Policy

- Guidance for performance management, annual increment and employee recognition programs.

- Monitoring the utilization of training and development budget, and implementation of approved training and development policy.

- Review and approval of Provident Fund, Gratuity Fund policies and any other separation benefits or schemes.
- Those matters wherein ratification/ approval of the Board will be required, the Secretary BHRRC with the approval of its Chairman shall forward Memoranda to the Company Secretary for placing before the Board of Directors.

Board Information Technology Committee (BITC)

The Board IT Committee shall be mainly responsible for advising and reporting to the Board on the status of technology-related activities, major IT projects and digital initiatives within JS Bank including but not limited to the following:

- To review IT and Digital strategies and relevant policies before submission to the Board and make recommendations for strategic decisions on IT-related matters.
- To review progress and implementation of the IT Strategic Plan and deliberate changes to it, as and when required.
- To ensure the alignment of IT strategy with business strategy, optimization of resources, value delivery and performance measurement to achieve business objectives and effective technology risk management.
- To ensure that risk management strategies are designed and implemented that have the capability to respond to wide-scale disruptions, including cyber-attacks and attacks on multiple critical infrastructure sectors.
- To review the progress and implementation of various IT projects.
- To make recommendations on major IT investment decisions and ensure that investments are aligned with IT Strategy approved by the Board.
- To review and approve cloud-based outsourcing arrangements in line with the policy approved by the Board of Directors.
- To review and approve TORs of IT Steering Committee.

MANAGEMENT COMMITTEES

- **LT** — Leadership Team
- **ALCO** — Asset and Liability Committee
- **ITSC** — IT Steering Committee
- **CCM** — Compliance Committee of Management
- **CCC** — Central Credit Committee
- **ORMC** — Operational Risk Management Committee
- **RMC** — Risk Management Committee

IT GOVERNANCE AND CYBERSECURITY

Technology governance is a critical component of the Bank's corporate governance framework, comprising leadership and organizational structures designed to align IT strategy with business objectives. It ensures optimal resource utilization, value delivery, performance measurement, and effective technology risk management. In today's rapidly evolving digital landscape, the role of technology in enhancing corporate governance has never been more significant, making robust governance of technology and technology-driven business developments essential.

A comprehensive enterprise technology governance framework, built on industry best practices, enables banks to develop innovative products and services while effectively managing technology-related risks. This framework facilitates the identification, assessment, mitigation, monitoring, and reporting of technology-based threats. The fundamental principle underlying such a framework is that an institution's technology requirements must follow a structured process, starting from a business need and culminating in a technology solution that aligns with board-approved policies and senior management directives. Given the fast-changing technology environment, technology governance must be treated as a continuous process rather than a one-time effort.

The primary objectives of the technology governance framework include:

- Evaluating the current and future use of technology
- Directing the formulation and implementation of policies and strategic plans to ensure that technology meets business goals
- Monitoring compliance with policies and performance against established benchmarks

The framework is built upon key governance principles, including:

- Strategic alignment between IT and business objectives
- Value delivery to the business
- Technology risk management
- Resource optimization, including project management
- Performance measurement and continuous improvement

The technology governance framework must be closely integrated with the Bank's corporate governance structure and include policies and procedures that enhance oversight, transparency, and accountability in technology usage. The Bank is encouraged to adopt relevant international standards and best practices to ensure effective and efficient enterprise technology governance.

Board Oversight on IT Governance and Cybersecurity

The Board Information Technology Committee (BITC) oversees the Bank's technology direction and risk management, ensuring that Information Technology remains a key differentiator in the Bank's strategy. It is responsible for overseeing the development and implementation of policies, principles, standards, guidelines, and methodologies related to information security, aligning with international Information Security Standards.

The Board receives periodic updates from Steering Committees to monitor future trends in technology-related projects, digital strategy, and cybersecurity risks. It also reviews strategic direction, legal and regulatory frameworks, and other critical aspects to position the Bank as a leader in digital banking solutions.

To ensure uninterrupted business and IT services, the Bank maintains specialized Business Continuity Planning (BCP) and Disaster Recovery (DR) sites. Additionally, the Bank has implemented a cyber-insurance policy covering:

- Cyber extortion
- Crisis management and event expenses
- Defense against privacy regulatory actions and penalties
- Security and privacy liability
- Loss of digital assets

Information Security Governance

The Information Security Governance and related Cyber Security programs at JS Bank are led by the Chief Information Security Officer (CISO) under an independent Information Security Department. The CISO reports to the Chief Risk Officer and is responsible for managing and mitigating information and cybersecurity risks, including policy and strategy development, procedural implementation, measurement methodologies, and regulatory compliance.

The Bank follows international industry best practices, particularly those outlined in ISO 27001/27002 standards.

The Board receives regular reports on technology risks, ensuring that these risks are integrated within the Enterprise Risk Management (ERM) function. This approach helps achieve security, reliability, resilience, interoperability, and recoverability of the Bank's information assets.

The Bank's Information Security Division operates a specialized 24/7 Security Operations Center (SOC) to monitor, detect, and respond to cybersecurity incidents. Administrative and technical cybersecurity controls are in place to safeguard against threats, and the Board is regularly informed about the Bank's overall cybersecurity risk posture and key risk indicators (KRIs).

As part of its cybersecurity risk management, the Bank evaluates technology infrastructure and security services. While in-house security assessment capabilities exist, independent vendors and consultants are periodically engaged to conduct cybersecurity risk assessments on critical systems and services, such as:

- Banking Systems (SWIFT)
- Regulatory compliance requirements, including external audits of Payment Card Systems (PCI-DSS) by the PCI Council

The Bank has also partnered with service providers to quickly detect and mitigate any fraudulent activities targeting the Bank.

BITC Meetings and Cybersecurity Oversight

The BITC meets quarterly, during which the CISO provides updates on the status of cybersecurity. At the Board level, the committee ensures that risk management strategies are designed and implemented to enhance resilience, enabling the Bank to effectively respond to large-scale disruptions, including cyberattacks and threats to critical infrastructure.

Additionally, BITC oversees the implementation of compliance and regulatory requirements and provides guidance on cybersecurity matters to strengthen the Bank's overall risk posture.

Digital Transformation and Innovation

To deliver secure and user-friendly services, the Bank is continuously rethinking traditional business models. The digital transformation strategy focuses on:

- Integration with digital FinTech companies to offer innovative banking solutions
- Enhancing efficiency, productivity, transparency, reporting, and governance
- Email communication advancements, such as adopting Google Workspace, which includes:
    - Gmail, Contacts, Calendar, Meet, and Chat for communication
    - Drive for storage
    - Google Docs, Sheets, and Slides for real-time collaboration, including in-app chat, commenting, and direct editing

Information Security Awareness and Risk Management

The Bank runs an Information and Cyber Security Awareness Program to educate employees and users on cybersecurity best practices. Recognizing that information security is a shared responsibility, the Bank promotes adherence to security measures to collectively safeguard the digital environment.

The Board and Executive Management remain vigilant about cyber risks, supported by a comprehensive strategy for regular evaluations of technology risks and controls. These assessments are conducted both internally and by independent third parties to ensure compliance and effectiveness.

Additionally, all products and services are launched only after passing rigorous risk assessment procedures, including legal and compliance screening. This ensures that the Bank maintains a secure and well-governed digital ecosystem.

HUMAN RESOURCE MANAGEMENT POLICIES

Our HR policies provide written guidance for all our management on how to handle a range of employment issues. They play an important role in practically and effectively implementing our HR strategy. They also provide consistency and transparency for employees and managers, helping to enhance the psychological contract and create a positive organisational culture.

As all transformations primarily start and are dependent on its people, at JS Bank, we developed the People Strategy to play a fundamental role in making JS Bank, The Bank of Choice for both our customers and our employees.

The People Strategy was directly linked to our Business Strategy and set the direction for all the key areas of HR, including sourcing, hiring, onboarding, performance management, learning & development, talent management, succession planning and reward & recognition. One of the key pillars realized for the People Strategy was to hire Right Person for the Right Role. This is being achieved by efficiently planning our workforce capacity, initiating competency-based assessments for key job roles and improving Candidate Experience. Further to sustain the strategy, values driven culture was invigorated by assigning the central leadership with the task of creating a humanistic workplace.

SPEAK UP POLICY

Overview

JS Bank is focused on consistently working at the best standards to conduct our activities and business. Integrity is our core value and ingrained in all our business conduct. We endeavor to acquire and maintain the trust of all our stakeholders- employees, customers and partners by serving and managing them professionally and ethically. Speak up policy is established to receive and handle complaints in a fair and transparent manner and provide protection to complainant against victimisation.

Purpose

The policy provides a channel to Bank's staff and external parties such as shareholders, vendors, customers etc. for raising concerns/ complaints about internal business practices that are inconsistent with generally accepted accounting principles, falsification, alteration or substitution of Bank records, violation of JS Bank's Code of Conduct including: conflicts of interest, Inaccuracy of books and records, insider trading, Collusion with Competitors, money laundering, failure to comply with the various compliance programmes of the Bank, authorising, directing or participating in serious breaches of Bank policy, deliberately failing to report serious breaches of policy, concealing such breaches, or deliberately withholding relevant information concerning a serious breach, or any other wrongdoing without any fear of reprisal or adverse consequences. The objective of the programme is to address/ resolve these concerns/ complaints to prevent and/or detect improper activities for safeguarding the interest and reputation of the Bank and its stakeholders.

Reporting

All speak up incidences are reported to the Audit Committee during the year. HR has clear disciplinary procedure policy according to which Disciplinary Action Committee explicitly handles all complaints in a fair and transparent manner via a standard process to remove all kinds of biasness and ensure victims and witness's protection. This is also supported by Grievance Redressal and Harassment at Workplace policies.

Protection of Whistleblowers

As a critical element of the policy, reporting employees are provided with complete confidentiality and security. No adverse employment action, e.g., termination, lower appraisal rating, etc., shall be taken against the whistle-blower employee in retaliation for reporting the incidents on impropriety falling within the scope of Code of Conduct and Whistle-blowing Policy/ Process. In line with the policy guidelines, employees are encouraged to remain vigilant and in case of detecting any abnormal/in appropriate/ criminal matter, immediately report the same.

Incentives for Whistleblowing

Complainant may be awarded spot award (monetary) and recognition, depending upon the nature and gravity of the concerns/ complaints.

Diversity and Inclusion Policy

JS Bank seeks and values diversity among its employees, recognising that a mix of people enriches our Bank and is essential to creativity and business growth. As a bank, we are committed to equal employment opportunity and unbiased treatment of all individuals based on job-related qualifications and without regard to race, color, gender, age, national origin, religion, creed, sexual orientation, gender identity, marital status, citizenship, disability, veteran, status or any other basis prohibited by law. Our people are expected to support the Bank's commitment to diversity and equal employment opportunity. At JS Bank, diversity and inclusion are at the core of our culture. We have made sure to entail to every aspect on our journey when it comes to diversity and inclusion. Be it for women empowerment, people with disabilities or different religious beliefs and background, we have been the ambassador of equity in rights for everyone. It is our priority to bring in programmes to ensure diversity is not only mentioned in words, but in spirit and action. We collaborated with NOWPDP to not only train but hire a batch of people with disabilities into our workforce, making sure they have same responsibilities and same rights as other colleagues. We are the first Bank in the market to establish such a standard, along with ensuring our culture is sensitised and inclusive for dealing with them on a regular basis. For women, we are doing multiple initiatives including but not limited to Reboot-for females returning to work after career break, lean-in, and creating a digital eco system to enable female entrepreneurs to enhance their business reach and potential, allowing them spaces to grow and earn. We make sure to celebrate every occasion with our people, be it Eid, Christmas, or Diwali. We cherish each of our colleague and do not stay apart from making them feel special. We also won the Global Diversity and Inclusion Award 2020 and 2021 for all our diversity initiatives and policies.

Code of Conduct and other Ethical Values Promoted by the Board

The Code of Conduct is designed to guide the personal business ethics of JS Bank. It applies to every employee of JS Bank. Employees are expected to read the document promptly upon receiving it and embracing it into their daily conduct. At JS Bank, we earn the trust of our customers, regulators, investors and each other by always acting with integrity and holding ourselves to high standards. Acting according to our Code of Conduct is vital for us to be a Bank that achieves sustainable success. In addition to the ethical guidelines included in the Code, employees must comply with the requirements of all applicable laws and regulations. This is mandatory for everyone and is not subject to business priorities or individual discretion. We aim to create an environment in which "speak up" and challenge are not just welcomed and respected, but are also a core part of our responsibilities, especially where actions or failures to act are inconsistent with this Code.

Our Values

Integrity – We earn the trust of our customers, other stakeholders, communities and each other by acting with honesty and integrity and holding ourselves to high ethical standards. We seek to maintain open, credible, constructive and transparent relationships between ourselves, our customers and with our regulators.

Customer centricity – We place customers at the center of our activities. To be successful, we must understand the rapidly changing needs of our customers. We aim to provide solutions to support them in value creation. In providing our services, we aim to exceed their expectations from what we promise and treat them fairly.

Teamwork – Teamwork enables individuals to achieve bigger goals which foster a culture of trust and support. We believe in supporting each other and putting team before individual performance. We respect diversity and promote inclusion.

Professional excellence – We have a persistent commitment towards excellence. Our Bank is committed to generating sustainable value by responsibly balancing risks and returns, and by putting long-term success over short-term gain. We do so by implementing and creating abundance of choice for customers.

Innovation – We continuously embrace new and better ways of doing things while taking account of potential risks. Innovation is essential to our success, as it gives us an edge in implementing new ideas, refining services and creating dynamic products leading to business growth by effectively adapting the evolving marketplace.

Anti-Harassment Framework at JS Bank

JS Bank maintains a stringent Anti-harassment policy, firmly committed to fostering a safe and respectful workplace environment for all employees. The bank recognizes that harassment in any form undermines individual dignity, impedes productivity, and compromises the overall integrity of the workplace.

The anti-harassment policy at JS Bank is governed in line with 'Protection against Harassment of Women at the Workplace Act, 2010 as amended in 2022' ("Act").

Our anti-harassment policy outlines clear guidelines and procedures for addressing and preventing harassment. It defines harassment broadly, encompassing various forms such as verbal, physical, and non-verbal conduct that creates an intimidating, hostile, or offensive work environment. This includes unwelcome advances, derogatory remarks, or any behavior that undermines an individual's dignity and well-being.

The policy emphasizes zero tolerance for harassment and encourages employees to report any incidents promptly and confidentially by sending an email at Anti.harassment@jsbl.com. JS Bank ensures that all complaints are thoroughly investigated with sensitivity and impartiality, and appropriate disciplinary action is taken against perpetrators.

The Bank has a standing Inquiry Committee which has the mandate to conduct the inquiry, investigate the matter and counsel the victim in harassment – including sexual harassment – at workplace. All proceeding(s) are maintained in writing for the record purpose which remain confidential unless the Competent Authority orders to disclose all or any part of the proceeding's record.

The Inquiry Committee consists of 03 members out of which 01 member is a female. The Inquiry Committee may also add member(s) in the committee on case-to-case basis, if necessary.

Furthermore, JS Bank is dedicated to fostering a culture of respect, diversity, and inclusion through its in-house Gender sensitivity Program, Hum Qadam which is mandatory for all employees. Additionally, E-Learning modules on Harassment at Workplace and Code of Conduct are mandatory for all employees as per the regulatory mandate. Regular awareness emailers are sent out to educate employees about their rights and responsibilities concerning harassment prevention and response. Additionally, the bank promotes open communication channels and provides support resources for employees who experience harassment or witness such behavior.

By upholding its anti-harassment policy, JS Bank demonstrates its commitment to creating a workplace where every individual feels valued, respected, and empowered to thrive professionally. This proactive approach not only enhances employee morale and well-being but also reinforces the bank's reputation as an ethical and responsible corporate citizen within the financial sector.

Remuneration for MRTs

The compensation mix for MRTs is appropriately balanced and the amount of fixed remuneration is sufficiently high in order to ensure that the reduction of the variable remuneration down to zero would be possible.

Further, the variable remuneration of MRTs will be compensated on achieving the pre-determined qualitative and quantitative objectives considering the risk-adjusted performance and long-term health of the Bank. The qualitative factors may override the achievements of quantitative factors in order to discourage undue/excessive risk taking.

Remuneration for MRCs

The remuneration level of staff in the control and support functions/ MRCs allows the Bank to employ qualified and experienced personnel in these functions. The Bank ensures that the mix of fixed and variable remuneration for control and support function personnel is weighted in favour of fixed remuneration. The variable remuneration of control functions is to be based on function-specific objectives and is not determined by the financial performance of the business areas they monitor. This compensation structure is designed to ensure that objectivity and independence of these functions is not compromised.

Deferral of variable remuneration

The variable compensation of all MRTs, MRCs, and in case of Bahrain operations, approved persons (APs) is subject to mandatory deferrals and malus/ claw back in accordance with the below table:

Deferred variable remuneration is paid proportionately over the three years, even if the person is no more employee of the Bank (subject to the malus provisions).

Malus and Claw back

The Bank has devised malus and claw back provisions in the relevant policies that allows forfeiture/adjustment of paid variable remuneration in certain adverse business situations. Any decision to hold or claw back individual's award can only be made by the BHRRNC of the Bank as per events set out in detail in the Bank's remuneration framework and accountability framework.

Employees	Element of Variable Pay	Constitution	Vesting Period	Malus	Claw Back
MRTs	Upfront cash	70%	Immediate	-	No
MRTs	Deferred cash	30%	3 Years	Yes	No
MRCs	Upfront cash	75%	Immediate	-	No
MRCs	Deferred cash	25%	3 Years	Yes	No
MRTs and APs (Bahrain)*	Upfront cash	40%	Immediate	-	No
MRTs and APs (Bahrain)*	Deferred cash	60%	3 Years	Yes	Yes

* MRTs and approved persons earning over BHD 100,000 in total compensation.

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

BUILDING FINANCIAL INDEPENDENCE

Work towards financial independence by creating multiple income streams and building assets. Focus on growing your equity through regular savings and investments to enjoy a comfortable life without relying solely on one job.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Sustainability and HR Initiatives towards Corporate Responsibility

At JS Bank, sustainability is more than a set of practices – it is embedded in our business philosophy and culture. We understand the importance of responsible actions in addressing global challenges such as climate change, inequality, and sustainable development. Our CSR and sustainability initiatives reflect our commitment to creating positive environmental, social, and economic impact, as we aim to lead the banking sector towards a more inclusive, sustainable future.

Pioneering Green Initiatives

JS Bank continues to lead the charge in driving sustainability across Pakistan. With an unwavering commitment to addressing climate change, we actively champion initiatives that create lasting environmental and social impact.

Green Banking

Integrating Environmental and Social Responsibility in Every Decision

Our Green Banking Office plays a pivotal role in ensuring that environmental and social factors are fully integrated into our banking operations and decision-making processes. We are dedicated to identifying and mitigating both social, climate and environmental risks, while also supporting our clients in managing these risks, reducing their carbon footprints, and addressing potential social impacts.

We are compliant with SBP's Green Banking Guidelines, we have implemented a comprehensive Environmental and Social Risk Management Framework. This framework fosters greater awareness of the risks associated with credit extension, while establishing clear procedures and authorities to effectively manage and mitigate these risks, ensuring that sustainability remains at the heart of our banking practices.

Green Climate Fund Accreditation

At JS Bank, we are committed to driving transformation through strategic institutional arrangements, streamlined systems, and robust policies that reinforce our dedication to sustainable initiatives.

A significant milestone in this journey has been our accreditation by the Green Climate Fund (GCF), making us the first financial institution in Pakistan to achieve this distinction. This accreditation provides us with access to USD 250 million in GCF funding, enabling the execution of climate-resilient projects in both mitigation and adaptation areas.

Green Office Certification

Leading by Example

JS Bank achieved a significant milestone by becoming the inaugural commercial bank in Pakistan to receive certification for the Green Office Program from WWF-Pakistan for its headquarters at Shaheen Commercial Complex in Karachi in 2017. This achievement highlights the Bank's commitment to sustainability and environmental responsibility. The Green Office Program is designed to reduce greenhouse gas emissions and minimize the ecological footprint at the workplace through various initiatives, including reducing electricity consumption and paper waste. JS Bank remains dedicated to these efforts, ensuring a greener and more sustainable future in line with global environmental goals.

Powering Pakistan's Green Transition

In line with our commitment to renewable energy, JS Bank offers solar financing solutions that enable individuals, businesses, and farmers to reduce their reliance on the national grid and produce clean, renewable energy. Under the SBP Renewable Energy Scheme, JS Bank initially supported solar energy projects and later transitioned to offering tailored solar financing solutions to meet the growing demand for clean energy.

In 2024, JS Bank financed over 325 solar projects across residential, agricultural, and commercial sectors. This initiative is pivotal in supporting

Pakistan's energy transition, as it not only promotes the use of renewable energy but also helps reduce carbon emissions and energy costs for our customers.

JS BANK'S INITIATIVES FOR UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS (SDGS)

SDGs are a set of 17 goals established by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development. These goals aim to address global challenges such as poverty, inequality, climate change, environmental degradation, peace, and justice. Each goal has specific targets to be achieved by 2030. At JS Bank, we continuously strive to synchronize our operations and endeavors with the Sustainable Development Goals, for a world that is more equitable, prosperous, and environmentally sustainable by the year 2030.

SDG Goal 3 - Good Health and Well-being

In our pursuit of creating sustainable well-being for all, JS Bank recognizes that health and mental resilience are integral to thriving in every aspect of life. We have implemented several programs to promote physical health, mental well-being, and overall self-care for our employees and the wider community.

JS THRIVE: Fostering Well-being in the Workplace and Beyond

JS Bank launched the JS Thrive initiative back in 2023, which extends beyond financial success to foster physical health, mental resilience, and emotional well-being. Through JS Thrive, we aim to create an environment where employees, communities, and businesses can flourish holistically. Our programs, such as 'Manage Emotions for Financial Well-being' and "Habits Harming You," help employees foster healthier mindsets and personal growth. The "Move in May Challenge" and "Relaxation Day" encourage physical and mental wellness, while "Self-Care Day" and gratitude journals promote stress management and reflection. By promoting mental health, increasing access to healthcare, and supporting overall well-being, we continue to build a sustainable future that helps individuals thrive.

Promoting Health through Awareness and Education

Pinktober 2024: JS Bank launched a campaign for Pinktober, aiming to educate employees about breast cancer prevention. As a part of the Pinktober and to raise awareness, promote early detection JS Bank Mobile icon was changed to Pink showing solidarity with those who are affected.

Session on Hepatitis Awareness and Physical Health Habits: In collaboration with Ziauddin Hospital, we held a Hepatitis Awareness Session, led by Dr. Khurram Baqai. This session highlighted the importance of early diagnosis and preventive measures for hepatitis. To empower employees further, free hepatitis screening tests were offered, encouraging proactive health management. Also held sessions focusing on the nutrition and physical health habits that can negatively impact one's life.

Self-Care Day Bulletin: JS Bank recognized International Self-Care Day by highlighting the importance of self-care and well-being in the workplace by encouraging employees to prioritize their well-being through simple actions like taking short breaks, staying hydrated, practicing mindfulness, and maintaining healthy snacks.

Mental Health Awareness: In Oct 2024, JS Bank hosted a workshop titled "Managing Mental Health with NLP", focusing on the Visual-Kinesthetic (VK) Dissociation technique as a method for managing negative emotions and stress. By incorporating research-backed methods from Neuro-Linguistic Programming (NLP), the workshop empowered participants to dissolve negativity, recover from emotional setbacks, and improve overall mental well-being.

SDG Goal 5 – Gender Equality

JS Bank aims to achieve gender equality and empower all women by eliminating discrimination based on gender. It also seeks to ensure equal participation and opportunities for leadership. In 2024, women made up approx. 26% of the 1529 individuals admitted into JS Bank.

Gender Pay Gap Statement Under SECP Circular No. 10 of 2024

Following is the gender pay gap circulated for the year ended 2024:

Mean Gender Pay Gap = 33.0%

Median Gender Pay Gap = 33.3%

Basir Shamsie
President & CEO
Karachi: February 28, 2025

Women Development Initiatives

JS Bank is committed to empowering women through a variety of initiatives that foster growth, inclusion, and leadership. In 2024, the bank introduced a Childcare Assistance Program to support working mothers, helping them balance work and family responsibilities. The Women's Leadership Development Program was launched to equip female managers with leadership tools, promoting a more inclusive and diverse workplace. Additionally, the Speed Mentoring & Networking Program provided valuable career guidance and networking opportunities to accelerate women's professional growth. The introduction of the Female Universal Teller Program brought 63 women into branch operations, providing specialized training for future leadership roles. Leadership coaching session for senior female executives and the Remote Personal Banking Consultants Program further supported women's career advancement with flexible work opportunities. Furthermore, JS Bank raised awareness about breast cancer through the Pinktober Campaign, offering educational sessions and promoting open discussions around health. These initiatives demonstrate the bank's ongoing commitment to gender equality, community well-being, and sustainable growth by empowering women at every stage of their professional journey.

On International Women's Day 2024, JS Bank hosted a memorable event to honor the achievements of women in the workplace and society. The event featured inspiring talks from prominent female leaders and entrepreneurs, such as Nausheen Ahmad and Sabika Shah, who shared their personal journeys and empowered attendees. We also supported female entrepreneurs by sending thoughtfully curated gift packages created by women-led businesses. This gesture highlights our commitment to supporting female entrepreneurship, and the event concluded with a cultural qawwali performance, leaving all participants feeling uplifted and motivated. This celebration reinforces our dedication to creating a culture that celebrates and supports women at every level.

JS Khud Mukhtar and JS Her Accounts

Through these specialized products, we provide financial services designed to empower women entrepreneurs in Pakistan. The JS Khud Mukhtar program offers businesswomen access to financing through the SBP's Refinance and Credit Guarantee Scheme for Women, while JS Her provides tailored banking services, including benefits such as free micro critical illness cover for women-related cancers. JS Bank also launched two new female-centric debit cards: JS Her Titanium and Her Zindigi Wallet. These cards are designed to cater specifically to women's banking needs, offering added benefits and making financial services more accessible and inclusive.

Banking on Equality Vertical Launch on the Website

In 2024, JS Bank launched the Banking on Equality section on its website, showcasing our dedication to financial inclusion and women's empowerment. The section highlights women-centric businesses partnered with our JS Her Entrepreneurial Community, offering special discounts on a range of products, from food to apparel. This initiative reflects our commitment to supporting women entrepreneurs and driving financial independence for women across Pakistan.

Banking on Equality Sessions at Educational Institutes

To extend our efforts beyond banking, JS Bank hosted Banking on Equality sessions at key educational institutes such as GIFT University in Gujranwala, PUGC, Lahore College for Women and IISAT. We also conducted a session at the AKUH board, where over 100 women entrepreneurs participated. These sessions aimed to empower women with the knowledge and tools to succeed in business and leadership roles. Our work was recognized by the State Bank of Pakistan, which awarded JS Bank a trophy for our outstanding contributions to promoting gender equality.

Launch of JS Her Entrepreneurial Community – The Startup Story

In line with our commitment to empowering women entrepreneurs, we introduced the Her Entrepreneurial Community to provide support and resources for home-based women entrepreneurs. The inaugural "Her Entrepreneurial Tea Meet & Greet" offered these business owners a platform to share their stories and network with one another, while also receiving essential financial advice. This initiative culminated in an MOU signing ceremony on 16th February, marking a significant milestone in our journey towards women's empowerment.

Hum Qadam Program

Through our program, Hum Qadam, we aim to instill gender sensitivity in our employees, fostering a respectful workplace by raising awareness and equipping them with the necessary knowledge and skills for respectful interactions with colleagues.

SDG Goal 7 – Affordable and Clean Energy

JS Bank's offers solar financing which are renewable energy financing solutions enabling individuals, businesspersons and farmers to generate cost effective energy with reduced dependence on the grid. In 2024, JS Bank successfully financed over 325 solar projects for residential, agriculture and business purposes.

SDG Goal 8 – Decent Work and Economic Growth

JS Bank is dedicated to promoting sustainable economic growth and decent work for all. We focus on fostering job creation, supporting entrepreneurship, and providing financial services that empower individuals and businesses. Our initiatives aim to drive inclusive economic growth, enhance financial inclusion, and contribute to long-term prosperity for all communities in Pakistan.

We have supported the affordable housing sector through the Mera Pakistan Mera Ghar (MPMG) scheme. This initiative was which was initiated by SBP, offered affordable home financing solutions to individuals from low and middle-income backgrounds, making homeownership more accessible.

In 2024, we actively participated in career fairs to connect with diverse talent pools, create job opportunities, and promote inclusive hiring practices. Our participation reflects our dedication to fostering an environment where all individuals, regardless of background, have the chance to showcase their potential and explore career paths in the banking sector.

We are proud to have introduced JS 3x3, a transformative leadership program aimed at unlocking the full potential of our team, nurturing individual talent, and enhancing customer experiences.

Workplace Inclusion

Fostering a Safe and Respectful Environment

Protection Against Harassment Act - Partnering with Shirkat Gah

JS Bank is deeply committed to ensuring a safe, respectful, and inclusive workplace, focusing on safety and fostering a zero-tolerance culture toward harassment. In 2024, the bank partnered with Shirkat Gah, a leading social welfare organization, to strengthen the implementation of the Protection Against Harassment Act 2010. This collaboration, funded by the Foreign, Commonwealth & Development Office (FCDO), focused on raising awareness and providing employees with the knowledge and tools to recognize, prevent, and respond to harassment. The initiative aims to create a safer, more inclusive environment where all employees feel respected and supported.

In addition, the bank organized a specialized leadership session in partnership with Shirkat Gah and FCDO, focusing on sexual harassment laws in Pakistan. Moderated by lawyer Nausheen Ahmed, this session provided senior leadership with essential legal knowledge and reinforced the importance of cultivating a workplace culture of respect, dignity, and inclusivity. This leadership initiative set the tone for JS Bank's ongoing commitment to a harassment-free environment.

SDG Goal 10 – Reduce Inequality

JS Bank is committed to fostering inclusivity and equal opportunity by providing financial access and education to underserved communities. Through initiatives like inclusive banking solutions and digital financial literacy programs, we aim to reduce economic disparities and empower individuals to achieve financial independence. By fostering a culture of equal opportunity and embracing diverse perspectives, JS Bank contributes to building a more equitable society.

Our partnership with ConnectHear facilitated "Workplace Culture Training for Employees with Disabilities," highlighting our commitment to inclusivity

JS Bank launched an Inclusive Current Account, specifically designed to support the financial needs and independence of differently abled individuals. We believe in inclusivity and providing equal opportunities for all our customers so that they may manage their finances with ease and confidence

JS Naya Aghaaz is based on the refinance scheme of the State Bank of Pakistan and promotes diversity and inclusion by providing financial access for setting up a new business and to expand current businesses. It provides financing solution for Persons with Disabilities (PWD), enabling personal development and financial independence for male and female entrepreneurs.

SDG Goal 12 – Responsible Consumption and Production

As part of our ongoing commitment to sustainability, we have introduced carbon reduction initiatives across our operations, closely monitoring energy and paper consumption at all locations.

As part of our paper-saving initiative, we have transitioned the format of Board and subcommittee meetings to virtual platforms. Meeting information packs are now shared digitally instead of in physical hardcopy, leading to a substantial decrease in paper usage.

In 2024, we expanded our efforts, equipping 314 branches with energy-efficient lighting and fans, while 204 branches have fully transitioned to solar power. Additionally, few of our ATMs is now powered by solar energy, with plans to increase this number in the coming years.

SDG Goal 13 and 17 Climate Action and Partnership for the Goal

JS Bank is committed to supporting global sustainable development through robust partnerships and the effective implementation of climate action initiatives. In 2024, we proudly continued our partnership with the Green Climate Fund (GCF), enhancing our capacity to mobilize climate finance for projects that foster sustainable growth and climate resilience across Pakistan. Our accreditation with the GCF empowers us to access critical funding for renewable energy, climate-adaptive infrastructure, and sustainable agriculture projects, advancing our mission to reduce the impact of climate change on vulnerable communities.

A significant achievement as the sole private sector entity was securing approval from the Green Climate Fund's (GCF) board for the "Pakistan Distributed Solar Project" (PDSP). This initiative marks the country's first private sector effort to address climate change through renewable energy, specifically solar PV.

For more information, please visit Green Climate Fund's website: https://www.greenclimate.fund/project/sap024

CORPORATE AND SOCIAL RESPONSIBILITY

At JS Bank, we're driven by a vision of positive change, empowering our customers and communities to bank with purpose. We live this commitment through meaningful action, particularly in our dedication to Corporate Social Responsibility in Pakistan.

We are deeply dedicated to Corporate Social Responsibility in Pakistan, exemplified by our partnership with Future Trust, a non-profit philanthropic organization established by the JS Group. Future Trust is focused on leveraging technology and innovation to address poverty and improve the socio-economic conditions and quality of life for the people of Pakistan. Together, we support the youth by providing access to progressive education, vocational training, career guidance, and entrepreneurial opportunities, helping to pave the way for a brighter future.

Medical

Future Trust has a deep commitment to public health and supports existing medical facilities all over the country. This includes developing healthcare facilities in deprived rural areas, providing mobile health care in difficult-to-reach areas and establishing a diagnostic laboratory. Major activities during the year are:

Jahangir Siddiqui Hospital, Sehwan

Future Trust continued its collaboration with Indus Hospital & Health Network (IHHN) to provide essential free diagnostic and healthcare services to the underprivileged population through Jahangir Siddiqui Hospital, Sehwan. These services include an outpatient department, EPI enrollments, mental health screening and counseling, blood tests, family planning counseling, ultrasound, and X-rays. Through this partnership, Jahangir Siddiqui Hospital, managed by IHHN, is making a significant impact on the health and well-being of vulnerable communities in the surrounding area, ensuring access to quality healthcare for those in need.

Rehabilitation of Jahangir Siddiqui Hospital, Sehwan

The rehabilitation of Jahangir Siddiqui Hospital, Sehwan, following the devastating floods of 2022, stands as one of Future Trust's flagship projects. The floods severely impacted the hospital's operations, prompting a swift and comprehensive restoration effort to ensure continued healthcare services for the people of Sehwan and surrounding areas.

Future Trust's rehabilitation work focused on enhancing both the functionality and the environment of the hospital. Efforts included the beautification of the hospital premises, ensuring a welcoming atmosphere for patients and staff. A state-of-the-art RO Plant was installed to provide clean and safe drinking water for the hospital's community. Additionally, CCTV surveillance systems were introduced to enhance security and safeguard hospital operations.

This rehabilitation initiative highlights Future Trust's commitment to improving healthcare infrastructure, ensuring a sustainable and safe environment for patients, and reaffirming its dedication to the well-being of the community. With these improvements, Jahangir Siddiqui Hospital is now better equipped to provide high-quality healthcare services to those in need.

Establishment of MNCH Block at Jahangir Siddiqui Hospital, Sewhan

The MNCH (Maternal, Neonatal, and Child Health) block at Jahangir Siddiqui Hospital, Sehwan, is a key initiative under Future Trust's health-focused projects. This state-of-the-art facility offers free maternal and child healthcare services, including safe delivery care, to women in the region. The establishment of the MNCH block addresses critical healthcare gaps in the area, providing essential services to those who may not otherwise have access. In addition to its humanitarian impact, the MNCH block has proven to be a sustainable and profitable asset for the hospital, benefiting both the local community and the surrounding regions. By ensuring quality care and improving maternal and child health outcomes, this project continues to have a far-reaching impact, supporting Future Trust's mission to uplift underserved populations.

Sindh Institute of Urology and Transplantation

The Future Trust supported 'The Sindh Institute of Urology and Transplantation (SIUT)'. SIUT is regarded as one of the premier institutes in Pakistan that provides free of cost treatment of urological and nephrological ailments, oncological treatments, treatments of hepatic and gastrointestinal diseases, and organ transplantation facilities to the general public.

Uro Gynae Clinic

The Trust supported Uro Gynae Clinic which provides specialized free of cost treatment for urological and gynecological diseases to underprivileged population of Pakistan. During the year 2024, 1271 patients were provided consultation and treatment at the clinic.

PinkDetect

PinkDetect and Future Trust are working together to support women in remote areas of Pakistan, particularly in the fields of technology and healthcare. Recently, Future Trust partnered with PinkDetect for a series of events aimed at raising awareness against breast cancer and providing medical support to underserved communities. Four camps were organized in different locations, where more than 500 women were examined. These camps offered comprehensive services, including educational sessions on breast health, one-on-one consultations with doctors, and free vital checks and supplements.

In addition to these efforts, Future Trust and PinkDetect are collaborating on the development of a mobile app to enhance breast cancer awareness and improve early diagnosis. A prototype of the app is already in progress, aiming to further empower women with the tools they need for better health management. This collaboration underscores Future Trust's commitment to improving women's health and well-being, especially in areas with limited access to healthcare resources.

Medical Support to Individuals

The Trust also provided financial support to various deserving and needy individuals for their medical treatment. During the year, Future Trust has supported 27 individuals in their treatments and surgeries at various renowned hospitals including Aga Khan University Hospital.

The Burns Centre (Friends of Burns Centre – Patient Welfare Society)

The Burns Centre, located in the historic "Jubilee Block" at Civil Hospital, Karachi, is a 66-bed facility that has been dedicated to providing comprehensive medical and operational services to underprivileged burn patients at no cost. In addition to patient care, the Centre is actively involved in research and the training of medical professionals in the specialized fields of Burns Care and Plastic Surgery.

Future Trust, recognizing the importance of the Burns Centre and its impact on the community, has made a contribution to support the Centre's ongoing efforts.

Solarization of Jahangir Siddiqui Hospital, Sehwan

In 2024, Future Trust successfully solarized Jahangir Siddiqui Hospital, aligning with our commitment to sustainability and operational efficiency. This initiative ensures uninterrupted power supply for critical services, including the 24/7 operations of the MNCH (Maternal, Newborn, and Child Health) block and outpatient departments (OPD).

By transitioning to solar energy, the hospital will significantly reduce its carbon footprint and dependence on non-renewable energy sources. This system will also result in substantial savings on electricity costs, enabling the hospital to allocate more resources toward enhancing healthcare services and infrastructure.

Jahangir Siddiqui Hospital is a flagship project of Future Trust, showcasing its dedication to delivering sustainable and high-quality healthcare services to the community.

Educational

Future Trust's educational initiative encompasses support for special education, higher education, institutional development and capacity building with the vision of building an educated society. Major initiatives of the Trust in education are:

JS Academy for the Deaf

Future Trust continued its support to JS Academy for the Deaf which focuses on education of deaf and hearing-impaired children to read, write and communicate in sign language. The Academy is educating students from class Nursery to Graduation. During the year 2024, 173 students were enrolled at the Academy.

Habib University

Habib University, located in Karachi, Pakistan, is a leading institution committed to providing quality higher education. Founded in 2010, the university offers a comprehensive range of academic programs spanning various disciplines, including Science and Engineering, Arts, Humanities, and Social Sciences, providing undergraduate degrees.

In 2024, Future Trust extended financial assistance to deserving students at the Habib University, Karachi. Through the Jahangir Siddiqui Scholarship, Future Trust supported students in their undergraduate programs. This effort reflects Future Trust's commitment to fostering educational opportunities and empowering students to achieve academic and professional excellence.

University of Boltan (Auditorium Project)

The University of Bolton in collaboration with SRH Inc Management Limited (SRH), a DIFC-licensed company based in Dubai, have successfully established a campus in Islamabad, Pakistan, with the objective of delivering high-quality education and innovative programs to the region. This initiative allows Pakistani students to obtain a foreign degree from a top 30 UK university, as ranked by the Guardian, thereby enhancing their career prospectus.

In 2024, Future Trust provided financial support for the construction of a new auditorium at University of Boltan, Islamabad. This contribution aims to enhance the university's infrastructure and provide a state-of-the-art venue for academic, cultural, and extracurricular events. By funding this important development, Future Trust is helping to create a more dynamic and conducive environment for students, faculty, and the broader community at Bolton University.

Rehabilitation of Jahangir Siddiqui Auditorium at IBA City Campus

In 2024, Future Trust undertook the renovation of the Jahangir Siddiqui Auditorium at the IBA City Campus, Karachi, which has been a vital venue since its construction in 2014. This state-of-the-art facility has served as a hub for various academic, cultural, and social events, playing an important role in enhancing the campus experience. The auditorium has hosted conferences, seminars, lectures, and cultural performances, underscoring IBA's commitment to providing high-quality infrastructure for both academic and extracurricular activities.

The successful renovation of the Jahangir Siddiqui Auditorium ensures that it continues to serve as a modern and fully functional venue, supporting IBA's educational and community-focused initiatives for years to come.

Deaf Research Schools and Colleges

Future Trust has made a generous donation to the Family Educational Services Foundation (FESF) to support its Deaf Reach Schools and Colleges. This initiative empowers disadvantaged deaf children and youth by providing them with education, skills training, job placement, and sign language development. The donation will help sustain and expand these efforts, ensuring that more deaf children receive the opportunities and support they need to succeed.

Autism Spectrum Disorder Welfare Trust (ASDWT)

The Trust supported Autism Spectrum Disorder Welfare Trust (ASDWT) with a view to create awareness, acceptance, support and inclusion of people with Autism, Specific Learning Disorder and other related neuro-disabilities. ASDWT conducts workshops, seminars and other outreach programs to educate the society and to train parents, teachers, professionals, doctors, paramedics and psychologists in their identification and management of Autism and other related disabilities. During the year 23,721 people benefited directly from various activities of ASDWT.

Milestone Charitable Trust

The Trust continued its support to Milestone Charitable Trust that focuses on children with Autism, Down syndrome and Cerebral Palsy etc. with individual attention on each child through personalize curriculum, group activities and individual therapy sessions with the aim to overcome their academic, emotional and behavioral hurdles. Most of the children belong to the underprivileged population of the society. During the year 22 students were enrolled in the center.

Dost Foundation Pakistan

The Trust continued its support to Dost Foundation Pakistan (DFP). DFP is operating ten schools in Gilgit Baltistan, out of which eight schools are providing free education to the students. The vocational centers are established for sustainability of the Foundation and to enhance the technical skills of people.

Fakhr-e-Imdad Foundation

Fakhr-e-Imdad Foundation (FIF) serves as a philanthropic entity within the JS Group. Established on May 13, 2000, as a non-profit organization, FIF primarily focuses on delivering quality education, vocational training, IT training, and healthcare services in rural regions of the country. FIF's educational institutions are situated in underserved areas such as Mirwah Gorchani, Mandranwala, and Tando Ghulam Ali. During the year, Future Trust has supported FIF through Endowment Fund and General Donations.

Educational Support to Individuals

Future Trust offers financial assistance to low-income individuals by reimbursing educational expenses for their children. Specifically, the program covers the costs associated with the education of up to two children per eligible family. Over the course of the year, the Trust has extended its support to a total of 72 students, ensuring that they have access to the educational resources they need to thrive. This initiative serves as a vital means of promoting equal opportunities for children from economically disadvantaged backgrounds, empowering them to pursue their academic goals without financial barriers.

Vocational & Career Guidance

The Trust's vocational and career guidance initiative encompasses support for the skills enhancement, promoting and job placement in the industries. Through Karigar Training Institute, Future Trust extended support to less privileged youth of society to become economically independent, through acquisition of specialized vocational skills of motorcycle repair work, air-conditioning/refrigeration, plumbing and electrical trades.

Community Services:

The Trust strives for and contributes towards the general social and economic uplift of the people without any discrimination. In these hard times people cannot even afford the basic requirements of living. Future Trust provided financial support to various under privileged and needy families with the purpose of solving their basic problems of living.

The Trust supported Anjuman Kashana-e-Atfal-o-Naunihal (the Institute). Anjuman Kashana-e-Atfal-o-Naunihal is providing shelter for the orphan, abandoned and unclaimed girls, where they are being educated in reputable schools and colleges, and also being taught some basic skills in order to equip and prepare them to lead productive lives. At present, the institute is providing shelter to 125 girls with the ages ranging between 6-24 years. Kashana-e-Atfal-o-Naunihal also arranges for their marriages when they are ready and suitable spouses are also identified for them. The institute has also made arrangements for placement of 800 abandoned children, so far, with loving and respectable families all over the world.

General

In 2024, Future Trust extended its support to the R.B. Foundation through a generous donation to organize the Ladies Empowerment Award Ceremony. This initiative aimed to recognize and celebrate the achievements of women from various fields, including education, healthcare, entrepreneurship, and the arts.

The ceremony served as a platform to highlight exceptional leadership and contributions made by women in their communities. Additionally, it emphasized the importance of gender equality and women's empowerment, aligning with Future Trust's mission to support meaningful societal progress.

By supporting this event, Future Trust reaffirmed its commitment to fostering inclusive development and uplifting marginalized groups through impactful collaborations.

Meal Support Initiative

Future Trust launched the Meal Support Initiative to assist individuals facing challenges in affording daily meals due to rising inflation. The initiative provides free daily meals to ensure that they receive nutritious food during working hours. This program aims to improve well-being, job satisfaction, and overall productivity.

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

INCREASING INCOME

Increase your income by exploring side hustles that match your skills and interests. Consider passive income streams, like investment returns and rental income from assets to enhance your earnings.

STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

We aim to create value for everyone we serve, balanced across short-term assessments to long-term strategic relationship building sustainably. We think about our priority stakeholders as belonging to five groups: shareholders, regulators, customers, society, and employees. The following tables provide an overview of stakeholder engagements at JS Bank:

Shareholders	We engage with our shareholders in several ways. This includes quarterly earnings statements and Director's Reports, Annual Reports, Annual General Meetings (AGMs) with shareholders, and through our online presence such as our website and on social media.
Regulators	Our principal regulator is the State Bank of Pakistan (SBP). JS Bank is committed to meeting its regulatory compliance obligations in an effective manner and fulfilling the regulators' expectations in this regard. For this purpose, the Bank has a well-structured and comprehensive Compliance Program in place and ensures its effective implementation. The Bank is in constant contact with SBP and is committed to providing them with complete and accurate information as and when required. Our senior management commits a significant amount of their time to meet with SBP for their guidance and support and to keep them well informed on current market events. The regulator is provided with full access to the Bank's records and information in line with the regulatory framework, and the Bank proactively seeks SBP's feedback regarding any clarifications or information that is required. Our other regulators are the Securities and Exchange Commission of Pakistan (SECP) and Pakistan Stock Exchange (PSX) and we are also complying with their directives.
Customers	We welcome feedback from our customers and provide various forums for them to make suggestions, which helps us evaluate and improve our performance. The Bank's Complaint Handling Policy and Grievance Redressal Mechanism ensure that complaints are resolved in a timely and fair manner, while also working to prevent the recurrence of issues whenever possible. Customers can register their complaints at JS Bank branches, through our 24/7 phone banking center, on our website, via email, or through postal mail. Additionally, the bank conducts various outreach efforts, including sending SMS and emails to customers and raising awareness through social media, to maximize the use of these channels and enhance visibility and accessibility.
Communities	We are dedicated to the communities in which we operate. From providing and sponsoring social and cultural events, we strive to contribute to a cleaner and greener country. JS Bank actively participates in ensuring that we are responsible members of our community and global citizens.
Employees	Our employees are our most important stakeholders. We engage with them through bank-wide events, and by providing learning and development opportunities.

Step to Encourage Minority Shareholders' Participation in AGMs

JS Bank Limited always provides a forum for two-way engagement with the shareholders, particularly the minority shareholders. To ensure the meaningful participation of minority shareholders in the AGM, the Bank takes the following measures:

- Notice of AGM is sent to every member of the Bank at least 21 days before the meeting. The notice was published in both English & Urdu newspapers having Nationwide circulation.
- The Annual Report of the Bank is sent to each member of the Bank at their registered mailing/ email address before the AGM in electronic (QR Quote/email) or hard form (on request).
- During the AGM, a detailed briefing on the Bank's performance and its plans is given to the shareholders.

- The shareholders are encouraged to raise queries and give suggestions relating to the Bank's operations.

Issues raised in the last AGM, decisions taken, and their implementation status

No issues have been raised in the last AGM.

Investor Relations section on corporate website

Corporate information including quarterly, semiannual, and annual reports of the Bank can be accessed on the following URL:

https://jsbl.com/knowledge-center/investor-information/

The Bank disseminates information to its investors and shareholders through a mix of information exchange platforms, including its corporate website, maintained under the applicable regulatory framework. The website is updated regularly to provide detailed and latest Bank information including but not limited to financial highlights, investor information, dividends, and other requisite information.

Corporate briefing session

The Bank has the practice of conducting annual corporate and investor briefing sessions. During the year 2024, a teleconferencing session was held on Dec 30, 2024. Notice was issued to the stakeholders through the Pakistan Stock Exchange to encourage them to attend the session online/in person.

JS Bank by complying with the regulatory requirement has made the presentation available on the website

https://jsbl.com/knowledge-center/investor-information/

Customer Grievance Redressal Practices

The JS Bank Customer Experience (CE) team organizes, plans, and regularly assesses the Bank's customer experience across all touchpoints to create the best possible interaction between the Bank and its customers. The CE team develops and implements efficient procedures that improve client connections, loyalty, and satisfaction. One of our core values, customer centricity, works hand in hand with efficient complaint handling, grievance management, in order to understand & adapt our product and services to meet our Customer's expectations.

Our complaint management policy ensures prompt handling of complaints within the State Bank of Pakistan-defined turnaround time (TAT), with a focus on preventing recurrence. The process registers and acknowledges concerns, providing an interim reply (where necessary), and ensuring due resolution. If customers are not pleased with the Bank's resolution, they may also approach the Banking Ombudsman (Mohtasib).

The Bank has implemented various channels for customers to register complaints, including account statements, ATM screens, emails, SMS, in-app notifications, and online feedback forms. To increase the number of customers who have access to the recourse mechanism, the Bank has posted such information on social media via SMS messages, Inapp notifications and email direct messages (EDMs) to its customers twice a year. A thorough grievance system, touchpoints, and online feedback forms are available on the Bank's website. Customers also receive regular email broadcasts for customer awareness and education.

Our corporate culture is founded on treating customers fairly. In line with the same, the Bank has incorporated a “Customer Protection Framework”, whereby we always prioritize the needs of the customer while creating, marketing, and managing our business. Our main objectives are to maintain fairness in all customer interactions, effective communication, promote service culture, and develop a productive method for handling grievances. We also focus on the financial decisions that customers make through our consumer education and financial literacy initiatives.

Voice, Chat, and SMS (VCS) Team: The VCS Team facilitates customer interactions through diverse channels, including phone calls, emails, chat over SMS, WhatsApp BOT, online forms, and social media. This team comprises qualified professionals providing round-the-clock support, assisted by advanced technologies like interactive voice response and computer telephony integration

STATEMENT AND DISTRIBUTION OF VALUE ADDED

Value Added	2024 Rs. in million	2023 Rs. in million
Net mark-up / interest income	**27,313**	22,409
Non mark-up / interest income	**11,340**	12,205
Operating expenses excluding Staff cost, depreciation, amortization, donation and WWF	**(14,177)**	(12,143)
Provision against advancs, lending, Investments and others	**(4,713)**	(2,807)
Other charges	**(101)**	(79)
Value available for addition	**19,663**	19,584

Distribution of Value added

	2024		2023	
	Rs. in million	%	Rs. in million	%
To Employees				
Remuneration , provident fund and other benefits	**10,007**	**50.89%**	8,151	41.62%
To Government				
Worker Welfare Fund	**127**	**0.65%**	170	0.87%
Income Tax	**3,518**	**17.89%**	4,180	21.35%
	3,645	**18.54%**	4,351	22.22%
To Society				
Donations	**127**	**0.65%**	170	0.87%
To Growth and expansion				
Depreciation	**2,672**	**13.59%**	2,298	11.73%
Amortization	**364**	**1.85%**	280	1.43%
Retained Earnings	**2,848**	**14.48%**	4,335	22.14%
	5,884	**29.92%**	6,912	35.30%
	19,662	**100.00%**	19,584	100.00%

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

ENHANCING FINANCIAL LITERACY

Improve your financial literacy by learning key concepts like budgeting, equity building, asset management, investment strategies and financial markets.

UNCONSOLIDATED FINANCIAL STATEMENTS

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REPORT

To the members of JS Bank Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **JS Bank Limited** (the Bank), which comprise the unconsolidated statement of financial position as at 31 December 2024, and the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and unconsolidated cash flow statement for the year then ended, along with unaudited certified returns received from the branches except for 46 branches which have been audited by us and notes to the financial statements, including a summary of material accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and unconsolidated cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and, give the information required by the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at 31 December 2024 and of the profit and other comprehensive income, the changes in equity and its cash flow for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

KPMG Taseer Hadi & Co.

Following are the Key Audit Matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
1	**Valuation of Advances:** (Refer note 9 & 20 to the unconsolidated financial statements)	
	As at 31 December 2024, the Bank's Credit loss allowance against advances and off-balance sheet items amounting to Rs. 15,778 million and Rs. 191 million respectively. As per the BPRD Circular No. 07 of 2023, the Bank adopted IFRS 9 in accordance with the Application Instructions issued by State Bank of Pakistan (SBP) from 01 January 2024 which requires the Bank to recognize Expected Credit Losses (ECL) on advances including non-funded exposure. The estimation of ECL on advances including non-funded exposure, involves judgement and complexity. The key areas which are subject to management judgement in the estimation of ECL are: • Model estimations – judgmental modelling and assumption are used to estimate ECL which involves determining Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD). Respective model assumption is a key driver of complexity and uncertainty and are required in the application of these model for calculation of the ECL estimate. • Economic scenarios – IFRS 9 requires the Bank to measure ECL on an unbiased forward-looking	Our audit procedures, amongst others, included the following: • Performing risk assessment procedures over the credit loss allowance against advances and off-balance sheet exposure within the Bank's unconsolidated financial statement. As part of these risk assessment procedures, identifying the portfolios associated with a risk of material misstatement including those arising from judgements over the estimation of ECL either due to inputs, methods or assumption. • Assessing the design, implementation and operating effectiveness of key controls established by the Bank over measurement of ECL and provision calculated as per PR. • We involved in-house specialist who assisted in the following: • Evaluating the Bank's impairment methodologies for compliance with application instructions as issued by SBP for IFRS 9; • Assessing the reasonableness of the Bank's methodology and models for determining the economic scenarios used and the probability weightings applied to them by independently validating and challenging the assumption, methodologies, and outputs of the models;

KPMG Taseer Hadi & Co.

S.No.	Key Audit Matters	How the matter was addressed in our audit
	basis reflecting a range of future economic conditions. Management judgement is applied in determining the forward-looking economic scenarios used as an input to calculate ECL, the associated scenario probability weightings, and the key economic variables that drive the scenarios. • Qualitative criteria – the criteria selected to identify a SICR involves judgment and can lead to unreliable ECL recognized for certain portfolios. In line with the application instructions as issued by SBP for IFRS 9, the Bank must compare the ECL for Stage 3 advances with the provision determined under the Prudential Regulations (PR) issued by the SBP. The PR requires specific provisioning against the advances on the basis of time-based criteria which should be supplemented by a subjective evaluation of Bank's credit portfolio. The determination of provision against advances, therefore, involves use of management's judgement, on a case-to-case basis, taking into account factors such as the economic and business conditions, borrowers' repayment behaviors and realizability of collateral held by the Bank. Because of the high degree of estimation uncertainty and judgement involved in the calculation of ECL we considered the area of ECL provision as a key audit matter.	• Assessing the reasonableness of macro-economic variable and economic forecasts by comparing these to external sourced data extracted; and • Performing independent testing of the Expected Credit Loss (ECL) allowance on a sample basis. • Ensuring completeness of the key inputs into the ECL calculations with their respective sub-ledgers and general ledgers. • Performing testing on sample basis over key inputs into the ECL calculations with their respective source documents. • Performing sensitivity analysis on the key assumption, that is probability weighted economic scenarios, to assess reasonableness and the risk of biasness by changing weights assigned to each economic scenario. • In accordance with the PR, we sampled at least sixty percent of the total advances portfolio and performed credit review through the following substantive procedures: • verifying repayments of advances/ mark-up installments and checked that non-performing advances have been correctly classified and categorized based on the number of days overdue; • examining watch list accounts and, based on review of the individual facts and circumstances, discussions with management and our assessment of financial conditions of the borrowers, formed a judgement as to whether

S.No.	Key Audit Matters	How the matter was addressed in our audit
		classification of these accounts as performing was appropriate; and • assessing the accuracy of specific provision made against non-performing advances in accordance with the criteria prescribed under the PRs by performing recalculation. • Assessing the appropriateness of SICR criteria applied by the Bank by ensuring that the SICR criteria and staging methodology are consistent with the relevant application instructions as issued by SBP for IFRS 9. • Assessing the appropriateness of ECL on advances categorized as Stage 3 by performing a comparison of ECL computed, through the use of methodology and models with the provision required to be computed as required under the PR to ensure that an amount which is higher of the ECL and PR requirements is appropriately recognized for these stage 3 advances pursuant to the requirement of application instructions as issued by SBP for IFRS 9. • Evaluating the adequacy of the unconsolidated financial statement disclosures, including disclosures of key assumptions, judgements and sensitivities.
2	**Impairment testing of goodwill** (Refer Note 12 to the unconsolidated financial statements)	
	As at 31 December 2024, intangible assets include goodwill amounting to Rs. 1,463.624 million acquired as a result of scheme of amalgamation as	Our audit procedures, amongst others, included the following:

KPMG Taseer Hadi & Co.

S.No.	Key Audit Matters	How the matter was addressed in our audit
	disclosed in note 12 to the unconsolidated financial statements. Goodwill is required to be annually assessed for impairment under IAS-36 "Impairment of Assets". Accordingly, Management has performed an impairment test of the goodwill which is subjective in nature due to assumptions made about future performance. As disclosed in note 12, the Bank uses a discounted cash flow model to determine value in use, on the basis of the certain key assumptions. Due to the impact of the assumptions and judgements involved, the impairment testing of goodwill is considered to be a key audit matter.	• Evaluating the model used in determining the value in use as well as assessing the discount rate used; • Comparing the cash flow forecasts to approved budgets and other relevant market and economic information, as well as testing the underlying calculations; • Involving our internal valuation specialists to review and evaluate management's key assumptions used in impairment calculations; • Performing sensitivity analyses around the key assumptions used in the models; • Assessing the adequacy of the related disclosures in the unconsolidated financial statements in accordance with the applicable financial reporting framework

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

Management is responsible for the other information. The Other Information comprises the Annual Report of the Bank but does not include the unconsolidated financial statements, consolidated financial statements and our auditor's reports thereon. We were provided with the Director's Report to the Shareholders and Chairman's Review Report prior to the date of this Auditor's report and the remaining parts of the Annual report are expected to be made available to us after that date.

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

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

KPMG Taseer Hadi & Co.

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

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

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

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

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

KPMG Taseer Hadi & Co.

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

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

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

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

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 07 March 2025

Karachi

UDIN: AR202410106WjB19Ikwh

Unconsolidated Statement of Financial Position

As at December 31, 2024

2024	2023		Note	2024	2023
----- USD in '000 -----				----- Rupees in '000 -----	
		ASSETS			
154,580	146,814	Cash and balances with treasury banks	5	**43,058,132**	40,895,031
12,986	13,382	Balances with other banks	6	**3,617,293**	3,727,490
7,179	-	Lendings to financial institutions	7	**1,999,730**	-
1,085,753	1,033,771	Investments	8	**302,436,602**	287,957,001
809,616	731,384	Advances	9	**225,518,627**	203,726,900
43,392	30,971	Property and equipment	10	**12,086,893**	8,627,102
9,370	7,681	Right-of-use assets	11	**2,610,093**	2,139,578
24,435	17,494	Intangible assets	12	**6,806,276**	4,872,907
-	-	Deferred tax assets		**-**	-
136,326	134,578	Other assets	13	**37,973,622**	37,486,449
2,283,637	2,116,075	**Total Assets**		**636,107,268**	589,432,458
		LIABILITIES			
29,172	20,351	Bills payable	14	**8,125,841**	5,668,721
103,028	97,729	Borrowings	15	**28,698,505**	27,222,479
1,885,243	1,745,765	Deposits and other accounts	16	**525,134,376**	486,282,778
10,011	8,021	Lease liabilities	17	**2,788,429**	2,234,115
30,500	30,507	Subordinated debt	18	**8,495,833**	8,497,767
2,409	4,725	Deferred tax liabilities	19	**671,138**	1,316,108
66,366	64,220	Other liabilities	20	**18,486,512**	17,888,422
2,126,729	1,971,318	**Total Liabilities**		**592,400,634**	549,110,390
156,908	144,757	**NET ASSETS**		**43,706,634**	40,322,068
		REPRESENTED BY			
73,619	73,619	Share capital	21	**20,506,625**	20,506,625
25,538	23,562	Reserves		**7,113,683**	6,563,243
12,127	7,036	Surplus on revaluation of assets	22	**3,377,860**	1,959,868
45,624	40,540	Unappropriated profit		**12,708,466**	11,292,332
156,908	144,757			**43,706,634**	40,322,068
		CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 49 and annexures I and II form an integral part of these unconsolidated financial statements.

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

Unconsolidated Statement of Profit and Loss Account

For the year ended December 31, 2024

2024	2023		Note	2024	2023
----- USD in '000 -----				----- Rupees in '000 -----	
389,527	330,595	Mark-up / return / interest earned	25	**108,502,795**	92,087,212
291,473	250,146	Mark-up / return / interest expensed	26	**81,189,811**	69,678,174
98,054	80,449	**Net mark-up / interest income**		**27,312,984**	22,409,038
		NON MARK-UP / INTEREST INCOME			
17,539	14,839	Fee and commission income	27	**4,885,422**	4,133,281
8,292	6,289	Dividend income		**2,309,821**	1,751,922
11,813	20,671	Foreign exchange income		**3,290,421**	5,757,857
95	-	Income from derivatives		**26,426**	11
2,709	409	Gain on securities - net	28	**754,660**	113,846
-	-	Net gains / (losses) on derecognition of financial assets measured at amortised cost		**-**	-
263	1,607	Other income	29	**73,238**	447,655
40,711	43,815	**Total non mark-up / interest income**		**11,339,988**	12,204,572
138,765	124,264	**Total Income**		**38,652,972**	34,613,610
		NON MARK-UP / INTEREST EXPENSES			
98,174	82,720	Operating expenses	30	**27,346,237**	23,041,555
457	611	Workers welfare fund	31	**127,322**	170,313
362	285	Other charges	32	**100,787**	79,275
98,993	83,616	**Total non-mark-up / interest expenses**		**27,574,346**	23,291,143
39,772	40,648	**Profit before credit loss allowance**		**11,078,626**	11,322,467
16,918	10,078	Credit loss allowance and write offs - net	33	**4,712,549**	2,807,293
-	-	Other income / expense items		**-**	-
22,854	30,570	**Profit before taxation**		**6,366,077**	8,515,174
12,628	15,007	Taxation	34	**3,517,611**	4,180,256
10,226	15,563	**Profit after taxation**		**2,848,466**	4,334,918
----- US Dollar -----				----- Rupees -----	
0.005	0.010	**Basic and diluted - earnings per share**	35	**1.39**	2.75

The annexed notes 1 to 49 and annexures I and II form an integral part of these unconsolidated financial statements.

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

Unconsolidated Statement of Comprehensive Income

For the year ended December 31, 2024

2024	2023		2024	2023
----- USD in '000 -----			----- Rupees in '000 -----	
10,226	15,563	**Profit after taxation for the year**	**2,848,466**	4,334,918
		Other comprehensive income		
		Items that may be reclassified to profit and loss account in subsequent periods:		
(69)	789	Effect of translation of net investment in foreign branch	**(19,253)**	219,841
3,300	1,253	Movement in surplus on revaluation of debt investments through FVOCI - net of tax	**919,175**	348,900
-	1,807	Revaluation of available for sale investments - net of tax (Pakistan Operations)	**-**	503,467
3,231	3,849		**899,922**	1,072,208
		Items that will not be reclassified to profit and loss account in subsequent periods:		
(187)	(258)	Remeasurement loss on defined benefit obligations - net of tax	**(51,997)**	(71,780)
585	66	Movement in surplus on revaluation of investments in equity - net of tax	**162,991**	18,429
1,476	(164)	Movement in surplus on revaluation of property and equipment - net of tax	**411,137**	(45,739)
49	1,403	Movement in surplus on revaluation of non-banking assets - net of tax	**13,624**	390,813
1,923	1,047		**535,755**	291,723
15,380	20,459	**Total comprehensive income**	**4,284,143**	5,698,849

The annexed notes 1 to 49 and annexures I and II form an integral part of these unconsolidated financial statements.

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

Unconsolidated Statement of Changes in Equity

For the year ended December 31, 2024

	Share capital		Capital Reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappro-priated profit	Total
	Issued, subscribed and paid up	Discount on issue of shares	Share premium	Exchange translation reserve		Invest-ments	Property and Equipment	Non-Banking Assets		
	Rupees in '000									
Balance as at January 01, 2023	12,974,643	(2,855,401)	-	457,187	2,330,014	(459,791)	1,147,729	107,083	7,845,155	21,546,619
Profit after taxation for the prior year	-	-	-	-	-	-	-	-	4,334,918	4,334,918
Other comprehensive income - net of tax										
Effect of translation of net investment in foreign branch	-	-	-	219,841	-	-	-	-	-	219,841
Movement in surplus on revaluation of investment in debt instruments - net of tax	-	-	-	-	-	348,900	-	-	-	348,900
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	-	-	-	-	-	18,429	-	-	-	18,429
Revaluation of available for sale investments - net of tax	-	-	-	-	-	503,467	-	-	-	503,467
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	(71,780)	(71,780)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	(45,739)	-	-	(45,739)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	390,813	-	390,813
	-	-	-	219,841	-	870,796	(45,739)	390,813	(71,780)	1,363,931
Transfer to statutory reserve	-	-	-	-	866,984	-	-	-	(866,984)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(41,667)	(16)	41,683	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	-	-	(9,340)	-	-	9,340	-
Transactions with owners, recorded directly in equity										
Issue of share capital (right shares)	2,205,689	-	-	-	-	-	-	-	-	2,205,689
Issue of share capital (further issue of shares)	5,326,293	-	5,544,618	-	-	-	-	-	-	10,870,911
Discount on issue of shares written off against share premium account - note 21.4	-	2,855,401	(2,855,401)	-	-	-	-	-	-	-
Balance as at December 31, 2023	20,506,625	-	2,689,217	677,028	3,196,998	401,665	1,060,323	497,880	11,292,332	40,322,068
Impact of adoption of IFRS 9 - net of tax (note 4.1.2)	-	-	-	-	-	(65,563)	-	-	(834,014)	(899,577)
Balance as at January 01, 2024 after adoption of IFRS 9	**20,506,625**	**-**	**2,689,217**	**677,028**	**3,196,998**	**336,102**	**1,060,323**	**497,880**	**10,458,318**	**39,422,491**
Profit after taxation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,848,466**	**2,848,466**
Other comprehensive income / (loss) - net of tax										
Effect of translation of net investment in foreign branch	**-**	**-**	**-**	**(19,253)**	**-**	**-**	**-**	**-**	**-**	**(19,253)**
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	**-**	**-**	**-**	**-**	**-**	**919,175**	**-**	**-**	**-**	**919,175**
Movement in surplus/(deficit) on revaluation of investment in equity instruments - net of tax	**-**	**-**	**-**	**-**	**-**	**162,991**	**-**	**-**	**-**	**162,991**
Remeasurement loss on defined benefit obligations - net of tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(51,997)**	**(51,997)**
Movement in surplus on revaluation of property and equipment - net of tax	**-**	**-**	**-**	**-**	**-**	**-**	**411,137**	**-**	**-**	**411,137**
Movement in surplus on revaluation of non-banking assets - net of tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**13,624**	**-**	**13,624**
	-	**-**	**-**	**(19,253)**	**-**	**1,082,166**	**411,137**	**13,624**	**(51,997)**	**1,435,677**
Transfer to statutory reserve	**-**	**-**	**-**	**-**	**569,693**	**-**	**-**	**-**	**(569,693)**	**-**
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	**-**	**-**	**-**	**-**	**-**	**-**	**(17,754)**	**(889)**	**18,643**	**-**
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	**-**	**-**	**-**	**-**	**-**	**(4,729)**	**-**	**-**	**4,729**	**-**
Balance as at December 31, 2024	**20,506,625**	**-**	**2,689,217**	**657,775**	**3,766,691**	**1,413,539**	**1,453,706**	**510,615**	**12,708,466**	**43,706,634**

The annexed notes 1 to 49 and annexures I and II form an integral part of these unconsolidated financial statements.

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

Unconsolidated Cash Flow Statement

For the year ended December 31, 2024

2024	2023		Note	2024	2023
----- USD in '000 -----				----- Rupees in '000 -----	
		CASH FLOW FROM OPERATING ACTIVITIES			
22,854	30,570	Profit before taxation		**6,366,077**	8,515,174
(8,292)	(6,289)	Less: Dividend income		**(2,309,821)**	(1,751,922)
14,562	24,281			**4,056,256**	6,763,252
		Adjustments:			
(98,054)	(80,449)	Net mark-up / interest income		**(27,312,984)**	(22,409,038)
4,641	4,084	Depreciation on property and equipment	30	**1,292,671**	1,137,617
128	119	Depreciation on non-banking assets	30	**35,612**	33,222
4,824	4,045	Depreciation on right-of-use assets	30	**1,343,769**	1,126,808
1,305	1,004	Amortisation	30	**363,634**	279,575
16,918	10,078	Credit loss allowance and write offs - net	33	**4,712,549**	2,807,293
(64)	(156)	Gain on sale of property and equipment - net	29	**(17,815)**	(43,461)
-	(1,194)	Gain on reclassification of AFS equity shares	29	**-**	(332,658)
(16)	(177)	Gain on termination of leases - net	29	**(4,322)**	(49,351)
1,422	1,081	Finance charges on leased assets	26	**396,228**	300,981
970	402	Charge for defined benefit plan		**270,154**	111,970
1,574	-	Unrealised (loss) / gain on revaluation of investments measured at FVPL - net	28	**438,437**	49
457	611	Provision for workers' welfare fund	31	**127,322**	170,313
(65,895)	(60,552)			**(18,354,745)**	(16,866,680)
(51,333)	(36,271)			**(14,298,489)**	(10,103,428)
		(Increase) / decrease in operating assets			
(7,180)	40,751	Lendings to financial institutions		**(2,000,000)**	11,351,162
(38,792)	(52)	Securities measured at FVPL		**(10,805,449)**	(14,543)
(76,048)	88,613	Advances		**(21,183,110)**	24,683,232
(53,997)	(8,406)	Other assets (excluding advance taxation)		**(15,040,851)**	(2,341,420)
(176,017)	120,906			**(49,029,410)**	33,678,431
		Increase / (decrease) in operating liabilities			
8,821	954	Bills payable		**2,457,120**	265,776
10,417	(250,739)	Borrowings from financial institutions		**2,901,710**	(69,843,454)
139,478	79,522	Deposits		**38,851,598**	22,150,858
3,108	(5,714)	Other liabilities (excluding current taxation)		**865,656**	(1,591,675)
161,824	(175,977)			**45,076,084**	(49,018,495)
(65,526)	(91,342)			**(18,251,815)**	(25,443,492)
420,719	307,462	Mark-up / Interest received		**117,191,376**	85,643,573
(292,514)	(243,626)	Mark-up / Interest paid		**(81,479,714)**	(67,862,109)
(478)	-	Contribution made to gratuity fund		**(133,191)**	-
(22,965)	(10,611)	Income tax paid		**(6,397,019)**	(2,955,647)
39,236	(38,117)	**Net cash flow from / (used in) operating activities**		**10,929,637**	(10,617,675)
		CASH FLOW FROM INVESTING ACTIVITIES			
(69,092)	169,778	Net investments in amortised cost securities		**(19,245,629)**	47,291,663
60,504	(43,249)	Net investments in securities classified as FVOCI		**16,853,470**	(12,047,023)
8,292	6,289	Dividend received		**2,309,821**	1,751,922
(17,361)	(7,839)	Investments in property and equipment		**(4,835,843)**	(2,183,431)
(69)	789	Effect of translation of net investment in foreign branch		**(19,253)**	219,841
357	602	Disposal of property and equipment		**99,467**	167,611
-	(23,761)	Investment in subsidiary		**-**	(6,618,634)
(7,915)	(4,744)	Investments in intangible assets		**(2,204,617)**	(1,321,382)
(25,284)	97,865	**Net cash flow (used in) / from investing activities**		**(7,042,584)**	27,260,567
		CASH FLOWS FROM FINANCING ACTIVITIES			
-	-	Receipt of subordinated debt		**-**	3,500,000
(7)	(7,170)	Payments of subordinated debt		**(1,934)**	(1,997,233)
(5,948)	(5,571)	Payments of lease obligations against right-of-use assets		**(1,656,950)**	(1,551,908)
-	7,918	Issue of share capital (Right shares)		**-**	2,205,689
(5,955)	(4,823)	**Net cash flow (used in) / from financing activities**		**(1,658,884)**	2,156,548
7,997	54,925	**Increase in cash and cash equivalents**		**2,228,169**	18,799,440
158,223	90,733	Cash and cash equivalents at beginning of the year		**44,073,112**	25,273,672
166,220	145,658	**Cash and cash equivalents at end of the year**	36	**46,301,281**	44,073,112

The annexed notes 1 to 49 and annexures I and II form an integral part of these unconsolidated financial statements.

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

1. STATUS AND NATURE OF BUSINESS

1.1 JS Bank Limited (the Bank / JSBL) is a banking company incorporated in Pakistan as a public limited company on March 15, 2006. The Bank is a subsidiary company of Jahangir Siddiqui and Co. Ltd. (JSCL) and its shares are listed on Pakistan Stock Exchange Limited (PSX). The Bank commenced its banking operations on December 30, 2006 and its registered office is situated at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi.

The Bank is a scheduled bank, engaged in commercial banking and related services as described in the Banking Companies Ordinance, 1962 and is operating through 314 (2023: 291) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (2023:1). The Pakistan Credit Rating Agency Limited (PACRA) has assigned the long-term entity rating of the Bank to 'AA' (Double A) whereas short-term rating is maintained at 'A1+' (A One Plus), which is the highest possible short-term rating. The ratings denote a very low expectation of credit risk and indicate very strong capacity for timely repayment of financial commitments.

1.2 Jahangir Siddiqui Investment Bank Limited, JSIBL, (formerly Citicorp Investment Bank Limited which was acquired by JSCL on February 01,1999), and its holding company, JSCL, entered into a Framework Agreement with American Express Bank Limited, New York (AMEX) on November 10, 2005 for acquisition of its American Express Bank Limited - Pakistan Branches, (AEBL). Consequently, a new banking company, JSBL was incorporated on March 15, 2006 and a Banking License was issued by the State Bank of Pakistan (SBP) on May 23, 2006.

A Transfer Agreement was executed on June 24, 2006 between JSIBL and JSBL for the transfer of entire business and undertaking of JSIBL to JSBL and a separate Transfer Agreement was also executed on June 24, 2006, between AMEX and JSBL for the transfer of AEBL's commercial banking business in Pakistan with all assets and liabilities (other than certain excluded assets and liabilities) (AEBL business). The shareholders of JSIBL and JSBL, in their respective extra-ordinary general meetings held on July 31, 2006, approved a Scheme of Amalgamation (the Scheme) under Section 48 of the Banking Companies Ordinance, 1962. The Scheme was initially approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SC/NBFC(J)-R/JSIBL/2006/517 dated September 28, 2006. Subsequently, the Scheme was sanctioned by the SBP vide its order dated December 02, 2006 and, in accordance therewith, the effective date of amalgamation was fixed at December 30, 2006.

1.3 The Bank is the holding company of BankIslami Pakistan Limited (BIPL), JS Global Capital Limited (JSGCL) and JS Investments Limited (JSIL).

1.4 The shareholders of the Bank in their meeting held on March 30, 2022 approved to acquire, as per the requirements of section 199 of the Companies Act, 2017, 86,316,954 ordinary shares of BankIslami Pakistan Limited (BIPL), constituting 7.79% of the paid-up capital of BIPL, from Emirates NBD Bank PJSC at a price of up to Rs. 13.24 per share making the aggregate consideration up to Rs. 1,142 million.

During the year 2023, pursuant to the approvals of the shareholders of the Bank at their General Meetings held on March 29, 2023 and May 19, 2023 and after obtaining all the requisite corporate and regulatory approvals and compliance with all the applicable laws and regulations, the Bank had acquired:

- 42.45%, i.e., on August 18, 2023, 470,603,772 ordinary voting shares and control of BankIslami Pakistan Limited (BIPL), from sponsors and other shareholders of BIPL (including but not limited to, Jahangir Siddiqui and Co. Ltd., the holding company of the Bank) through agreements against the issuance of 532,629,349 new shares of the Bank by way of other than rights and other than cash consideration, i.e., 1.1318 ordinary shares of the Bank issued as consideration for every 1 ordinary share of BIPL. Accordingly on August 18, 2023, BIPL became a subsidiary of the Bank with 50.24% shareholding.
- 24.88%, i.e., on August 25, 2023, 275,891,276 ordinary shares of BIPL by way of public offer (published in newspapers on June 28, 2023) made to all public shareholders as required under the Takeover Regulations in cash at the rate of Rs. 23.99 per share. To partly finance the public offer, the Bank, with the approval of the Board of Directors, had issued 220,568,925 ordinary shares by way of 17% Right Shares, i.e., 17 right shares for every 100 shares held, at par value of Rs. 10/- each.

Post-acquisition, the shareholding of the Bank in BIPL increased to 75.12%.

2. BASIS OF PRESENTATION

These unconsolidated financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 02, dated February 09, 2023 with further addition made vide BPRD Circular Letter No. 13 of 2024, dated July 01, 2024 and accounting and financial reporting standards as applicable in Pakistan.

These unconsolidated financial statements are separate financial statements of the Bank in which the investments in subsidiaries and associates are stated at cost and are accounted for on the basis of direct equity interest rather than on the basis of reported results. The consolidated financial statements of the Bank are being issued separately.

These unconsolidated financial statements have been presented in Pakistan Rupees (PKR), which is the currency of the primary economic environment in which the Bank operates and functional currency of the Bank. The amounts are rounded to nearest thousand except as stated otherwise.

The US Dollar amounts shown on the statement of financial position, profit and loss account, statement of comprehensive income and cash flow statement are stated as additional information solely for the convenience of readers and have not been subject to audit by the external auditors. For the purpose of conversion to US Dollars, the rate of Rs. 278.55 to 1 US Dollar has been used for 2024 and 2023 as it was the prevalent rate as on December 31, 2024.

The Bank believes that there is no significant doubt on the Bank's ability to continue as a going concern. Therefore, the unconsolidated financial statements continue to be prepared on the going concern basis.

2.1 Statement of compliance

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

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

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

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies vide BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks vide its notification S.R.O 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements.

International Financial Reporting Standard (IFRS) 10, 'Consolidated Financial Statements' was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O56(I)/2016 dated January 28, 2016, that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS 10 is not applicable in case of investment by companies in mutual funds established under trust structure.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

These unconsolidated financial statements of the Bank are prepared using generally consistent accounting policies. However, as per SBP IFRS 9 application instructions, overseas branches comply with the local regulations enforced within their respective jurisdictions under IFRS 9.

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

SBP has allowed extension to Banks up to December 31, 2024 for developing the requisite models for calculating EAD for revolving products beyond the contractual date.

The Bank has received an extension from the State Bank of Pakistan (SBP) up to December 31, 2025 for application of Effective Interest Rate (EIR) in general for all financial assets and liabilities (excluding staff loans / subsidized loans).

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

As directed by SBP via BPRD Circular Letter No. 7 of 2023 dated April 13, 2023, IFRS 9, (Financial Instruments) became effective in Pakistan for period beginning on or after January 01, 2024. In addition, due to the application of IFRS 9, SBP vide BPRD Circular No. 02 dated February 09, 2023, amended the format of the annual financial statements. Details regarding the aforementioned adoption and amendment, including the impact thereof, are discussed in more detail in note 4.1.2 to these unconsolidated financial statements.

There are certain other amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2024. These are either considered to not be relevant or do not have any significant impact and accordingly have not been detailed in these unconsolidated financial statements.

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

Standards and Amendments	Effective date (annual periods beginning on or after)
Amendments to IAS 21- Lack of Exchangeability	January 01, 2025
IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised

Standard	IASB effective date (accounting periods beginning on or after)
IFRS 1 – First-time Adoption of International Financial Reporting Standards	January 01, 2004

2.4 Critical accounting estimates and key sources of estimation uncertainty

The preparation of these unconsolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the application of its accounting policies. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis.

i) valuation and impairment of financial instruments (notes 4.1.2.12, 8, 9, 41 and 46.1.9).
ii) Classification of investment in associates (notes 4.4).

iii) valuation and depreciation of property and equipment (notes 4.7 and 10).
iv) valuation of right-of-use assets and related lease liability (notes 4.8, 11 and 17).
v) valuation and amortisation of intangible assets including impairment of goodwill (note 4.9, 4.21 and 12).
vi) valuation of non-banking assets acquired in satisfaction of claims (note 4.10 and 13.2).
vii) defined benefit plans (notes 4.15.2 and 38).
viii) taxation (notes 4.13, 19 and 34).
ix) fair value of derivatives (note 4.5.1 and 24).

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

3. BASIS OF MEASUREMENT

These unconsolidated financial statements have been prepared under the historical cost convention except for:

- Certain classes of property and equipment and non-banking assets acquired in satisfaction of claims which are stated at revalued amounts less accumulated depreciation.

- Investments classified under Fair Value through Profit or Loss (FVPL) and Fair Value through Other Comprehensive Income (FVOCI) and derivative financial instruments, which are measured at fair value.

- Certain concessional rate advances and related borrowing (Staff Loans and Financing / Borrowing under SBP TERF Schemes).

- Net obligations in respect of defined benefit schemes which are carried at their present values.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented, except as disclosed in note 4.1 below.

4.1 Changes in Accounting Policies

4.1.1 Revised format of unconsolidated financial statements

SBP through its BPRD Circular No. 02 dated February 09, 2023, and BPRD Circular Letter No. 07 dated April 13, 2023, amended the format of quarterly, half yearly and annual financial statements of banks effective from accounting years starting from January 01, 2024 and onwards. Accordingly, the Bank has prepared these unconsolidated financial statements on the new format prescribed by SBP. The adoption of the new format contains additional disclosures and certain changes in the financial statements' presentation, primarily due to the implementation of IFRS 9 as applicable in Pakistan. However, the corresponding figures continue to be classified and disclosed in accordance with the previous financial accounting and reporting framework.

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

- Right-of-use-assets (Note 11) amounting to Rs. 2,610.093 million (2023: Rs. 2,139.578 million) which were previously shown as part of property and equipment (note 10) are now shown separately on the unconsolidated statement of financial position.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

- Lease liabilities (Note 17) amounting to Rs. 2,788.429 million (2023: Rs. 2,234.115 million) which were previously shown as part of other liabilities (note 20) are now shown separately on the unconsolidated statement of financial position.

4.1.2 Impact of IFRS 9 - Financial Instruments

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

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

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

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

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

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

4.1.2.1 Impacts on the unconsolidated statement of financial position:

Financial Asset / Liabilities	Note	Balances as of December 31, 2023 (Audited)	Reclassification under IFRS 9	Remeasurement under IFRS 9	Adjustments / Reversals of provision held	ECL Charge	Gross Impact	Tax	Net of Tax Impact	Balances as of January 01, 2024	Measurement category before IFRS 9	Measurement category after IFRS 9
		---------- Rupees in '000 ----------										
Assets												
Cash and balances with treasury banks		40,895,031	-	-	-	-	-	-	-	40,895,031	Loans and receivables	Amortised Cost
Balances with other banks		3,727,490	-	-	-	(2,975)	(2,975)	-	(2,975)	3,724,515	Loans and receivables	Amortised Cost
Lendings to financial institutions		-	-	-	-	-	-	-	-	-	Loans and receivables	Amortised Cost
Investments												
Held for trading												
Federal government securities		47,925	478,146	-	-	-	478,146	-	478,146	526,071	Held for trading	FVPL
Available for sale												
Federal government securities	4.1.2.1.1	140,857,389	(478,146)	-	-	-	(478,146)	-	(478,146)	140,379,243	Available for sale	FVOCI
Shares	4.1.2.1.4	3,455,798	-	(136,589)	136,589	-	-	-	-	3,455,798	Available for sale	FVOCI - without recycling
Non government debt securities	4.1.2.1.2	1,641,604	-	-	-	(3,205)	(3,205)	-	(3,205)	1,638,399	Available for sale	FVOCI
Foreign securities	4.1.2.1.3	18,721,914	-	-	-		-	-	-	18,721,914	Available for sale	FVOCI
Held to maturity												
Federal government securities	4.1.2.1.1 and 4.1.2.1.5	102,146,174	-	-	-	-	-	-	-	102,146,174	Held to maturity	Amortised Cost
Associates		198,922	-	-	-	-	-	-	-	198,922	Outside the scope of IFRS 9	
Subsidiaries		20,887,275	-	-	-	-	-	-	-	20,887,275	Outside the scope of IFRS 9	
		287,957,001	-	(136,589)	136,589	(3,205)	(3,205)	-	(3,205)	287,953,796		
Advances												
Temporary Export Refinance Facility (TERF)		4,716,993	-	(1,197,848)	-	(8,143)	(1,205,991)	-	(1,205,991)	3,511,002	Loans and receivables	Amortised Cost
Staff loans and overseas operations		5,869,019	-	(1,883,105)	-	(574)	(1,883,679)	-	(1,883,679)	3,985,340	Loans and receivables	Amortised Cost
Advances other than TERF staff loans and overseas operations		193,140,888	-	(338,133)	-	(1,475,065)	(1,813,198)	-	(1,813,198)	191,327,690	Loans and receivables	Cost
		203,726,900	-	(3,419,086)	-	(1,483,782)	(4,902,868)	-	(4,902,868)	198,824,032		
Property and equipment		8,627,102	-	-	-	-	-	-	-	8,627,102	Outside the scope of IFRS 9	
Right-of-use assets		2,139,578	-	-	-	-	-	-	-	2,139,578	Outside the scope of IFRS 9	
Intangible assets		4,872,907	-	-	-	-	-	-	-	4,872,907	Outside the scope of IFRS 9	
Deferred tax assets		-	-	-	-	-	-	-	-	-	Outside the scope of IFRS 9	
Other assets												
Financial assets		29,163,577	-	(86,422)	-	-	(86,422)	-	(86,422)	29,077,155	Loans and receivables	Amortised Cost
Non-financial assets		6,680,714	-	1,883,105	-	-	1,883,105	-	1,883,105	8,563,819	Outside the scope of IFRS 9	
Mark to market gain on forward exchange contracts		1,642,158	-	-	-	-	-	-	-	1,642,158	Fair Value	FVPL
		37,486,449	-	1,796,683	-	-	1,796,683	-	1,796,683	39,283,132		
		589,432,458	-	(1,758,992)	136,589	(1,489,962)	(3,112,365)	-	(3,112,365)	586,320,093		
Liabilities												
Bills payable		5,668,721	-	-	-	-	-	-	-	5,668,721	Cost	Amortised Cost
Borrowings		27,222,479	-	(1,254,825)	-	-	(1,254,825)	-	(1,254,825)	25,967,654	Cost	Amortised Cost
Deposits and other accounts		486,282,778	-	-	-	-	-	-	-	486,282,778	Cost	Amortised Cost
Lease liabilities		2,234,115	-	-	-	-	-	-	-	2,234,115	Outside the scope of IFRS 9	
Subordinated debt		8,497,767	-	-	-	-	-	-	-	8,497,767	Cost	Amortised Cost
Deferred tax liabilities		1,316,108	-	-	-	-	-	(974,541)	(974,541)	341,567	Outside the scope of IFRS 9	
Other liabilities												
Financial liabilities	4.1.2.1.6	14,080,441	-	-	-	16,578	16,578	-	16,578	14,097,019	Cost	Amortised Cost
Non-financial liabilities		2,198,198	-	-	-	-	-	-	-	2,198,198	Outside the scope of IFRS 9	
Mark to market loss on forward exchange contracts		1,609,783	-	-	-	-	-	-	-	1,609,783	Fair value	FVPL
		17,888,422	-	-	-	16,578	16,578	-	16,578	17,905,000		
		549,110,390	-	(1,254,825)	-	16,578	(1,238,247)	(974,541)	(2,212,788)	546,897,602		
Net Assets		40,322,068	-	(504,167)	136,589	(1,506,540)	(1,874,118)	974,541	(899,577)	39,422,491		
REPRESENTED BY												
Share capital		20,506,625	-	-	-	-	-	-	-	20,506,625	Outside the scope of IFRS 9	
Reserves		6,563,243	-	-	-	-	-	-	-	6,563,243	Outside the scope of IFRS 9	
Surplus on revaluation of assets		1,959,868	-	(136,589)	-	-	(136,589)	71,026	(65,563)	1,894,305	Outside the scope of IFRS 9	
Unappropriated profit		11,292,332	-	(367,578)	136,589	(1,506,540)	(1,737,529)	903,515	(834,014)	10,458,318	Outside the scope of IFRS 9	
		40,322,068	-	(504,167)	136,589	(1,506,540)	(1,874,118)	974,541	(899,577)	39,422,491		

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

4.1.2.1.1 As per paragraph 3.2 of the Application Instructions, Government securities in local currency are exempted from the application of ECL framework, details are mentioned in note 4.1.2.12 to these unconsolidated financial statements.

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

4.1.2.1.3 These financial assets are held by overseas branch. As per paragraph 1.2 of the Application Instruction, in relation to overseas branch, IFRS 9 will be applicable based on their respective host country's regulatory accounting practices. Since IFRS 9 was already applicable to overseas branches as at January 01, 2024, there is no impact of IFRS 9 adoption on these financial assets.

4.1.2.1.4 The Bank previously classified certain equity investments as Available-for-Sale (AFS). Upon implementing IFRS 9, the Bank made an irrevocable election to classify them at FVOCI.

4.1.2.1.5 Certain debt securities are held by the Bank in a separate portfolio for long-term yield. These securities may be sold, but such sales are not expected to be more than infrequent. The Bank considers that these securities are held within a business model whose objective is to hold assets to collect the contractual cash flows. These assets are classified as measured at amortised cost under IFRS 9.

4.1.2.1.6 This includes expected credit loss against off-balance sheet items.

4.1.2.2 Impact on regulatory capital

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

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

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

Had IFRS 9 not been applied, the CAR would have been higher by 38 bps from 13.24% to 13.62%.

4.1.2.3 Classification and measurement

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

4.1.2.3.1 Recognition and initial measurement

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

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVPL, transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial asset on initial recognition is generally its transaction price. If the Bank determines that the fair value on initial recognition differs from the transaction price then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in unconsolidated statement of profit and loss account on an appropriate basis over the life of the asset but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out. Advances other than staff loans and Temporary Economic Refinance Facility (TERF) and advances pertaining to overseas operations are initially measured at transaction price i.e., the amount of loan disbursed at disbursement date.

Staff loans and Temporary Economic Refinance Facility (TERF) loans and advances pertaining to overseas operations are recognised at fair value at the time of disbursement. The fair value is determined by discounting the expected future cash flows using the prevailing market rates for instruments. The difference between the disbursed amount and the fair value at initial recognition is recorded as a prepayment.

4.1.2.3.2 Classification

(a) Financial Assets

On initial recognition, a financial asset other than advances except for staff loans and Temporary Economic Refinance Facility (TERF) and advances pertaining to overseas operations is classified as measured at amortised cost, FVOCI or FVPL.

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

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

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

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

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

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

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

(b) Financial Liabilities

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

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

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

4.1.2.4 Business model assessment

A financial asset is classified as either held-to-collect, held-to-collect and sale and others based on Business Model Assessment. The Bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The assessment requires judgement based on facts and circumstances on the date of assessment. The information considered mainly includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual mark-up revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Transfer of financial assets to third parties in transaction that do not qualify for derecognition are not considered sales for this purpose, consistent with the Bank continuing recognition of the financial assets.

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

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

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

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

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

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and mark-up on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par-amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

The Bank holds a portfolio of long-term fixed-rate loan for which the Bank has the option to propose to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the financing at par without penalty. The Bank has determined that the contractual cash flows of these loan are SPPI because the option varies the interest rate in a way that is in consideration for the time value of money, credit risk, other basic financing risks and costs associated with the principal amount outstanding.

4.1.2.6 Subsequent measurement

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

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

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

4.1.2.7 Amortised cost and gross carrying amount

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

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

4.1.2.8 Calculation of mark-up income and expense

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

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

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

Mark-up expense on domestic financial liabilities (comprising deposits, subordinated debts, and borrowings) is recognised on an accrual basis in the period in which it is incurred, based on effective interest rate method. In case of overseas operations, such expense is recognised under the effective interest method or as prescribed by the regulatory authorities of the country in which the Bank operates.

4.1.2.9 Derecognition

The Bank derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  (a) substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  (b) the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between:

- the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised); and
- the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in OCI shall be recognised in unconsolidated statement of profit and loss.

From January 01, 2024 any cumulative gain / loss recognised in OCI in respect of equity investment securities designated at FVOCI is not recognised in unconsolidated statement of profit and loss account on derecognition of such securities. Any mark-up on transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability.

The Bank enters into transactions whereby it transfers assets recognised on its unconsolidated statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured loan transaction similar to sale-and repurchase transactions, because the Bank retains all or substantially all of the risks and rewards of ownership of such assets.

In transactions in which the Bank neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Bank continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Bank retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

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

4.1.2.10 Modification

Financial Assets

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to its customers. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in unconsolidated statement of profit and loss account as part of the gain or loss on derecognition.

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

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

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the bank first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognise the resulting adjustment as a modification gain or loss in profit or loss. Any costs or fees incurred, and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

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

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

4.1.2.11 Reclassification

Financial liabilities are not reclassified subsequent to initial recognition. Reclassifications of financial assets are made when, and only when, the business model for those assets changes. Such changes are expected to be infrequent and arise as a result of significant external or internal changes such as the termination of a line of business or the purchase of a subsidiary whose business model is to realise the value of pre-existing held for trading financial assets through a hold to collect model.

Financial assets are reclassified at their fair value on the date of reclassification and previously recognised gains and losses are not restated. Moreover, reclassifications of financial assets between financial assets held at amortised cost and financial assets held at FVOCI do not affect effective interest rate or expected credit loss computations.

Reclassified from fair value through other comprehensive income

Where debt securities held at FVOCI are reclassified to financial assets held at FVPL, the cumulative gain or loss previously recognised in comprehensive income is transferred to the unconsolidated statement of profit and loss account.

For debt securities held at FVOCI that are reclassified to financial assets held at amortised cost, the cumulative gain or loss previously recognised in comprehensive income is adjusted against the fair value of the financial asset such that the financial asset is recorded at a value as if it had always been held at amortised cost. In addition, the related cumulative expected credit losses held within comprehensive income are reversed against the gross carrying value of the reclassified assets at the date of reclassification.

4.1.2.12 Impairment

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

(a) Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

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

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

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

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

(b) Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Financial assets where 12-month ECL is recognised are in 'Stage 1'; financial assets that are considered to have experienced a significant increase in credit risk are in 'Stage 2'; and financial assets for which there is objective evidence of impairment, so are considered to be in default or otherwise credit impaired, are in 'Stage 3'.

(c) Non-Performing financial assets

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

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

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

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

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

The Bank calculates the ECL against corporate, commercial and SME loan portfolios as higher of PR and ECL under IFRS 9 at borrower / facility level, whereas against the retail borrowers the Bank will calculate ECL at higher of PR and ECL under IFRS 9 at segment / product basis as instructed under Annexure-A of BPRD Circular No. 16 dated July 29, 2024.

Based on the requirements of IFRS 9 and Application Instructions, the Bank has performed an ECL assessment considering the following key elements:

(a) Probability of default (PD)

The probability that a counterparty will default over the next 12 months from the reporting date (12 month ECL, Stage1) or over the lifetime of the product (lifetime ECL, Stage 2). PD is estimated using internal rating classes and are based on the Bank's internal risk rating. The bank has used Transition Matrix approach for estimation of PD for each internal rating. The bank have used roll-rate method using the days past due (DPD) criteria to estimated PD for its retail portfolio. PD are then adjusted with forward looking information for calculation of ECL.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

(b) Exposure at default (EAD)

The expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortisation, pre-payments and forward-looking information where relevant. The Bank estimates EAD for financial assets carried at an amortised cost equal to principal plus profit. Each repayment date is assumed to be default point in the model and the ECL is calculated on EAD at each reporting date and discounted at the effective interest rate. Further, cash and cash equivalent collaterals the Bank holds against the non-retail facilities are adjusted from the LGD.

(c) Loss given default (LGD)

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

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

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

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

4.1.2.13 Significant increase in credit risk (SICR)

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

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

IFRS 9 includes a rebuttable presumption that a default does not occur later than 90 days past due and it also presumes that there is SICR if credit exposure is more than 30 days past due. In order to bring consistency, SBP has allowed the backstop to the rebuttable presumption of days past due of credit portfolio against a specific credit facility and its stage allocation under IFRS 9 as mentioned in Annexure-C of BPRD Circular No. 03 dated July 05, 2022. However, banks are free to choose more stringent days past due criteria. The Bank aligns its policy with Annexure-C of BPRD Circular No. 3 of 2022; hence, SICR is considered if credit exposure exceeds 60 days past due.

4.1.2.14 Write-offs

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the unconsolidated statement of profit and loss account and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

4.1.2.15 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the unconsolidated statement of financial position when, and only when, the Bank currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4.1.2.16 Undrawn loan commitments and guarantees

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

Financial guarantees issued or commitments to provide a loan at a below-market profit rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

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

4.1.2.17 Governance, ownership and responsibilities

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

The Bank's Credit Division performs credit risk assessment, monitors Significant Increase in Credit Risk of the borrowers, reviews Credit Ratings and obligor attributes.

The IT Division extracts the data required for ECL calculations. IT Division also provide support for system development and upgrades.

The Bank's Finance Division takes ownership of ECL models and methodologies used in calculation of ECL. Finance Division assess the financial impact, meet the financial reporting requirements and presents quarterly results to Board of Directors (BOD) / its Board Sub Committee.

The Risk Management Division calculates impact of ECL on bank's capital adequacy, leverage ratio and Liquidity requirements.

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

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

4.2 Cash and cash equivalents

Cash and cash equivalents represent cash and balances with treasury banks and balances with other banks net of any overdrawn nostro accounts.

4.3 Lendings to / borrowings from financial institutions

The Bank enters into transactions of lendings to / borrowings from financial institutions at contracted rates for a specified period of time. These are recorded as under:

(a) Sale under repurchase obligation

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the unconsolidated statement of financial position and are measured in accordance with accounting policies for investments. Amounts received under these agreements are recorded as repurchase agreement borrowings. The difference between sale and repurchase price is amortised as expense over the term of the repo agreement. These are initially recognised at amount of funds received and subsequently reported as payable under the contractual terms.

(b) Purchase under resale obligation

Securities purchased with a corresponding commitment to resale at a specified future date (reverse repos) are not recognised as investments in the unconsolidated statement of financial position. Amounts paid under these arrangements are included in repurchase agreement lendings. The difference between purchase and resale price is accrued as income over the term of the reverse repo agreement. These are initially recognised at amount of funds disbursed and subsequently reported as receivable under the contractual terms.

(c) Other borrowings

Other borrowings include borrowings from the SBP and unsecured call borrowings which are recorded at the proceeds received. Mark-up paid on such borrowings is charged to the unconsolidated statement of profit and loss account over the period of borrowings on time proportionate basis using effective interest method.

4.4 Investments

Associates

Associates are entities over which the bank has significant influence but not control. This influence is assessed based on the bank's potential voting rights that are currently exercisable in the entity that allow the bank to participate in but not control decision-making. Investment in associates are carried at cost, less any accumulated impairment losses.

Subsidiaries

Subsidiary is an entity over which the Bank has control. Investments in subsidiary is carried at cost less accumulated impairment losses, if any. The carrying amount of investments in subsidiaries is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated at higher of its value in use and its fair value less cost to sell. An impairment loss is recognised if the carrying amount exceeds its recoverable amount. Impairment losses are recognised in unconsolidated statement of profit and loss account.

4.5 Financial instruments

4.5.1 Derivative financial instruments

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

4.6 Advances

4.6.1 Loan and advances

These are stated at cost less expected credit loss allowances except for staff loans, Temporary Economic Refinance Facility (TERF), and advances pertaining to overseas operations which are stated at amortized cost less credit loss allowances.

4.6.2 Finance lease

Leases, where the Bank transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee are classified as finance leases. A receivable is recognised at an amount equal to the present value of the lease payment including any guaranteed residual value, if any. Net investment in finance lease is included in loans and advances to customers.

4.7 Property and equipment, and depreciation

4.7.1 Property and equipment

Property and equipment except land and buildings are shown at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the items. Leasehold land and buildings on leasehold land are stated at revalued amount less accumulated depreciation and impairment loss, if any.

Depreciation on property and equipment (excluding land which is not depreciated) is charged using the straight line method in accordance with the rates specified in note 10.2 to these unconsolidated financial statements after taking into account residual value. The asset's residual values and useful lives are reviewed and adjusted, if required, at each reporting date.

Land and buildings are revalued by professionally qualified valuers with sufficient regularity to ensure that the net carrying amount does not differ materially from their fair value. Valuation techniques and input used are disclosed in note 41 of these unconsolidated financial statements.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the unconsolidated statement of profit and loss account during the period in which they are incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is recognised in the unconsolidated statement of profit and loss account in the year the asset is derecognised.

4.7.2 Surplus / deficit on revaluation of Property and Equipment

The surplus arising on revaluation is credited to other comprehensive income. However, the increase shall be recognised in unconsolidated statement of profit and loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in the unconsolidated statement of profit and loss account.

The deficit arising on a particular property as a result of a revaluation is recognised in the unconsolidated statement of profit and loss account as an impairment. However, the decrease to be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Depreciation on buildings which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the unconsolidated statement of profit and loss account; and an amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of Property and equipment Account" to unappropriated profit through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation charge for the year.

Gains or losses on disposal of assets are included in the unconsolidated statement of profit and loss account, except for the related surplus on revaluation of Property and equipment (net of deferred tax) which is transferred directly to equity.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

4.7.3 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment losses, if any. These are transferred to specified assets as and when assets are available for use.

4.8 Lease liability and right-of-use assets

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

The lease liability is initially measured at the present value of the lease payments to be made over the lease term, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Bank's incremental borrowing rate.

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

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or lease modification.

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

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

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

4.9 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment, if any. Intangible assets are amortised using the straight line method, whereby the cost of the intangible asset is amortised over its estimated useful life over which economic benefits are expected to flow to the Bank. The useful life and amortisation method are reviewed and adjusted, if appropriate, annually.

Intangible assets having an indefinite useful life are carried at cost less any impairment in value and are not amortised. However, these are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

4.10 Non-banking assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are initially measured at settlement amount and upon revaluation, are carried at revalued amounts less accumulated depreciation and impairment losses, if any. The useful lives and depreciation method are reviewed annually and adjusted, if appropriate. As per SBP's requirement desktop valuation is carried out on annual basis and full-scope valuation after every three years by independent professionally qualified valuers to ensure that their net carrying value does not differ materially from their fair value. A surplus arising on revaluation of assets is credited to the 'surplus on revaluation of Non-banking assets acquired in satisfaction of claims' account and any deficit arising on revaluation is taken to unconsolidated statement of profit and loss account directly. Legal fees, transfer costs and direct costs of acquiring title of assets is charged to unconsolidated statement of profit and loss account and not capitalised. The policy for depreciation is stated in note 4.7.1 of these unconsolidated financial statements.

4.10.1 Surplus / deficit on revaluation of non-banking assets

Revaluation of non-banking assets acquired in satisfaction of claims under DPS transactions is carried out under criteria given in regulations for DPS issued by the State Bank of Pakistan (SBP) vide BPRD Circular 01 dated January 01, 2016 i.e. valuation of property shall be done on individual property basis and not on portfolio basis, whereas accounting treatment of revaluation is accounted for in accordance with applicable financial reporting standards i.e. International Accounting Standard (IAS) 16 as referred in note 4.7.2.

Furthermore, revaluation surplus on such assets shall not be admissible for calculating Bank's Capital Adequacy Ratio and exposure limits under the Prudential Regulations. However, the surplus can be adjusted upon realization of sale proceeds.

4.11 Borrowings / deposits and their cost

Borrowings / deposits are initially recorded at the amount of proceeds received. Costs of borrowings / deposits are recognised separately as part of other liabilities and is charged to the unconsolidated statement of profit and loss account over the period on an accrual basis.

4.12 Subordinated debts

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

4.13 Taxation

Current

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemptions available, if any, or minimum tax on turnover, whichever is higher. The charge for current tax also includes adjustments, where considered necessary, relating to prior years arising from assessments made during the year.

Deferred

Deferred tax is recognised using the balance sheet approach on all temporary differences arising between tax bases of assets and liabilities and their carrying amounts appearing in these unconsolidated financial statements. Deferred tax liability is recognised on taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carry forward of unused tax losses, if any, only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Deferred tax is calculated at the rates that are expected to apply to the period wherein the differences are expected to reverse, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the unconsolidated statement of profit and loss account.

Deferred tax, if any, on revaluation of investments is recognised as an adjustment to surplus / (deficit) arising on revaluation in accordance with the requirements of IAS-12, 'Income Taxes'.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

4.14 Provisions

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

Provision against identified non-funded losses is recognised when intimated and reasonable certainty exists for the Bank to settle the obligation. The loss is charged to the unconsolidated statement of profit and loss account net of expected recovery.

4.15 Staff retirement benefits

4.15.1 Defined contribution plan

The Bank has established a provident fund scheme for all permanent employees effective from January 01, 2007. Equal monthly contributions are made, both by the Bank and the employees, to the fund at the rate of 7.1 percent with effect from July 01, 2015 due to change in salary structure. Contribution by the Bank is charged to the unconsolidated statement of profit and loss account.

4.15.2 Defined benefit plan

The Bank operates an approved funded gratuity scheme covering all its eligible employees who have completed minimum qualifying period. An actuarial valuation of defined benefit scheme is conducted at the end of every year or on occurrence of any significant change. The most recent valuation in this regard was carried out as at December 31, 2024, using the projected unit credit actuarial valuation method. Under this method cost of providing for gratuity is charged to the unconsolidated statement of profit and loss account so as to spread the cost over the service lives of the employees in accordance with the actuarial valuation. Past-service costs are recognised immediately in the unconsolidated statement of profit and loss account and actuarial gains and losses are recognised immediately in other comprehensive income.

4.16 Revenue recognition

Revenue is recognised to the extent that economic benefits will flow to the Bank and the revenue can be reliably measured. These are recognised as follows:

- Mark-up income / interest on performing advances and returns on debt securities are recognised on accrual basis except in case of classified advances where mark-up income is recognised on receipt basis. Mark-up / return / interest on rescheduled / restructured loans and advances and investments is recognised as permitted by the regulations of SBP.

- Where debt securities are purchased at premium or discount, such premium / discount is amortised through the unconsolidated statement of profit and loss account over the remaining period of maturity.

- Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of leased assets) is deferred and taken to income over the term of the lease period so as to produce a constant periodic rate of return on the outstanding net investment in lease. Gains / losses on termination of lease contracts, documentation charges, front-end fees and other lease income are recognised as income when these are realised.

- The Bank earns fee and commission income from a banking service to retail and corporate customer. Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services.

- Dividend income is recognised when the Bank's right to receive dividend is established.

- Gain / loss on sale of investments is credited / charged to the unconsolidated statement of profit and loss account.

4.17 Dividend and appropriation to reserves

Dividend and appropriation to reserves, except for statutory reserves, are recognised in the unconsolidated financial statements in the periods in which these are approved. The revaluation surplus related to Property and equipment and non-banking assets is not available for distribution of dividend.

4.18 Foreign currencies

4.18.1 Functional and presentation currency

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

4.18.2 Transactions and balances

Transactions in foreign currencies are translated into Pakistani rupees at the exchange rates prevailing on the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the unconsolidated statement of profit and loss account.

Forward contracts relating to foreign currency deposits are valued at forward rates applicable to the respective maturities of the relevant foreign exchange contract. The forward cover received / paid on forward purchase / sale contracts relating to foreign currency deposits are realised / charged directly to the unconsolidated statement of profit and loss account.

4.18.3 Foreign operations

Assets and liabilities of foreign operations are translated into rupees at the exchange rate prevailing at the reporting date. The results of foreign operations are translated at average rate of exchange for the year.

4.18.4 Translation gains and losses

Translation gains and losses arising on revaluations of net investment in foreign operations are taken to Exchange Translation Reserve in the statement of comprehensive income. These are recognised in the unconsolidated statement of profit and loss account on disposal.

4.18.5 Commitments

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

4.19 Clients' assets

The Bank provides services that result in the holding of assets on behalf of its clients. Such assets are not reported in the unconsolidated financial statements, as they are not the assets of the Bank.

4.20 Acceptances

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

4.21 Goodwill

Goodwill acquired in a business combination before July 01, 2009 is initially measured at cost, being the excess of the cost of the business combination over the Bank's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Bank's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquirer are assigned to those units or groups of units.

4.22 Earnings per share

The Bank presents basic and diluted earnings per share (EPS). Basis EPS is calculated by dividing the profit or loss attributable to equity holders of the Bank by the weighted average number of ordinary shares outstanding during the year.

4.23 Segment reporting

A segment is a distinguishable component of the Bank that is subject to risks and rewards that are different from those of other segments. A business segment is one that is engaged either in providing certain products or services, whereas a geographical segment is one engaged in providing certain products or services within a particular economic environment.

Segment information is presented as per the Bank's functional structure and the guidance given under International Financial Reporting Standard (IFRS) 8. For management purposes, the Bank has been organised into six operating segments based on products and services, as follows:

4.23.1 Business segments

Retail Banking

Retail banking includes branch banking, small and medium enterprises, direct sales, private banking, product management, branch distribution network and tele sales.

Corporate / Commercial Banking

This includes corporate banking, commercial banking and institutional sales related loans, deposits and other transactions.

Treasury

This segment is responsible for asset / liability management and includes all treasury related products such as fixed income money market, FX and derivatives.

Investment, International and Institutional Banking

This segment includes international branch, financial institutions business, home remittances, cash management, employee banking, venture capital and green banking.

Zindigi

It is a digital platform catering branchless banking customers.

Others

This includes the head office related activities and other functions which cannot be classified in any of the above segments.

4.23.2 Geographical segment

The Bank operates in two geographic regions being:

- Pakistan
- Bahrain

5. CASH AND BALANCES WITH TREASURY BANKS	Note	2024	2023
		----- Rupees in '000 -----	
In hand:			
Local currency		**10,992,806**	8,606,571
Foreign currencies		**1,384,081**	2,159,380
		12,376,887	10,765,951
With State Bank of Pakistan in:			
Local currency current account	5.1	**22,942,481**	20,387,010
Foreign currency current account	5.2	**2,395,530**	2,071,676
Foreign currency deposit accounts	5.3	**4,965,343**	4,614,459
		30,303,354	27,073,145
With National Bank of Pakistan in local currency current accounts		**367,397**	3,038,343
Prize Bonds		**11,537**	17,592
Less: Credit loss allowance held against cash and balances with treasury banks (stage 1)		**(1,043)**	-
Cash and balances with treasury banks - net of credit loss allowance		**43,058,132**	40,895,031

5.1 This represents local currency current account maintained under the Cash Reserve Requirement (CRR) of the SBP.

5.2 This represents foreign currency current account maintained with SBP under the CRR of the SBP.

5.3 This includes :

- a foreign currency deposit account maintained under the Special Cash Reserve Requirement (SCRR) of the SBP which carried mark-up at rates ranging from 3.53% to 4.35% per annum (2023: 3.39% to 4.34% per annum); and
- a foreign currency settlement account which carried mark-up at a rate of 0.00% per annum (2023: 0.00% per annum).

6. BALANCES WITH OTHER BANKS	Note	2024	2023
		----- Rupees in '000 -----	
In Pakistan			
In current accounts		**5,690**	5,636
In deposit accounts		**73**	73
		5,763	5,709
Outside Pakistan			
In current accounts	6.1	**3,614,967**	3,721,855
		3,620,730	3,727,564
Less: Credit loss allowance held (stage 1)		**(3,437)**	(74)
Balances with other banks - net of credit loss allowance		**3,617,293**	3,727,490

6.1 This includes amount held in Automated Investment Plans. The Bank is entitled to earn interest from the foreign correspondent banks at agreed upon rates when the balance exceeds a specified amount which ranges between 3.58% to 4.08% per annum (2023: 4.50% to 5.00% per annum).

7. LENDINGS TO FINANCIAL INSTITUTIONS	Note	2024	2023
		----- Rupees in '000 -----	
Reverse repo agreements	7.2	**2,000,000**	-
Less: Credit loss allowance held against lending to financial institutions		**(270)**	-
Lending to financial institutions - net of credit loss allowance		**1,999,730**	-

7.1 Particulars of lendings - gross

In local currency	**2,000,000**	-
In foreign currencies	**-**	-
	2,000,000	-

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

7.2 This represents short term lending to a financial institution against investment securities. This carries a mark-up a rate of 13.90% per annum (2023: nil) and is due to mature by January 02, 2025.

7.3 Securities held as collateral against Lending to financial institutions

	2024			2023		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
	---------- Rupees in '000 ----------					
Ijarah Sukuk	2,000,000	-	2,000,000	-	-	-
Total	2,000,000	-	2,000,000	-	-	-

7.4 Lendings to FIs - Particulars of credit loss allowance

		2024		2023	
		Lending	Credit loss allowance held	Lending	Provision held
		---------- Rupees in '000 ----------			
Domestic					
Performing	Stage 1	2,000,000	(270)	-	-
Under-performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
Total		2,000,000	(270)	-	-

	2024			
	Stage 1	Stage 2	Stage 3	Total
	---------- Rupees in '000 ----------			
Balance at the start of the year				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of credit loss allowance	-	-	-	-
New financial assets originated or purchased	(270)	-	-	(270)
Financial assets that have been derecognised	-	-	-	-
Write offs	-	-	-	-
Unwinding of discount	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	-	-	-	-
Balance at the end of the year	(270)	-	-	(270)

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

8 INVESTMENTS

8.1 Investments by type

	2024			
	Cost / Amortised cost	Credit loss allowance / Provision	Surplus / (Deficit)	Carrying value
	------ Rupees in '000 ------			
Debt Instruments				
Classified / Measured at amortised cost				
Federal Government securities	121,391,803	-	-	121,391,803
Classified / Measured at FVOCI				
Federal Government securities	131,780,766	(25,316)	1,362,316	133,117,766
Non Government debt securities	1,708,944	(559,488)	(28,810)	1,120,646
Foreign securities	15,420,105	(178,244)	86,101	15,327,962
	148,909,815	(763,048)	1,419,607	149,566,374
Classified / Measured at FVPL				
Federal Government securities	5,005,240	-	7,442	5,012,682
Foreign securities	915,419	-	(28,491)	886,928
	5,920,659	-	(21,049)	5,899,610
Instruments mandatorily classified / measured at FVPL				
Unlisted Preference Shares	695,647	-	(417,388)	278,259
Equity instruments				
Classified / Measured at FVOCI (Non-Reclassifiable)				
Shares				
Listed Companies				
Ordinary shares	2,168,154	-	1,887,422	4,055,576
Preference shares	136,589	-	24,151	160,740
Unlisted Company				
Ordinary shares	11,000	-	-	11,000
Foreign securities	5,965	-	-	5,965
Preference shares	386,306	-	(386,306)	-
	2,708,014	-	1,525,267	4,233,281
Subsidiaries				
JS Global Capital Limited	1,357,929	-	-	1,357,929
JS Investments Limited	561,192	-	-	561,192
Bank Islami Pakistan Limited	18,968,154	-	-	18,968,154
	20,887,275	-	-	20,887,275
Associates				
Omar Jibran Engineering Industries Limited	180,000	-	-	180,000
Veda Transit Solutions (Pvt) Ltd.	41,800	(41,800)	-	-
Intercity Touring Company (Pvt) Ltd.	20,267	(20,267)	-	-
	242,067	(62,067)	-	180,000
Total Investments	300,755,280	(825,115)	2,506,437	302,436,602

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

	2023			
	Cost / Amortised cost	Credit loss allowance / Provision	Surplus / (Deficit)	Carrying value
	Rupees in '000			
Held-for-trading securities				
Federal Government Securities				
Market Treasury Bills	47,974	-	(49)	47,925
Available-for-sale securities				
Federal Government Securities:				
Market Treasury Bills	427,432	-	25	427,457
Pakistan Investment Bonds - Fixed	28,540,271	-	(1,124,212)	27,416,059
Pakistan Investment Bonds - Floater	110,030,211	-	1,001,079	111,031,290
Islamic Naya Pakistan certificates	478,146	-	-	478,146
Government of Pakistan Eurobonds	1,853,745	(124,556)	(224,752)	1,504,437
Shares				
Listed Companies				
Ordinary shares	2,176,754	-	1,268,044	3,444,798
Preference shares	136,589	(136,589)	-	-
Unlisted Company				-
Ordinary shares	11,000	-	-	11,000
Non Government Debt Securities				
Listed				
Term Finance Certificates	393,446	(143,446)	(15,412)	234,588
Sukuk Certificates	200,000	-	(10,470)	189,530
Unlisted				-
Term Finance Certificates	231,928	(131,928)	-	100,000
Sukuk Certificates	1,117,486	-	-	1,117,486
Preference shares	27,733	(27,733)	-	-
Foreign Securities				-
Government Debt Securities	18,554,551	(189,192)	(95,171)	18,270,188
Non Government Debt Securities	371,295	(52)	2,710	373,953
Ordinary shares	92,031	-	(14,258)	77,773
	164,642,618	(753,496)	787,583	164,676,705
Held-to-maturity securities				
Federal Government Securities				
Market Treasury Bills	29,887,607	-	-	29,887,607
Pakistan Investment Bonds - Fixed	10,461,059	-	-	10,461,059
Pakistan Investment Bonds - Floater	61,797,508	-	-	61,797,508
	102,146,174	-	-	102,146,174
Subsidiaries				
JS Global Capital Limited	1,357,929	-	-	1,357,929
JS Investments Limited	561,192	-	-	561,192
Bank Islami Pakistan Limited	18,968,154	-	-	18,968,154
	20,887,275	-	-	20,887,275
Associates				
Omar Jibran Engineering Industries Limited	180,000	-	-	180,000
Veda Transit Solutions (Pvt) Ltd.	41,800	(22,878)	-	18,922
Intercity Touring Company (Pvt) Ltd.	20,267	(20,267)	-	-
	242,067	(43,145)	-	198,922
Total Investments	287,966,108	(796,641)	787,534	287,957,001

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

8.1.1 Investments include certain approved / government securities which are held by the Bank to comply with the Statutory Liquidity Requirement determined on the basis of the Bank's demand and time liabilities as set out under section 29 of the Banking Companies Ordinance, 1962.

	Note	2024				2023			
		Cost / Amortised cost	Credit loss allowance / Provision	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance / Provision	Surplus / (deficit)	Carrying value
		Rupees in '000							
8.2 Investments by segments									
Federal Government Securities									
Market Treasury Bills		84,886,152	-	916,467	85,802,619	30,363,013	-	(24)	30,362,989
Pakistan Investment Bonds		172,107,830	-	465,437	172,573,267	210,829,049	-	(123,133)	210,705,916
Islamic Naya Pakistan Certificates		883,141	-	-	883,141	478,146	-	-	478,146
Government of Pakistan Eurobonds		300,686	(25,316)	(12,146)	263,224	1,853,745	(124,556)	(224,752)	1,504,437
		258,177,809	(25,316)	1,369,758	259,522,251	243,523,953	(124,556)	(347,909)	243,051,488
Shares									
Listed Companies		2,304,743	-	1,911,573	4,216,316	2,313,343	(136,589)	1,268,044	3,444,798
Unlisted Company		397,306	-	(386,306)	11,000	11,000	-	-	11,000
		2,702,049	-	1,525,267	4,227,316	2,324,343	(136,589)	1,268,044	3,455,798
Non Government Debt Securities									
Listed Companies		718,536	(143,524)	(25,012)	550,000	593,446	(143,446)	(25,882)	424,118
Unlisted Companies		1,686,055	(415,964)	(421,186)	848,905	1,377,147	(159,661)	-	1,217,486
		2,404,591	(559,488)	(446,198)	1,398,905	1,970,593	(303,107)	(25,882)	1,641,604
Foreign Securities									
Government Debt Securities		14,113,358	(178,122)	72,691	14,007,927	18,554,551	(189,192)	(95,171)	18,270,188
Non Government Debt Securities		2,222,166	(122)	(15,081)	2,206,963	371,295	(52)	2,710	373,953
Equity securities		5,965	-	-	5,965	92,031	-	(14,258)	77,773
		16,341,489	(178,244)	57,610	16,220,855	19,017,877	(189,244)	(106,719)	18,721,914
Subsidiaries									
JS Global Capital Limited	8.8	1,357,929	-	-	1,357,929	1,357,929	-	-	1,357,929
JS Investments Limited	8.9	561,192	-	-	561,192	561,192	-	-	561,192
BankIslami Pakistan Limited	8.10	18,968,154	-	-	18,968,154	18,968,154	-	-	18,968,154
		20,887,275	-	-	20,887,275	20,887,275	-	-	20,887,275
Associates									
Omar Jibran Engineering Industries Limited		180,000	-	-	180,000	180,000	-	-	180,000
Veda Transit Solutions (Private) Limited	8.11	41,800	(41,800)	-	-	41,800	(22,878)	-	18,922
Intercity Touring Company (Private) Limited	8.11	20,267	(20,267)	-	-	20,267	(20,267)	-	-
		242,067	(62,067)	-	180,000	242,067	(43,145)	-	198,922
Total Investments		300,755,280	(825,115)	2,506,437	302,436,602	287,966,108	(796,641)	787,534	287,957,001

	2024		2023	
	Cost	Market value	Cost	Market value
8.3 Investments given as collateral	Rupees in '000			
Federal Government Securities				
Market Treasury Bills	375,757	384,678	-	-

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

8.4 Particulars of credit loss allowance

8.4.1 Investments - exposure

	2024				
	Stage 1	Stage 2	Stage 3	Outstanding amount	Total
	Rupees in '000				
Opening balance	-	-	-	22,886,773	22,886,773
Impact of adoption of IFRS 9	20,029,611	1,853,745	866,828	(22,886,773)	(136,589)
Balance as at January 01 after adopting IFRS 9	20,029,611	1,853,745	866,828	-	22,750,184
New investments	14,780,672	472,628	-	-	15,253,300
Investments derecognised or repaid	(17,999,163)	(977,186)	(695,649)	-	(19,671,998)
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	(862,675)	-	862,675	-	-
	(4,081,166)	(504,558)	167,026	-	(4,418,698)
Amounts written off / charged Off	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	(325,878)	(575,873)	-	-	(901,751)
Closing balance	15,622,567	773,314	1,033,854	-	17,429,735

8.4.2 Investments - Credit loss allowance

	2024				
	Stage 1	Stage 2	Stage 3	Provision held	Total
	Rupees in '000				
Opening Balance	-	-	-	753,496	753,496
Impact of adoption of IFRS 9	3,263	124,557	492,292	(753,496)	(133,384)
Balance as at January 01 after adopting IFRS 9	3,263	124,557	492,292	-	620,112
New investments	148	178,063	-	-	178,211
Investments derecognised or repaid	(8)	(42,412)	(318,865)	-	(361,285)
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	(3,119)	-	3,119	-	-
	(2,979)	135,651	(315,746)	-	(183,074)
Charge for the year against provision for diminution	-	-	-	-	-
Reversal for the year against provision for diminution	-	-	-	-	-
Amounts written off / charged off	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	(23)	(55,352)	385,085	-	329,710
Exchange rate adjustments	(1)	(1,451)	(2,248)	-	(3,700)
Closing balance	260	203,405	559,383	-	763,048

8.4.3 Credit loss allowance / provision for diminution in value of investments

	2024	2023
	----- Rupees in '000 -----	
Opening balance - provision for diminution other than associates	**753,496**	626,954
Opening balance - provision for diminution on associates	**43,145**	20,267
	796,641	647,221
Impact of adoption of IFRS 9	**(133,384)**	-
Balance as at January 01 after adopting IFRS 9	**663,257**	647,221
Exchange rate adjustments	**(3,700)**	44,314
Charge for the year other than associates	**388,204**	90,432
Provision for diminution on associates	**18,922**	22,879
Reversals for the year	**(241,568)**	(8,205)
	165,558	105,106
Closing balance	**825,115**	796,641

8.4.4 Particulars of credit loss allowance / provision against debt securities

		2024		2023	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance / Provision held
		-------------------- Rupees in '000 --------------------			
Domestic					
Performing	Stage 1	**675,090**	**105**	140,542,292	-
Under-performing	Stage 2	**-**	**-**	-	-
Non-performing	Stage 3				
Substandard		**-**	**-**	-	-
Doubtful		**862,675**	**388,204**	-	-
Loss		**171,179**	**171,179**	303,107	303,107
		1,033,854	**559,383**	303,107	303,107
Total		**1,708,944**	**559,488**	140,845,399	303,107
Overseas					
Performing	Stage 1	**14,947,477**	**155**	18,362,125	58
Under-performing	Stage 2	**773,314**	**203,405**	1,853,745	124,556
Non-performing	Stage 3				
Substandard		**-**	**-**	-	-
Doubtful		**-**	**-**	-	-
Loss		**-**	**-**	563,721	189,186
		-	**-**	563,721	189,186
Total		**15,720,791**	**203,560**	20,779,591	313,800

8.4.5 Debt securities amounting to Rs. 252,871.883 million relate to government securities that are exempt from the calculation of ECL by the SBP.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

8.5 Quality of Securities

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

	2024	2023
	Cost	
	------ Rupees in '000 ------	
8.5.1 Federal Government Securities - Government guaranteed		
Market Treasury Bills	**33,742,130**	427,432
Pakistan Investment Bonds	**97,737,950**	138,570,482
Islamic Naya Pakistan certificates	**-**	478,146
Government of Pakistan Eurobonds	**300,686**	1,853,745
	131,780,766	141,329,805

8.5.2 Shares

Listed Companies

	2024	2023
Ordinary Shares		
Paper, Board and Packaging	**25,053**	25,053
Oil and gas exploration companies	**399,824**	399,824
Technology and Communication	**566,875**	575,475
Insurance	**897,864**	897,864
Fertilizer	**249,007**	249,007
Pharmaceutical	**29,531**	29,531
	2,168,154	2,176,754
Preference Shares		
Chemical	**48,236**	48,236
Textile composite	**88,353**	88,353
	136,589	136,589

	Break up value as at	2024 Cost	2024 Breakup value	2023 Cost	2023 Breakup value
		------------------- Rupees in '000 -------------------			
Unlisted companies - Ordinary shares					
ISE Towers REIT Management Limited	Sept 30, 2024	**11,000**	**25,956**	11,000	24,906
Unlisted companies - Preference shares					
Apothecare Pvt. Limited	N/A	**74,724**	**-**	-	-
Augmentcare Pvt. Limited	N/A	**74,724**	**-**	-	-
Innovarge Technologies Pvt. Limited	N/A	**236,858**	**-**	-	-
		397,306	**25,956**	11,000	24,906

8.5.3 Non Government Debt Securities

	2024	2023
	Cost	
	------ Rupees in '000 ------	
Listed		
AAA	200,090	-
AA-	375,000	450,000
Unrated	143,446	143,446
	718,536	593,446
Unlisted		
A	100,000	108,333
BB	862,675	1,268,814
Unrated	27,733	-
	990,408	1,377,147
	1,708,944	1,970,593

8.5.4 Foreign Securities

	2024		2023	
	Cost	Rating	Cost	Rating
	---- Rupees in '000 ----		---- Rupees in '000 ----	
Government securities				
Republic of Sri Lanka	472,628	CCC+	563,721	C
State of Qatar	410,474	AA	-	-
United Arab Emirates	278,550	AA-	-	-
United States of America	12,951,706	AA+	17,990,830	AA+
	14,113,358		18,554,551	

	2024	2023
	Cost	
	----- Rupees in '000 -----	
Non Government debt securities		
Listed		
AA	833,455	230,296
A	417,881	-
A-	55,411	140,999
	1,306,747	371,295
Equity securities		
Listed		
Bank of America	-	85,625
Unlisted		
Society for Worldwide Interbank Financial Telecommunication (SWIFT)	5,965	6,406

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

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

	2024	2023
	Cost	
	---- Rupees in '000 ----	
8.6.1 Federal Government Securities - Government guaranteed		
Market Treasury Bills	**48,740,508**	29,887,607
Pakistan Investment Bonds	**72,651,295**	72,258,567
	121,391,803	102,146,174

8.7 The market value of securities classified as held-to-maturity as at December 31, 2024 amounted to Rs. 121,590.686 million (2023: Rs. 100,310.906 million).

8.8 The Bank acquired effective controlling interest in JS Global Capital Limited (JSGCL) on December 21, 2011, April 15, 2016, October 01, 2019 and June 02, 2021 of 51.05%, 16.11%,16.37% and 9.37% respectively. The ownership interest has increased by 41.85%, without any change in the cost of investment, due to the fact that JSGCL has bought back its 11,993,000 shares on April 15, 2016, 7,450,000 shares on October 02, 2019 and 27,477,297 shares on June 02, 2021.

8.9 The Bank acquired effective controlling interest of 52.24% in JS Investments Limited (JSIL) on November 01, 2012. The ownership interest has further increased by 32.32% without any change in the cost of investment, due to the fact that JSIL has bought back its 19,828,182 shares on December 22, 2015 and 18,397,562 shares on August 31, 2019.

8.10 The Bank acquired effective controlling interest of 50.24% in BankIslami Pakistan Limited (BIPL) on August 18, 2023 and accordingly, BIPL became a subsidiary of the Bank. The ownership interest further increased by 24.88% on August 25, 2023 by way of public offer. Post-acquisition, the shareholding of the Bank in BIPL increased to 75.12%.

8.11 The investment in Intercity Touring and Veda Transit Solutions company classified as associates are fully provided as of the reporting date.

8.12 Particulars of Assets and Liabilities of Subsidiaries and Associates

	2024							
	As at	Country of Incorporation	Holding (%)	Assets	Liabilities	Revenue	Profit / (loss)	Total comprehensive Income
				---------- Rupees in '000 ----------				
Subsidiaries								
JS Global Capital Limited	**December 31, 2024**	**Pakistan**	**92.90%**	**9,283,402**	**6,338,158**	**1,642,250**	**454,556**	**493,533**
JS Investments Limited	**December 31, 2024**	**Pakistan**	**84.73%**	**3,581,217**	**1,469,631**	**567,860**	**448,923**	**448,923**
BankIslami Pakistan Limited	**December 31, 2024**	**Pakistan**	**75.12%**	**737,834,025**	**689,524,749**	**50,977,162**	**11,833,541**	**14,895,494**
Associates								
Omar Jibran Engineering Industries Limited	**June 30, 2023**	**Pakistan**	**9.60%**	**5,372,772**	**2,430,640**	**2,345,882**	**(145,624)**	**231,702**
Veda Transit Solutions Private Limited	**June 30, 2023**	**Pakistan**	**3.92%**	**3,771,523**	**3,318,137**	**3,185,247**	**(549,172)**	**(552,470)**

	2023							
	As at	Country of Incorporation	Holding (%)	Assets	Liabilities	Revenue	Profit / (loss)	Total comprehensive Income
				---------- Rupees in '000 ----------				
Subsidiaries								
JS Global Capital Limited	December 31, 2023	Pakistan	92.90%	6,251,182	3,799,471	1,095,433	187,296	191,175
JS Investments Limited	December 31, 2023	Pakistan	84.56%	2,122,220	456,799	310,396	310,024	310,024
BankIslami Pakistan Limited	December 31, 2023	Pakistan	75.12%	654,865,896	618,399,978	43,494,329	11,045,099	13,064,451
Associates								
Omar Jibran Engineering Industries Limited	June 30, 2023	Pakistan	9.60%	5,372,772	2,430,640	2,345,882	(145,624)	231,702
Veda Transit Solutions (Private) Limited	June 30, 2022	Pakistan	3.92%	4,242,630	3,236,774	2,468,979	(80,262)	(80,267)

9. ADVANCES

	Note	Performing		Non-Performing		Total	
		2024	2023	**2024**	2023	**2024**	2023
		---------- Rupees in '000 ----------					
Loans, cash credits, running finances, etc.	9.1	**216,440,019**	186,577,182	**21,327,989**	16,184,450	**237,768,008**	202,761,632
Bills discounted and purchased		**9,946,392**	11,025,154	**-**	-	**9,946,392**	11,025,154
Advances - gross		**226,386,411**	197,602,336	**21,327,989**	16,184,450	**247,714,400**	213,786,786
Credit loss allowance / provision against advances							
- Stage 1		**(249,235)**	-	**-**	-	**(249,235)**	-
- Stage 2		**(445,520)**	-	**-**	-	**(445,520)**	-
- Stage 3	9.5	**-**	-	**(15,083,720)**	-	**(15,083,720)**	-
- Specific		**-**	-	**-**	(9,660,542)	**-**	(9,660,542)
- General		**-**	(377,450)	**-**	-	**-**	(377,450)
- Provision under IFRS 9 - Overseas		**-**	(21,894)	**-**	-	**-**	(21,894)
		(694,755)	(399,344)	**(15,083,720)**	(9,660,542)	**(15,778,475)**	(10,059,886)
Fair value adjustment	9.5.4 and 9.5.5	(6,417,298)	-	**-**	-	**(6,417,298)**	-
Advances - net of credit loss allowance / provision		**219,274,358**	197,202,992	**6,244,269**	6,523,908	**225,518,627**	203,726,900

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

9.1 This includes net investment in finance lease as disclosed below:

	2024				2023			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
	Rupees in '000							
Lease rentals receivable	1,965,927	1,716,467	-	3,682,394	2,199,360	1,935,201	17,321	4,151,882
Residual value	505,707	960,140	-	1,465,847	576,844	993,678	17,305	1,587,827
Minimum lease payments	2,471,634	2,676,607	-	5,148,241	2,776,204	2,928,879	34,626	5,739,709
Finance charges for future periods	(379,417)	(238,982)	-	(618,399)	(491,904)	(487,044)	(3,926)	(982,874)
Present value of minimum lease payments	2,092,217	2,437,625	-	4,529,842	2,284,300	2,441,835	30,700	4,756,835

	2024	2023
	----- Rupees in '000 -----	
9.2 Particulars of advances (gross)		
In local currency	235,917,966	202,199,868
In foreign currencies	11,796,434	11,586,918
	247,714,400	213,786,786

9.2.1 Advances to Women, Women-owned and Managed Enterprises - Gross

	2024	2023
Women	6,391,888	5,451,794
Women Owned and Managed Enterprises	1,013,031	813,736
	7,404,919	6,265,530

9.2.2 Gross loans disbursed to women, women-owned and managed enterprises during the current and previous financial years

	2024	2023
Women, Women Owned and Managed Enterprises	4,141,958	3,266,363

9.3 Particulars of credit loss allowance

9.3.1 Advances - Exposure

	2024			
	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000			
Gross carrying amount - opening	169,204,649	28,397,687	16,184,450	213,786,786
New advances	127,345,520	10,356,202	2,120,270	139,821,992
Advances derecognised or repaid	(85,551,318)	(9,750,661)	(3,460,979)	(98,762,958)
Transfer to stage 1	1,625,966	(1,613,010)	(12,956)	-
Transfer to stage 2	(8,252,974)	10,042,399	(1,789,425)	-
Transfer to stage 3	(2,447,976)	(5,273,228)	7,721,204	-
	32,719,218	3,761,702	4,578,114	41,059,034
Amounts written off / charged off	-	-	(183,699)	(183,699)
Changes in risk parameters (PDs/LGDs/EADs)	(5,829,646)	(1,828,452)	749,124	(6,908,974)
Exchange adjustments	(37,882)	(865)	-	(38,747)
Gross carrying amount - closing	196,056,339	30,330,072	21,327,989	247,714,400

9.3.2 Advances - credit loss allowance

	2024					
	Stage 1	Stage 2	Stage 3	General Provision	Specific Provision	Total
	---------- Rupees in '000 ----------					
Opening balance	-	-	-	399,344	9,660,542	10,059,886
Impact of adoption of IFRS 9	590,032	221,043	10,732,593	(399,344)	(9,660,542)	1,483,782
Balance as at January 01 after adopting IFRS 9	590,032	221,043	10,732,593	-	-	11,543,668
New Advances	121,675	41,338	1,049,612	-	-	1,212,625
Advances derecognised or repaid	(447,471)	(67,073)	(763,182)	-	-	(1,277,726)
Transfer to stage 1	19,418	(19,418)	-	-	-	-
Transfer to stage 2	(30,245)	1,360,917	(1,330,672)	-	-	-
Transfer to stage 3	(5,448)	(36,057)	41,505	-	-	-
	(342,071)	1,279,707	(1,002,737)	-	-	(65,101)
Amounts written off / charged off	-	-	(183,699)	-	-	(183,699)
Transfer in / (out)	(2,371)	-	147,781	-	-	145,410
Changes in risk parameters (PDs/LGDs/EADs)	3,872	(1,055,253)	5,389,782	-	-	4,338,401
Exchange adjustments	(227)	23	-	-	-	(204)
Closing balance	249,235	445,520	15,083,720	-	-	15,778,475

9.4 Advances include Rs. 21,327.989 million (2023: Rs. 16,184.450 million) which have been placed under non-performing / stage 3 status as detailed below:

Category of classification in stage 3	2024		2023	
	Non-Performing Loans	Credit loss allowance	Non-Performing Loans	Provision
	---------- Rupees in '000 ----------			
Domestic				
Other Assets Especially Mentioned (OEAM) *	368,424	24,072	363,753	2,154
Substandard	2,294,802	856,265	1,336,698	117,718
Doubtful	4,250,239	1,922,798	2,509,560	220,851
Loss	14,414,524	12,280,585	11,974,439	9,319,819
Total	21,327,989	15,083,720	16,184,450	9,660,542
Overseas	-	-	-	-

* The Other Assets Especially Mentioned category pertains to agriculture, housing and small enterprises financing.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

9.5 Particulars of credit loss allowance / provision against advances

		2024						2023			
		Stage 1 and 2	**Stage 3**	**Specific**	**General**	**Provision under IFRS 9 (Overseas)**	Total	Specific	General	Provision under IFRS 9 (Overseas)	Total
	Note	---------- Rupees in '000 ----------									
Opening balance		-	-	9,660,542	377,450	21,894	10,059,886	7,210,740	200,614	11,500	7,422,854
Impact of adoption of IFRS 9		811,075	10,732,593	(9,660,542)	(377,450)	(21,894)	1,483,782	-	-	-	-
Balance as at January 01 after adopting IFRS 9		811,075	10,732,593	-	-	-	11,543,668	7,210,740	200,614	11,500	7,422,854
Exchange adjustments		(204)	-	-	-	-	(204)	-	-	2,856	2,856
Charge for the year		491,967	6,480,899	-	-	-	6,972,866	3,128,536	176,836	7,538	3,312,910
Reversal for the year	9.5.2	(605,712)	(2,093,854)	-	-	-	(2,699,566)	(624,082)	-	-	(624,082)
	33	(113,745)	4,387,045	-	-	-	4,273,300	2,504,454	176,836	7,538	2,688,828
Transfer in / (out)		(2,371)	147,781	-	-	-	145,410	-	-	-	-
Amounts written off	9.6	-	(90,400)	-	-	-	(90,400)	(54,652)	-	-	(54,652)
Amounts charged off - agricultural financing	9.6	-	(93,299)	-	-	-	(93,299)	-	-	-	-
Closing balance		694,755	15,083,720	-	-	-	15,778,475	9,660,542	377,450	21,894	10,059,886

9.5.1 Particulars of credit loss allowance / provision against advances

	2024			2023			
	Stage 1 and 2	**Stage 3**	**Total**	General	Provision under IFRS 9	Specific	Total
	---------- Rupees in '000 ----------						
In local currency	502,252	15,083,720	15,585,972	377,450	-	9,660,542	10,037,992
In foreign currencies	192,503	-	192,503	-	21,894	-	21,894
	694,755	15,083,720	15,778,475	377,450	21,894	9,660,542	10,059,886

9.5.2 This includes reversal of provision of Rs. 406.907 million (2023: Nil) against reduction in non-performing loans of Rs. 2,189.151 million (2023: Rs. 2,997.401 million) of certain borrowers under 'Debt Property Swap' transactions.

9.5.3 The State Bank of Pakistan through various circulars has allowed benefit of the forced sale value (FSV) of Plant and Machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing loans (NPLs) for a maximum of five years from the date of classification. As at December 31, 2024, the Bank has availed a cumulative FSV benefit under the directives of the State Bank of Pakistan (SBP) amounting to Rs. 2,489.350 million (2023: Rs. 3,914.240 million).

The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 1,145.101 million (2023: Rs. 1,996.262 million). The additional impact on profitability arising from availing the benefit of FSV shall not be available for payment of cash or stock dividend to shareholders or bonus to employees under the requirement of Regulation R-8 of Corporate / Commercial Banking of SBP.

9.5.4 This includes deferred fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). SBP through its letter dated August 01, 2024 has allowed staggering of such fair value impact over the period of 6 years at rates of 5%, 10%, 15%, 20%, 25%, and 25% from year 1 to year 6. Further, SBP vide BPRD Circular Letter No.16 of 2024 dated July 29, 2024 has allowed to take such fair value adjustment with effect from October 01, 2024.

9.5.5 This also includes fair valuation adjustment on modified loans and concessional rate loans (staff loans and TERF loans) considered in accordance with the requirements of IFRS 9.

		2024	2023
9.6	**Particulars of Write Offs:**	----- Rupees in '000 -----	
9.6.1	Against credit loss allowance	**183,699**	54,652
	Directly charged to profit and loss account	**-**	-
		183,699	54,652
9.6.2	Write offs of Rs.500,000 and above		
	- Domestic	**1,460**	6,947
	- Overseas	**-**	-
	Write offs of below Rs.500,000	**182,239**	47,705
		183,699	54,652

9.6.3 Details of loan write off of Rs. 500,000/- and above

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

		Note	2024	2023
10.	**PROPERTY AND EQUIPMENT**		---- Rupees in '000 ----	
	Capital work-in-progress	10.1	**596,439**	450,659
	Property and equipment	10.2	**11,490,454**	8,176,443
			12,086,893	8,627,102
10.1	**Capital work-in-progress**			
	Equipment		**227,774**	162,148
	Advance to suppliers		**1,152**	10,726
	Civil works		**367,513**	277,785
			596,439	450,659

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

10.2 Property and equipment

	Note	Leasehold land	Building on leasehold land	Leasehold improvements	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Total
		2024						
		Rupees in '000						
At January 1, 2024								
Cost / Revalued amount		1,728,122	2,993,162	2,366,850	866,662	5,534,922	288,087	13,777,805
Accumulated depreciation		-	(520,939)	(1,038,364)	(482,620)	(3,478,694)	(80,745)	(5,601,362)
Net book value		1,728,122	2,472,223	1,328,486	384,042	2,056,228	207,342	8,176,443
Year ended December 2024								
Opening net book value		1,728,122	2,472,223	1,328,486	384,042	2,056,228	207,342	8,176,443
Additions	10.2.1	-	2,090,750	708,827	181,420	763,485	98,096	3,842,578
Movement in surplus on assets revalued during the year - net		49,457	158,617	-	-	-	-	208,074
Reversal of depreciation on revaluation		-	637,420	-	-	-	-	637,420
Disposals		-	-	(16,314)	(4,539)	(32,364)	(28,435)	(81,652)
Depreciation charge		-	(117,408)	(230,939)	(89,809)	(826,221)	(28,294)	(1,292,671)
Exchange rate adjustments		-	-	(144)	(15)	9	(39)	(189)
Other adjustments / transfers		-	67	358	(44)	(255)	325	451
Closing net book value		1,777,579	5,241,669	1,790,274	471,055	1,960,882	248,995	11,490,454
At December 31, 2024								
Cost / Revalued amount		1,777,579	5,242,596	3,014,307	1,006,348	6,150,138	341,360	17,532,328
Accumulated depreciation		-	(927)	(1,224,033)	(535,293)	(4,189,256)	(92,365)	(6,041,874)
Net book value		1,777,579	5,241,669	1,790,274	471,055	1,960,882	248,995	11,490,454
Rate of depreciation (%)		-	1 - 5	10	12.5	12.5 - 33.3	20	

	Leasehold land	Building on leasehold land	Leasehold improvements	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Total
	2023						
	Rupees in '000						
At January 1, 2023							
Cost / Revalued amount	1,728,122	2,444,578	2,178,004	775,833	4,453,823	148,221	11,728,581
Accumulated depreciation	-	(424,325)	(905,864)	(448,814)	(3,011,499)	(65,648)	(4,856,150)
Net book value	1,728,122	2,020,253	1,272,140	327,019	1,442,324	82,573	6,872,431
Year ended December 2023							
Opening net book value	1,728,122	2,020,253	1,272,140	327,019	1,442,324	82,573	6,872,431
Additions	-	617,158	265,172	140,337	1,377,406	160,990	2,561,063
Movement in surplus on assets revalued during the year	-	-	-	-	-	-	-
Disposals	-	(61,165)	(11,384)	(5,740)	(27,595)	(18,266)	(124,150)
Depreciation charge	-	(104,089)	(200,559)	(78,270)	(736,085)	(18,614)	(1,137,617)
Exchange rate adjustments	-	-	3,352	625	507	677	5,161
Other adjustments / transfers	-	66	(235)	71	(329)	(18)	(445)
Closing net book value	1,728,122	2,472,223	1,328,486	384,042	2,056,228	207,342	8,176,443
At December 31, 2023							
Cost / Revalued amount	1,728,122	2,993,162	2,366,850	866,662	5,534,922	288,087	13,777,805
Accumulated depreciation	-	(520,939)	(1,038,364)	(482,620)	(3,478,694)	(80,745)	(5,601,362)
Net book value	1,728,122	2,472,223	1,328,486	384,042	2,056,228	207,342	8,176,443
Rate of depreciation (%)	-	1 - 5	10	12.5	12.5 - 33.3	20	

10.2.1 This includes transfer from capital work-in-progress during the year amounting to Rs. 885.895 million (2023: Rs. 1,217.585 million) and transfers from non-banking assets acquired in satisfaction of claim amounting to Rs. 2,000.000 million (2023: Nil).

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

10.2.2 The cost of fully depreciated property and equipment still in use

	2024	2023
	---- Rupees in '000 ----	
Leasehold improvements	**189,671**	156,648
Furniture and fixture	**231,721**	185,558
Electrical, office and computer equipment	**2,334,220**	1,828,069
Vehicles	**11,725**	12,001
	2,767,337	2,182,276

10.2.3 The carrying amount of idle properties still in use

	2024	2023
	---- Rupees in '000 ----	
Leasehold land	**1,173,700**	1,160,000
Building on leasehold land	**2,922,099**	738,243
	4,095,799	1,898,243

10.2.4 The details of disposals of assets to related parties are given in Annexure II to these unconsolidated financial statements.

10.2.5 The properties of the Bank were revalued by independent professional valuers as at December 31, 2024. The revaluation was carried out by M/s. Pakistan Inspection Co. (Pvt) Ltd. on the basis of professional assessment of present market values which resulted in increase in surplus by Rs. 845.494 million. The total surplus against revaluation of Property and equipment as at December 31, 2024 amounts to Rs. 2,202.331 million (2023: Rs. 1,393.824 million).

Had there been no revaluation, the carrying amount of the revalued assets at December 31, would have been as follows:

	2024		2023	
	Original cost	Book value	Orignal cost	Book value
	----------------------- Rupees in '000		----------------------------	
Leasehold land	**1,014,912**	**1,014,912**	1,014,912	1,014,912
Building on leasehold land	**4,236,685**	**3,802,005**	2,165,466	1,791,609
	5,251,597	**4,816,917**	3,180,378	2,806,521

11 RIGHT-OF-USE ASSETS

	Note	2024 Buildings	2023 Buildings
		------- Rupees in '000 -------	
At January 01,			
Cost		**6,819,329**	5,896,821
Accumulated Depreciation		**(4,679,751)**	(3,610,102)
Net carrying amount at January 01,		**2,139,578**	2,286,719
Additions during the year		**1,820,891**	1,147,815
Deletions during the year		**(32,520)**	(177,510)
Depreciation charge for the year	30	**(1,343,769)**	(1,126,808)
Exchange rate adjustments		**(216)**	5,685
Other adjustments		**26,129**	3,677
Net Carrying amount at December 31,		**2,610,093**	2,139,578

12. INTANGIBLE ASSETS

	Note	2024	2023
Capital work-in-progress - computer software		**2,153,190**	815,848
Computer software	12.1	**3,189,462**	2,593,435
Goodwill	12.1 and 12.3	**1,463,624**	1,463,624
		6,806,276	4,872,907

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

			2024		
			Computer software	Goodwill	Total
12.1	**Intangible Assets**	Note	--------- Rupees in '000 ---------		
	At January 01,				
	Cost		3,738,014	1,463,624	5,201,638
	Accumulated amortisation		(1,144,579)	-	(1,144,579)
	Net book value		2,593,435	1,463,624	4,057,059
	Year ended December 31,				
	Opening net book value		2,593,435	1,463,624	4,057,059
	Additions - directly purchased	12.1.1	961,412	-	961,412
	Disposals		-	-	-
	Amortisation charge	30	(363,634)	-	(363,634)
	Exchange rate adjustments		(35)	-	(35)
	Other adjustments / transfers		(1,716)	-	(1,716)
	Closing net book value		3,189,462	1,463,624	4,653,086
	At December 31,				
	Cost		4,699,556	1,463,624	6,163,180
	Accumulated amortisation and impairment		(1,510,094)	-	(1,510,094)
	Net book value		3,189,462	1,463,624	4,653,086
	Rate of amortisation (%)		10		
	Useful life (years)		10		

		2023		
		Computer software	Goodwill	Total
	Note	--------- Rupees in '000 ---------		
At January 1, 2023				
Cost		2,454,222	1,463,624	3,917,846
Accumulated amortisation		(861,411)	-	(861,411)
Net book value		1,592,811	1,463,624	3,056,435
Year ended December 2023				
Opening net book value		1,592,811	1,463,624	3,056,435
Additions - directly purchased	12.1.1	1,281,236	-	1,281,236
Disposals		-	-	-
Amortisation charge		(279,575)	-	(279,575)
Exchange rate adjustments		867	-	867
Other adjustments / transfers		(1,904)	-	(1,904)
Closing net book value		2,593,435	1,463,624	4,057,059
At December 31, 2023				
Cost		3,738,014	1,463,624	5,201,638
Accumulated amortisation and impairment		(1,144,579)	-	(1,144,579)
Net book value		2,593,435	1,463,624	4,057,059
Rate of amortisation (%)		10		
Useful life (years)		10		

12.1.1 This includes transfer from capital work-in-progress during the year of Rs. 961.412 million (2023: Rs. 1,142.444 million).

12.2 The cost of fully amortised intangible assets that are still in the Bank's use amounted to Rs. 359.825 million (2023: Rs. 302.063 million).

12.3 Goodwill is recorded by the Bank upon the event fully disclosed in note 1.2. For impairment testing, goodwill has been allocated to 'Trading and Sales' Segment as Cash Generating Unit (CGU), which is also a reportable segment.

Key assumptions used in value in use calculation

The recoverable amount of the CGU has been determined based on value in use calculation, using cash flow projections based on business plan approved by the Board of Directors of the Bank covering a five year period, duly adjusted for changes based on latest forecasts. The discount rates applied to cash flows beyond five years are extrapolated using a terminal growth rate. The following rates are used by the Bank:

	2024	2023
	------- Percentages-------	
- Discount rate	**14.97**	18.04
- Terminal growth rate	**12.00**	15.00

The calculation of value in use is most sensitive to following assumptions:

a) Interest margins

Interest margins are based on prevailing industry trends and anticipated market conditions.

b) Discount rates

Discount rates reflect management estimates of the rate of return required for each business and are calculated after taking into account the prevailing risk free rate, industry risk and business risk. Discount rates are calculated by using cost of equity of the Bank.

c) Key business assumptions

The assumptions are important as they represent management assessment of how the unit's position might change over the projected period. Based on the expansion plans, management expects aggressive growth in advances, investments and deposits during the projected periods and thereafter stabilisation in line with industry trends.

Management believes that any significant change in key assumptions, on which CGU's recoverable amount is based, may impact the carrying amount to further exceed its recoverable amount. Value in use calculation of the CGU are sensitive to changes in assumptions for interest rate spreads, Non Funded Income (NFI), long term growth rates and discount rates.

d) Sensitivity to changes in assumption

The estimated recoverable amount of the 'Trading and Sales' CGU exceeds its carrying amount by approximately Rs. 6,563.429 million (2023: Rs. 15,841.101 million). Management has identified two key assumptions for which there could be a reasonably possible change that could cause the carrying amount to exceed the recoverable amount. The following table shows the amount that these two assumptions are required to change individually in order for the estimated recoverable amount to be equal to the carrying amount.

	Changes required for carrying amount to equal recoverable amount	
	2024	2023
	----- Percentages -----	
- Discount rate	**0.41**	1.53
- Terminal growth rate	**-0.47**	-1.82

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

13. OTHER ASSETS

	Note	2024	2023
		---- Rupees in '000 ----	
Mark-up / return / interest accrued in local currency	13.1	**14,390,871**	23,018,231
Mark-up / return / interest accrued in foreign currencies	13.1	**94,087**	155,308
Advances, deposits, advance rent and other prepayments		**4,964,160**	1,239,908
Acceptances		**3,581,183**	2,622,716
Advance taxation (payments less provision)		**1,506,206**	-
Stationery and stamps in hand		**18,370**	21,290
Receivable in respect of home remittance		**20,357**	30,805
Due from State Bank of Pakistan		**1,200,456**	329,044
Fair value adjustment on advances	9.5.4	**3,049,801**	-
Non-banking assets acquired in satisfaction of claims	13.2	**5,047,988**	4,775,743
Mark to market gain on forward foreign exchange contracts		**141,651**	1,642,158
Mark to market gain on forward government securities transaction		**26,426**	-
Advance against investments in securities		**792,000**	1,178,306
Branchless banking fund settlement		**370,945**	202,425
Inter bank fund transfer settlement		**1,025,298**	1,079,395
Credit card settlement		**296,903**	498,755
Clearing and settlement accounts		**526,245**	-
Insurance claims receivable		**31,111**	27,302
Others		**350,872**	155,791
		37,434,930	36,977,177
Less: Credit loss allowance / provision held against other assets - stage 3	13.3	**(11,241)**	(11,241)
Other assets - net of credit loss allowance / provisions		**37,423,689**	36,965,936
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22.2	**549,933**	520,513
Other assets - total		**37,973,622**	37,486,449

13.1 This includes mark-up accrued on facilities availed by stage 1 and stage 2 customers amounting to Rs.6,785.577 million and Rs.1,376.243 million respectively.

13.2 Market value of Non-banking assets acquired in satisfaction of claims

	2024	2023
	---- Rupees in '000 ----	
Market value of non-banking assets acquired in satisfaction of claims	**5,597,921**	5,296,256

Non-banking assets acquired in satisfaction of claims have been revalued by independent professional valuers as at December 31, 2024. The revaluation was carried out by M/s Pakistan Inspection Co. (Private) Limited on the basis of professional assessment of present market values. The revaluation resulted in an increase in revaluation surplus by Rs. 31.272 million (2023: Rs. 413.119 million).

13.2.1 Non-banking assets acquired in satisfaction of claims

	Note	2024	2023
		---- Rupees in '000 ----	
Opening balance		**5,296,256**	3,772,225
Additions		**2,300,000**	1,795,415
Revaluation		**31,272**	413,119
Disposal		**-**	(34,123)
Depreciation	30	**(35,612)**	(33,222)
Transfer to property and equipment		**(2,000,000)**	(617,158)
Others		**6,005**	-
		5,597,921	5,296,256

13.2.2 During the year, the Bank has acquired properties of Rs. 2,300.000 million (2023: Rs. 1,795.415 million) against debt swap transactions with borrowers resulting in reversal of provision of Rs. 406.907 million (2023: Nil) against reduction in non-performing loans of Rs. 2,189.151 million (2023: Rs. 2,997.401 million).

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

		Note	2024	2023
			----- Rupees in '000 -----	
13.2.3	**Loss on disposal of non-banking assets acquired in satisfaction of claims**			
	Disposal proceeds		-	32,500
	less			
	- Cost		-	37,090
	- Impairment / Depreciation		-	(2,967)
			-	34,123
	Loss		-	(1,623)
13.3	**Credit loss allowance / provision held against other assets**			
	Advances, deposits, advance rent and other prepayments		**10,184**	10,184
	Others		**1,057**	1,057
			11,241	11,241
13.3.1	**Movement in credit loss allowance / provision held against other assets**			
	Opening balance		**11,241**	11,241
	Charge for the year		-	-
	Reversal for the year		-	-
	Amount written off		-	-
	Closing balance		**11,241**	11,241
14.	**BILLS PAYABLE**			
	In Pakistan		**7,765,203**	5,269,279
	Outside Pakistan		**360,638**	399,442
			8,125,841	5,668,721
15.	**BORROWINGS**			
	Secured			
	Borrowings from State Bank of Pakistan under:			
	Export refinancing scheme	15.1	**13,713,392**	13,554,172
	Long-term finance facility	15.2	**1,489,495**	2,014,764
	Financing facility for storage of agricultural produce	15.3	**133,137**	133,729
	Financing facility for renewable energy projects	15.4	**1,118,670**	1,157,963
	Refinance for women entrepreneurs	15.5	**136,486**	165,296
	Refinance facility for modernization of Small and Medium Enterprises (SMEs)	15.6	**286,107**	157,968
	Refinance facility for combating COVID-19	15.7	**74,660**	152,375
	Temporary economic refinance facility (TERF)	15.8	**4,007,327**	4,714,801
	Small enterprise financing and credit guarantee scheme for special persons	15.9	**770**	1,978
	Refinance facility for working capital of SMEs	15.10	**75,000**	193,750
	Refinance facility for SME Asaan Finance (SAAF) scheme	15.11	**5,266,032**	1,438,299
			26,301,076	23,685,095
	Fair value adjustment on TERF borrowings	15.12	**(995,713)**	-
	Borrowing from financial institutions:			
	Refinancing facility for mortgage loans	15.13	**1,929,971**	2,987,901
	Repurchase agreement borrowings	15.14	**384,547**	-
	Total secured		**27,619,881**	26,672,996
	Unsecured			
	Call borrowings	15.15	**700,000**	-
	Overdrawn nostro accounts		**378,624**	549,483
	Total unsecured		**1,078,624**	549,483
			28,698,505	27,222,479

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

15.1 The Bank has entered into agreement with the SBP for extending export finance to customers. These borrowings are repayable on a quarterly basis and have maturities up to June 2025. These carry mark-up rates ranging from 1.00% to 16.50% (2023: 1.00% to 18.00%) per annum.

15.2 These borrowings have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernization of their plant and machinery. These borrowings have maturities up to February 2033. These carry mark-up rates ranging from 2.00% to 11.00% (2023: 2.00% to 11.00%) per annum.

15.3 These borrowings have been obtained from the SBP under a scheme to provide financing facilities to encourage private sector to establish silos, warehouses and cold storages to enhance storage capacity and develop agricultural produce marketing. These carry mark-up rates ranging from 2.00% to 2.50% (2023: 2.00% to 2.50%) per annum and have maturities up to December 2028.

15.4 These borrowings have been obtained from the SBP for providing financing facilities to address challenges of energy shortage and climate change through promotion of renewable energy. These carry mark-up ranging from 2.00% (2023: 2.00%) per annum and have maturities up to December 2031.

15.5 These borrowings have been obtained from the SBP under a scheme to provide refinance for women entrepreneurs in the underserved areas of the country. These carry mark-up at 0.00% (2023: 0.00%) per annum and have maturities up to September 2029.

15.6 These borrowings have been obtained from the SBP under a scheme to finance modernization of Small and Medium Enterprises by providing financing facilities for setting up new units, purchase of new plant and machinery for Balancing, Modernization and Replacement (BMR) of existing units and financing for import / local purchase of new generators up to a maximum capacity of 500 KVA. These carry mark-up at rates of 2.00% (2023: 0.00%) per annum and have maturities up to March 2029.

15.7 These borrowings have been obtained from the SBP under a scheme to provide the emergency refinance facility to hospitals and medical centre to develop capacity for the treatment of COVID-19 patients. These carry mark-up at 0.00% (2023: 0.00%) per annum and have maturities up to July 2026.

15.8 These borrowings have been obtained from the SBP under a scheme to provide concessionary refinance for setting up of new industrial units in the backdrop of challenges being faced by industries post pandemic scenario. These carry mark-up at 1.00% (2023: 1.00%) per annum and have maturities up to August 2032.

15.9 These borrowings have been obtained from the SBP under a scheme to provide financing facilities to special persons to meet credit needs for setting up of new business enterprises or for expansion of existing ones. These carry mark-up at 0.00% (2023: 0.00%) per annum and have maturities up to June 2026.

15.10 These borrowings have been obtained from the SBP under a scheme to fulfil the working capital requirements of selective SME sectors. These carry mark-up at 2.00% (2023: 2.00%) per annum and have maturities up to April 2025.

15.11 These borrowings have been obtained from the SBP under a scheme to fulfil the financing requirements of SMEs. These carry mark-up at rates ranging from 1.00% to 3.00% (2023: 1.00% to 3.00%) per annum on a rollover basis.

15.12 This represents fair value adjustment on temporary economic relief finance from SBP under note 15.8 as required under IFRS 9.

15.13 The Bank has entered into an agreement with the Pakistan Mortgage Refinance Company Limited (PMRC) for extending housing finance facilities to the Bank's customers on the agreed terms and conditions. The borrowing carries mark-up rates ranging from 6.50% to 14.07% (2023: 6.50% to 11.67%) and have maturities up to June 2031.

15.14 This repurchase agreement borrowing is secured by market treasury bills and carries a mark-up rate of 13.30% (2023: Nil) per annum, and is due to mature on January 2, 2025.

15.15 This carries a mark-up rate of 12.60% (2023: Nil) per annum and is due to mature on January 2, 2025.

15.16 Particulars of borrowings with respect to currencies	**2024**	2023
	----- Rupees in '000 -----	
In local currency	**28,319,881**	26,672,996
In foreign currencies	**378,624**	549,483
	28,698,505	27,222,479

16. DEPOSITS AND OTHER ACCOUNTS

	2024			2023		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
Customers						
Current deposits	158,211,393	11,029,355	169,240,748	128,237,399	11,215,356	139,452,755
Savings deposits	153,269,696	7,715,268	160,984,964	119,326,770	6,400,278	125,727,048
Term deposits	104,815,500	47,482,231	152,297,731	139,870,324	45,365,021	185,235,345
Margin deposits	24,136,000	6,269	24,142,269	19,264,764	566,321	19,831,085
	440,432,589	66,233,123	506,665,712	406,699,257	63,546,976	470,246,233
Financial Institutions						
Current deposits	4,796,717	228,865	5,025,582	978,840	283,096	1,261,936
Savings deposits	11,845,498	6,375	11,851,873	11,207,875	525	11,208,400
Term deposits	1,591,209	-	1,591,209	3,566,209	-	3,566,209
	18,233,424	235,240	18,468,664	15,752,924	283,621	16,036,545
	458,666,013	66,468,363	525,134,376	422,452,181	63,830,597	486,282,778

16.1 Composition of deposits

	2024	2023
	---- Rupees in '000 ----	
- Individuals	232,791,600	168,944,733
- Government (Federal and Provincial)	67,914,291	70,471,689
- Public Sector Entities	10,487,118	33,631,088
- Banking Companies	1,113,325	2,033,009
- Non-Banking Financial Institutions	17,355,339	14,003,536
- Private Sector	195,472,703	197,198,723
	525,134,376	486,282,778

16.2 Deposits include eligible deposits of Rs. 159,546.658 million (2023: Rs. 128,244.148 million) protected under Depositors Protection Mechanism introduced by State Bank of Pakistan.

17. LEASE LIABILITIES

	Note	2024	2023
		---- Rupees in '000 ----	
Outstanding amount as at January 01		2,234,115	2,545,780
Additions during the year		1,820,891	1,147,815
Lease payments including interest		(1,656,950)	(1,551,908)
Interest expense	26	396,228	300,981
Terminations		(36,842)	(226,861)
Exchange difference		(208)	5,516
Others		31,195	12,792
Outstanding amount as at December 31		2,788,429	2,234,115

17.1 Contractual maturity of lease liabilities

	2024	2023
Short-term lease liabilities - within one year	134,561	161,144
Long-term lease liabiliites		
- 1 to 5 years	1,640,169	1,116,855
- 5 to 10 years	1,013,699	956,116
- More than 10 years	-	-
	2,653,868	2,072,971
Total lease liabilities	2,788,429	2,234,115

17.2 This carries average effective rate of 15.73% per annum (2023: 13.23%).

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

	Note	2024	2023
		---- Rupees in '000 ----	
18. SUBORDINATED DEBT			
Term Finance Certificates - Fifth Issue	18.1	**3,498,833**	3,499,767
Term Finance Certificates - Fourth Issue	18.2	**2,497,000**	2,498,000
Term Finance Certificates - Third Issue	18.3	**2,500,000**	2,500,000
		8,495,833	8,497,767

18.1 In 2023, the Bank issued Rs. 3.5 billion of rated, privately placed and listed, unsecured and subordinated term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66 of the Companies Act, 2017 and as outlined by State Bank of Pakistan, SBP, under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the issue are:

Purpose:	To contribute towards the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum and Articles of Association.
Issue amount	Rs. 3.5 billion
Issue date	August 30, 2023
Maturity date	August 30, 2033
Rating	AA- (Double A Minus)
Security	The Issue is unsecured
Profit payment frequency	Quarterly
Redemption	The instrument is structured to redeem 0.24% of the Issue amount during the first nine years after the issue date and the remaining Issue amount of 99.76% in four equal quarterly installments of 24.94% each in the last year.
Profit rate	Floating rate of return at Base Rate + 2 percent per annum; Base rate is defined as the average three months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each three monthly period.
Subordination	The Issue is subordinated all other indebtedness of the Bank including depositors, however, senior to the claims of investors in instruments eligible for inclusion in Tier I Capital
Call option	Exercisable in part or in full on or after five years from the issue date, subject to SBP's approval.
Lock-in-clause	Principal and profit will be payable subject to compliance with MCR or CAR or Leverage Ratio set by SBP.
Loss absorbency clause	Upon the occurrence of a Point of Non-Viability (PONV) event as defined under SBP BPRD Circular No. 06 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of PONV as declared by SBP, subject to a cap of 924,772,179 shares.

18.2 In 2021, the Bank issued Rs. 2.5 billion of rated, privately placed and listed, unsecured and subordinated term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66 of the Companies Act, 2017 and as outlined by State Bank of Pakistan (SBP) under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the issue are:

Purpose	To contribute towards the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum and Articles of Association.
Issue amount	Rs. 2.5 billion
Issue date	December 28, 2021
Maturity date	December 28, 2028
Rating	AA - (Double A Minus)
Security	The Issue is unsecured
Profit payment frequency	Semi-annual
Redemption	The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
Profit rate	Floating rate of return at Base Rate + 2 percent per annum; Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each six monthly period.
Subordination	The Issue is subordinated all other indebtedness of the Bank including depositors, however, senior to the claims of investors in instruments eligible for inclusion in Tier I Capital
Call option	Exercisable in part or in full on or after the 10th redemption, subject to SBP's approval.
Lock-in-clause	Payment of profit will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set by SBP.
Loss absorbency clause	Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular No. 06 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP, subject to a cap of 400,647,739 shares.

18.3 In 2018, the Bank issued Rs. 2.5 billion of rated, privately placed, unsecured, subordinated, perpetual and non-cumulative term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66(1) of the Companies Act, 2017 and as outlined by the State Bank of Pakistan (SBP) under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose:	To contribute towards the Bank's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum and Articles of Association.
Issue amount	Rs. 2.5 billion
Issue date	December 31, 2018
Maturity date	Perpetual
Rating	A + (Single A Plus)
Security	The Issue is unsecured
Profit payment frequency	Semi-annually on a non-cumulative basis

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

Redemption	Not applicable
Profit rate	Floating rate of return at Base Rate + 2.25 percent per annum; Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each six monthly period.
Subordination	The Issue is subordinated as to payment of Principal and profit to all other claims except common shares.
Call option	Exercisable in part or in full at a par value on or after five years from the issue date, with prior approval of SBP. The Bank shall not exercise the call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause	Payment of profit will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set by SBP.

Loss absorbency clause:

Pre-Specified Trigger (PST)	Upon the occurrence of a Pre-Specified Trigger as defined under SBP BPRD Circular No. 06 of 2013 dated August 15, 2013 which stipulates that if an issuer's Common Equity Tier 1 (CET 1) ratio falls to or below 6.625% of Risk Weighted Assets (RWA), the Issuer will have full discretion to determine the amount of TFCs to be permanently converted into common shares or written off, subject to SBP regulations / instructions, and the cap specified below. The Bank will be able to exercise this discretion subject to: - If and when Bank's CET 1 reaches the loss absorption trigger point, the aggregate amount of Additional Tier-1 capital to be converted must at least be the amount sufficient to immediately return the CET 1 ratio to above 6.625% of total RWA (if possible); - The converted amount should not exceed the amount needed to bring the CET 1 ratio to 8.5% of RWA (i.e. minimum CET 1 of 6.0% plus capital conservation buffer of 2.5%); and - In case, conversion of Additional Tier-1 capital Instrument is not possible following the trigger event, the amount of the Instrument must be written off in the accounts resulting in increase in CET 1 of the issuer.
Point of Non-Viability (PONV)	Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular No. 06 of 2013 dated August 15, 2013, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the Issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Issuer's common / ordinary share on the date of the PONV trigger event as declared by SBP, subject to the cap specified below: The PONV trigger event is the earlier of: - A decision made by SBP that a conversion or temporary / permanent write-off is necessary without which the Issuer would become non-viable; - The decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by SBP. - The maximum number of shares to be issued to TFC holders at the Pre-Specified Trigger and / or Point of Non Viability (or otherwise as directed by SBP) will be subject to a specified cap of 329,595,476 ordinary shares, or such other number as may be agreed to in consultation with SBP.

JS

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

19. DEFERRED TAX LIABILITIES

	Note	At January 01, 2024	Impact of adoption of IFRS 9	Balance after adoption of IFRS 9	Recognised in profit and loss account	Recognised in OCI	At December 31, 2024
		2024					
		---------------------------- Rupees in '000 ----------------------------					
Deductible Temporary Differences on							
- Credit loss allowance against investments		(80,009)	69,359	(10,650)	(19,962)	-	(30,612)
- Credit loss allowance against advances		(734,869)	(771,567)	(1,506,436)	(1,790,132)	-	(3,296,568)
- Credit loss allowance - Others		-	(8,620)	(8,620)	(41,696)		(50,316)
- Fair value adjustment		-	(191,140)	(191,140)	110,543	-	(80,597)
- Other assets		(30,437)	(1,547)	(31,984)	(19,339)	-	(51,323)
		(845,315)	(903,515)	(1,748,830)	(1,760,586)	-	(3,509,416)
Taxable Temporary Differences on							
- Surplus on revaluation of property and equipments	22	333,501	-	333,501	(19,233)	434,357	748,625
- Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	22,633	-	22,633	(963)	17,648	39,318
- Surplus on revaluation of investments	22	385,918	(71,026)	314,892	-	1,216,443	1,531,335
- Accelerated tax depreciation		702,195	-	702,195	397,997	-	1,100,192
- Goodwill		717,176	-	717,176	43,908	-	761,084
		2,161,423	(71,026)	2,090,397	421,709	1,668,448	4,180,554
		1,316,108	(974,541)	341,567	(1,338,877)	1,668,448	671,138

	Note	At January 01, 2023	Recognised in profit and loss account	Recognised in OCI	At December 31, 2023
		2023			
		---------------------------- Rupees in '000 ----------------------------			
Deductible Temporary Differences on					
- Credit loss allowance against investments		(70,212)	(9,797)	-	(80,009)
- Credit loss allowance against advances		(277,487)	(457,382)	-	(734,869)
- Other assets		(130,747)	100,310	-	(30,437)
		(478,446)	(366,869)	-	(845,315)
Taxable Temporary Differences on					
- Surplus on revaluation of property and equipments	22	327,796	(18,185)	23,890	333,501
- Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	343	(16)	22,306	22,633
- Surplus on revaluation of investments	22	(346,859)	-	732,777	385,918
- Accelerated tax depreciation		187,808	514,387	-	702,195
- Goodwill		629,358	87,818	-	717,176
		798,446	584,004	778,973	2,161,423
		320,000	217,135	778,973	1,316,108

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

20. OTHER LIABILITIES	Note	2024	2023
		---- Rupees in '000 ----	
Mark-up / return / interest payable in local currency		**5,343,116**	5,971,062
Mark-up / return / interest payable in foreign currencies		**388,756**	446,941
Unearned income on guarantees		**487,456**	398,300
Accrued expenses		**1,809,477**	1,550,139
Current taxation (payments less provision)		**-**	34,325
Acceptances		**3,581,183**	2,622,716
Unclaimed dividends		**4,214**	4,214
Mark to market loss on forward foreign exchange contracts		**713,482**	1,609,783
Defined benefit obligation - net	38.5	**270,154**	133,191
Withholding taxes payable		**1,856,153**	1,085,992
Donation payable		**120,291**	169,813
Security deposits against leases, lockers and others		**1,525,993**	1,640,270
Workers' welfare fund	31	**498,674**	371,352
Payable in respect of home remittance		**313,579**	35,659
Retention money payable		**92,431**	58,836
Insurance payable		**383,072**	249,979
Payable to vendors against SBS goods		**159,103**	282,322
Debit card settlement		**374,348**	473,999
Clearing and settlement accounts		**-**	499,770
Credit loss allowance against off-balance sheet obligations	20.1	**190,889**	-
Others		**374,141**	249,759
		18,486,512	17,888,422

20.1 Credit loss allowance against off-balance sheet obligations

	Note	2024	2023
Opening balance		**-**	-
Impact of adoption of IFRS 9		**16,578**	-
Balance as at January 01 after adopting IFRS 9		**16,578**	-
Transfer in		**2,371**	-
Exchange rate adjustments		**(28)**	-
Charge for the year		**186,699**	-
Reversal for the year		**(14,731)**	-
	33	**171,968**	-
Closing balance		**190,889**	-

20.2 Partiulars of credit loss allowance against off balance sheet obligations

	2024	2023
Stage 1	**24,520**	-
Stage 2	**1,062**	-
Stage 3	**165,307**	-
	190,889	-

20.2.1 Credit loss allowance against off balance sheet obligations include ECL in respect of letter of credit, letter of guarantees and acceptances.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

21. SHARE CAPITAL

21.1 Authorised capital

21.1.1 Ordinary shares

2024	2023		2024	2023
----- Number of shares -----			----- Rupees in '000 -----	
3,850,000,000	3,850,000,000	Ordinary shares of Rs.10 each	**38,500,000**	38,500,000

21.1.2 Preference shares

150,000,000	150,000,000	Convertible preference shares of Rs.10 each	**1,500,000**	1,500,000

21.2 Issued, subscribed and paid-up capital

		Ordinary shares		
984,127,890	984,127,890	Fully paid in cash	**9,841,279**	9,841,279
1,066,534,646	1,066,534,646	Issued for consideration other than cash	**10,665,346**	10,665,346
2,050,662,536	2,050,662,536		**20,506,625**	20,506,625
-	-	Less: Discount on issue of shares	**-**	-
2,050,662,536	2,050,662,536		**20,506,625**	20,506,625

21.3 As at December 31, 2024, Jahangir Siddiqui and Co. Ltd. (the parent company) held 1,460,232,712 (2023: 1,460,232,712) ordinary shares of Rs.10 each i.e. 71.21% holding (2023: 71.21%).

21.4 During the year 2023, the Bank transferred discount on issue of shares amounting to Rs. 2,855.401 million to share premium account in accordance with section 81 of the Companies Act, 2017.

22. SURPLUS ON REVALUATION OF ASSETS

	Note	2024	2023
		----- Rupees in '000 -----	
Surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - debt	8.1	**1,419,607**	(317,213)
- Securities measured at FVOCI - equity	8.1	**1,525,267**	(14,258)
- Available-for-sale securities		**-**	1,119,054
- Property and equipment	22.1	**2,202,331**	1,393,824
- Non-banking assets acquired in satisfaction of claims	22.2	**549,933**	520,513
		5,697,138	2,701,920
Deferred tax on surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - debt		**(738,196)**	155,434
- Securities measured at FVOCI - equity		**(793,139)**	6,984
- Available-for-sale securities		**-**	(548,336)
- Property and equipment		**(748,625)**	(333,501)
- Non-banking assets acquired in satisfaction of claims		**(39,318)**	(22,633)
		(2,319,278)	(742,052)
		3,377,860	1,959,868

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

		Note	2024	2023
22.1	**Surplus on revaluation of property and equipment**		----- Rupees in '000 -----	
	Surplus on revaluation of property and equipment as at January 01		**1,393,824**	1,475,525
	Recognised during the year		**845,494**	-
	Realised on disposal during the year		**-**	(44,568)
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year		**(36,987)**	(37,133)
	Surplus on revaluation of property and equipment as at December 31		**2,202,331**	1,393,824
	Less: related deferred tax liability on:			
	- revaluation as at January 01		**(333,501)**	(327,796)
	- effect of change in tax rate		**(20,418)**	(45,739)
	- revaluation recognised during the year		**(413,939)**	-
	- surplus realised on disposal during the year		**-**	21,839
	- incremental depreciation charged during the year		**19,233**	18,195
			(748,625)	(333,501)
			1,453,706	1,060,323
22.2	**Surplus on revaluation of non-banking assets acquired in satisfaction of claims**			
	Surplus on revaluation as at January 01		**520,513**	107,426
	Recognised during the year		**31,272**	413,119
	Realised on disposal during the year		**-**	-
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year		**(1,852)**	(32)
	Surplus on revaluation as at December 31,		**549,933**	520,513
	Less: Related deferred tax liability on:			
	- revaluation as at January 01		**(22,633)**	(343)
	- revaluation recognised during the year		**(16,261)**	(22,291)
	- surplus realised on disposal during the year		**-**	-
	- Effect of change in tax rate		**(1,387)**	(15)
	- Incremental depreciation charged during the year		**963**	16
			(39,318)	(22,633)
			510,615	497,880

23. CONTINGENCIES AND COMMITMENTS

	Note	2024	2023
- Guarantees	23.1	**96,146,041**	72,956,594
- Commitments	23.2	**119,260,187**	162,815,632
- Other contingent liabilities	23.3	**506,904**	736,214
		215,913,132	236,508,440

		Note	2024	2023
			----- Rupees in '000 -----	
23.1	**Guarantees:**			
	Financial guarantees		**10,328,381**	8,425,132
	Performance guarantees		**45,337,554**	33,842,832
	Other guarantees		**40,480,106**	30,688,630
			96,146,041	72,956,594
23.2	**Commitments:**			
	Documentary credits and short-term trade-related transactions			
	- Letters of credit		**39,432,208**	42,357,815
	Commitments in respect of:			
	- forward foreign exchange contracts	23.2.1	**64,279,790**	120,272,393
	- forward government securities transactions	23.2.2	**14,991,654**	-
	- forward lending	23.2.3	**51,495**	10,000
	Commitments for acquisition of:			
	- property and equipment	23.2.4	**453,678**	175,424
	- intangible assets	23.2.4	**51,362**	-
			119,260,187	162,815,632
23.2.1	**Commitments in respect of forward foreign exchange contracts**			
	Purchase		**46,997,123**	71,216,019
	Sale		**17,282,667**	49,056,374
			64,279,790	120,272,393

23.2.1.1 The Bank utilises foreign exchange instruments to meet the needs of its customers and as part of its asset and liability management activity to hedge its own exposure to currency risk. At year end, all foreign exchange contracts have a remaining maturity of less than one year.

		Note	2024	2023
			----- Rupees in '000 -----	
23.2.2	**Commitments in respect of forward government securities transactions**			
	Purchase		**14,991,654**	-
23.2.3	**Commitments in respect of forward lending**			
	Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.3.1	**51,495**	10,000

23.2.3.1 This represents commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. Further, the Bank makes commitments to extend credit in the normal course of business but these being revocable commitments do not attract any significant penalty or expense if the facilities are unilaterally withdrawn.

23.2.4 This represents commitments related to purchase of leasehold improvements, furniture and fixtures, hardware and network equipments and electrical equipment and computer software.

		Note	2024	2023
			----- Rupees in '000 -----	
23.3	**Other contingent liabilities**	23.3.1	**506,904**	736,214

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

23.3.1 These mainly represent counter claims filed by borrowers for damages, claims by former employees of the Bank and other claims relating to banking transactions.

Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour.

23.3.2 Tax related contingencies are disclosed in notes 34.2 to 34.5.

24. DERIVATIVE INSTRUMENTS

Derivative instruments, such as Futures, Cross Currency Swaps and Options, are forward transactions that provide market making opportunities / hedge against the adverse movement of interest and exchange rates. Derivatives business also provides risk solutions for the existing and potential customers of the Bank.

The Bank also enters into Foreign Currency and Commodity Options from its Wholesale Banking Branch Bahrain for market making activities.

The Bank held no derivative instruments as at December 31, 2024 (December 31, 2023: Nil).

25. MARK-UP / RETURN / INTEREST EARNED

	Note	2024	2023
		----- Rupees in '000 -----	
Loans and advances		**35,683,355**	38,977,096
Investments		**70,800,203**	49,688,549
Lendings to financial institutions		**385,116**	247,370
Balances with banks		**381,673**	305,339
Securities purchased under resale agreements		**1,252,448**	2,868,858
		108,502,795	92,087,212

25.1 Interest income recognised on:

Financial assets measured at amortised cost	**27,754,343**	-
Financial assets measured at FVOCI	**44,152,898**	-
Financial assets measured at FVPL	**2,200,328**	-
Financial assets measured at cost	**34,395,226**	-
	108,502,795	-

26. MARK-UP / RETURN / INTEREST EXPENSED

	Note	2024	2023
Deposits		**61,221,952**	53,704,765
Borrowings		**14,136,721**	12,445,885
Subordinated debts		**1,908,815**	1,781,945
Cost of foreign currency swaps against foreign currency deposits / borrowings		**3,526,095**	1,444,598
Finance charges on leased assets	17	**396,228**	300,981
		81,189,811	69,678,174

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

27. FEE AND COMMISSION INCOME

	Note	2024	2023
		----- Rupees in '000 -----	
Branch banking customer fees		**153,067**	126,370
Finance related fees		**478,015**	467,131
Card related fees (debit and credit cards)		**1,197,681**	653,014
Investment banking fees		**21,761**	81,031
Commission on trade		**1,177,142**	1,175,300
Commission on guarantees		**702,408**	663,006
Commission on cash management		**36,109**	39,085
Commission on remittances including home remittances		**332,448**	125,199
Commission on bancassurance		**93,770**	80,884
Commission on distribution of mutual funds		**6,452**	2,214
Commission on online services		**190,264**	242,821
Rebate income		**496,305**	477,226
		4,885,422	4,133,281

28. GAIN ON SECURITIES - NET

	Note	2024	2023
Realised	28.1	**1,193,097**	113,895
Unrealised - measured at FVPL		**(438,437)**	(49)
		754,660	113,846

28.1 Realised gain / (loss) on:

	2024	2023
Federal government securities	**1,350,701**	(3,498)
Shares - Listed companies	**-**	108,169
Mutual fund units	**1,078**	5,996
Foreign securities	**(158,682)**	3,228
	1,193,097	113,895

28.2 Net gain / (loss) on financial assets:

	2024	2023
Measured at FVPL:		
Designated upon initial recognition	**415,183**	-
Mandatorily measured at FVPL	**1,078**	-
	416,261	-
Measured at amortised cost	**-**	-
Measured at FVOCI	**776,836**	-
	776,836	-
	1,193,097	-

29. OTHER INCOME

	Note	2024	2023
Rent on property		**30,732**	21,169
Gain on sale of property and equipment - net		**17,815**	43,461
Loss on sale of non-banking asset - net		**-**	(1,623)
Gain on termination of leases - net		**4,322**	49,351
Recoveries against charged off loans		**9,439**	-
Gain on reclassification of AFS equity shares	29.1	**-**	332,658
Charges recovered on account of internal audit services to subsidiary		**6,400**	2,500
Scrap sales		**2,940**	-
Liabilities no longer required written back		**1,590**	-
Others		**-**	139
		73,238	447,655

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

29.1 In the year 2023, the Bank had opted for "Fair value as deemed cost" approach as per IAS 27 "Separate Financial Statements" to measure the initial interest in BIPL investment i.e 7.79% as investment in subsidiary at the acquisition date in the unconsolidated financial statements. The revaluation surplus related to the said interest was transferred to unconsolidated profit and loss account at the acquisition date.

30. OPERATING EXPENSES

	Note	2024	2023
		----- Rupees in '000 -----	
Total compensation expense	30.1	**10,006,538**	8,150,566
Property expense			
Rent and taxes		**82,024**	45,367
Insurance		**1,507**	-
Utilities cost		**978,721**	769,553
Security (including guards)		**517,086**	352,213
Repair and maintenance (including janitorial charges)		**579,238**	353,399
Depreciation		**348,347**	304,648
Depreciation on right-of-use assets	11	**1,343,769**	1,126,808
Depreciation on non banking assets	13.2.1	**35,612**	33,222
		3,886,304	2,985,210
Information technology expenses			
Software maintenance		**1,764,577**	1,636,639
Hardware maintenance		**567,886**	345,577
Depreciation		**535,532**	472,034
Amortisation	12.1	**363,634**	279,575
Network charges		**270,997**	262,748
		3,502,626	2,996,573
Other operating expenses			
Directors' fees and allowances		**13,300**	13,450
Legal and professional charges		**322,026**	317,360
Insurance		**369,496**	306,593
Outsourced services costs		**386,138**	317,485
Travelling and conveyance		**283,223**	235,816
NIFT clearing charges		**66,315**	55,657
Depreciation		**408,792**	360,935
Training and development		**62,623**	76,227
Postage and courier charges		**129,693**	104,207
Communication		**601,281**	404,577
Stationery and printing		**497,707**	384,346
Marketing, advertisement and publicity		**2,381,845**	2,420,006
Donations	30.3	**127,322**	170,313
Auditors remuneration	30.4	**33,574**	32,140
Staff Auto fuel and maintenance		**642,338**	625,844
Bank Charges		**92,206**	93,365
Stamp Duty		**30,720**	87,465
Online verification charges		**107,790**	136,242
Brokerage, fee and commission		**64,081**	143,955
Card related fees (debit and credit cards)		**1,722,918**	1,303,495
CDC and other charges		**8,856**	33,755
Consultancy fee		**116,570**	102,889
Deposit protection premium		**205,191**	189,394
Entertainment expenses		**214,188**	202,339
Repair and maintenance		**83,468**	75,609
Cash handling charges		**409,377**	256,090
Fee and subscription		**166,852**	149,785
Employees social security		**10,899**	10,068
Generator fuel and maintenance		**216,469**	214,110
Others		**175,511**	85,689
		9,950,769	8,909,206
		27,346,237	23,041,555

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

30.1 Total compensation expense

	Note	2024	2023
		----- Rupees in '000 -----	
Fees and Allowances etc.		177,381	187,435
Managerial Remuneration			
i) Fixed		6,149,217	5,213,907
ii) Variable			
a) Cash Bonus / Awards etc.		985,383	845,019
b) Commission		442,940	325,506
Charge for defined benefit plan	38.8	157,116	111,970
Contribution to defined contribution plan	39	366,562	312,365
Leaving indemnity		14,877	14,075
Medical		586,917	495,670
Conveyance		651,634	553,698
Insurance staff		157,179	78,803
Others	30.2	302,502	-
		9,991,708	8,138,448
Sign-on bonus		7,500	-
Severance allowance		7,330	12,118
		10,006,538	8,150,566

	2024	2023
	No. of Persons	
Sign-on bonus	1	-
Severance allowance	28	23

30.2 This represents amortisation of prepaid employee benefit arising from fair valuation of concessional rate on staff loans.

30.3 This represents amount set aside as donation out of bank's profits in accordance with the bank's approved policy. During the year 2024, the bank paid an amount of Rs. 169.813 million to Future Trust and Rs. 0.5 million to JDC Welfare Foundation of Pakistan, out of the amount set aside for the year 2023.

30.4 Auditors' remuneration

	2024			2023		
	Pakistan	Bahrain	Total	Pakistan	Bahrain	Total
	---------------------------- Rupees in '000 ----------------------------					
Audit fee	7,619	3,888	11,507	6,625	3,737	10,362
Half - yearly review	1,725	-	1,725	1,500	-	1,500
Fee for other statutory certifications	2,487	-	2,487	2,163	-	2,163
Special certification and sundry advisory services	9,394	2,259	11,653	12,175	2,213	14,388
Out of pocket expenses and sales tax	5,500	702	6,202	3,057	670	3,727
	26,725	6,849	33,574	25,520	6,620	32,140

30.5 The material outsourcing arrangements along with nature of services are as follows:

Name of Service Provider	Type of services	2024	2023
		----- Rupees in '000 -----	
Mustang HRMs (Pvt.) Ltd.	Human Resource Management Services	262,607	192,541
Dagia Innovative Warehousing	Record Management Services	11,033	9,101
Constellation Printing Company (Pvt.) Ltd.	Cheque book Printing Services	55,462	48,740
Security Organization System (Pvt.) Ltd.	Cash Sorting Services	30,127	39,150
		359,229	289,532

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

31. WORKERS' WELFARE FUND

The Bank has made provision for Workers' Welfare Fund (WWF) based on profit for the respective years.

32. OTHER CHARGES

	Note	2024	2023
		----- Rupees in '000 -----	
Penalties imposed by State Bank of Pakistan		**100,787**	79,275

33. CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET

	Note	2024	2023
Credit loss allowance against lending to financial institutions	7.4	**270**	-
Credit loss allowance / provision for diminution in value of investments	8.4.3	**165,558**	105,106
Credit loss allowance / provision against loans and advances	9.5	**4,273,300**	2,688,828
Credit loss allowance / provision against balances with other banks		**388**	29
Credit loss allowance against cash and balances with treasury banks		**1,043**	-
Credit loss allowance against off balance sheet	20.1	**171,968**	-
Modification loss		**51,599**	-
Other provisions and write offs		**48,423**	13,330
		4,712,549	2,807,293

34. TAXATION

	2024	2023
Current	**4,901,211**	4,030,309
Prior years	**(44,723)**	(67,188)
Deferred	**(1,338,877)**	217,135
	3,517,611	4,180,256

34.1 Relationship between tax expense and accounting profit

	2024	2023
Profit before taxation	**6,366,077**	8,515,174
Tax on income @ 54% (2023: 49%)	**3,437,682**	4,172,435
Effect of change in tax rates	**23,695**	(45,754)
Effect of permanent differences	**55,302**	(38,845)
Others	**932**	92,420
Tax charge for the year	**3,517,611**	4,180,256

34.1.1 The effective tax rate for the year is 55.25% (2023: 49.09%).

34.1.2 By virtue of the Income Tax (Amendment) Ordinance, 2024 issued on December 29, 2024, the Federal Government has raised the corporate tax rate for banking companies to 44%. The current year overall tax rate is 54% which includes 10% super tax.

34.2 Income Tax

The Bank has filed income tax returns under Section 114 of the Income Tax Ordinance, 2001 for the tax years 2007 through 2024. The returns so filed considered as deemed assessment order under Section 120(1) of the Income Tax Ordinance, 2001 (the Ordinance). Later, the return of income for tax years 2008 to 2024 were amended by the Officers of Inland Revenue (OIR) by taking recourse of tax audit or alternatively through amendment the assessment contending that certain matters in the deemed assessments were allegedly not conforming to the law and prejudiced the interest of revenue.

The Bank contested the disallowances before the Commissioner Inland Revenue Appeals [CIR(A)] and the Appellate Tribunal Inland Revenue [ATIR].

For tax year 2008, both the CIR(A) and ATIR annulled the OIR's action of amending the assessment being barred by time limitation following the judgments of Honorable Supreme Court of Pakistan.

For tax years 2009 to 2017, the appeals were decided by ATIR through combined Appellate Order dated 31-01-2022. Though the AO, except for the levy of surcharge under section 4A, minimum tax under section 113 and deduction of Sindh WWF all of the issues involved in the appeal either decided in Bank's favor (including the issue of goodwill, amortization of which was claimed over the period of 10 years) or set-aside for re-examination by the ATIR.

The Bank as well as the tax department have filed Income Tax Reference Applications before Sindh High Court against above-mentioned order of ATIR, which are pending.

Bank's appeal for tax years 2018 to 2020 and 2022 are pending for adjudication before ATIR.

In respect of WWF, the Supreme Court of Pakistan has held in Judgement, PLD 2017 SC 28, that the amendments made in the WWF Ordinance through Finance Act, 2006 and 2008 were illegal and without lawful authority i.e. the banks do not fall into definition of Industrial Undertaking and thus, not liable to pay WWF. Based on that, the Appellate Tribunal through combined Appellate order dated January 31, 2022 has also annulled the OIR's action of levying WWF on Bank under Worker's Welfare Fund Ordinance, 1971 in tax years 2009, 2012 and 2013.

As a consequence of the 18th amendment to the Constitution, levy for the WWF was introduced by the Government of Sindh, Punjab and Balochistan through the Sindh WWF Act, 2014 (the Act), the Punjab Workers Welfare Fund Act, 2019 and the Balochistan Workers Welfare Fund Act, 2022, respectively. As per these Acts, the Bank is liable to pay WWF in these provinces. However, in this respect:

- the Bank has challenged the issue of jurisdiction claimed by Sindh Revenue Board before the Honorable High Court of Sindh (SHC) on grounds that banking companies cannot be considered as industrial establishment and that the Act cannot be applied to trans-provincial entities. The Court has restrained the Sindh Revenue Board to collect / recover Sindh WWF. For TY 2018 to TY 2023 the Court granted stay from recovery of Sindh WWF upon submission of Bank Guarantee to Nazir of Court.

- the Bank has also received notices regarding the recovery of Balochistan WWF for which the Bank is in discussion with legal counsel to challenge in the court of law on same grounds as in case of Sindh WWF.

In 2018, Based on decision of the Supreme Court of Pakistan, the Bank had reassessed the provision of WWF which was previously held on the entire operating results of the Bank (including all provinces, part of Pakistan, AJK and Bahrain Operations) and maintained WWF only to the extent of its operations within Sindh Province till 2019. In 2020 after promulgation of Punjab WWF, the Bank has again decided prudently to maintain provision on the entire results of the Bank.

The Sindh High Court has dismissed the Bank's petitions for tax years 2016 through 2022 wherein the Bank along with other taxpayers challenged the levy of super tax on constitutional grounds. Based on the opinion of legal counsel, the Bank has filed an appeal before the Supreme Court against the decision of the Sindh High Court. The Supreme Court has allowed interim relief to the taxpayers subject to the payment of 50% of the super tax liability. However, the Bank has adjusted full amount of super tax liability for Tax year 2016 and 2019 against the available tax refunds. Further, the bank has obtained stay from the Sindh High Court on other technical grounds regarding the levy of Super Tax for tax years 2017 and 2018.

Through Finance Act 2023, Super tax on high earning persons was levied under section 4C. The Bank has challenged the levy of Super tax for tax year 2023 through the legal counsel before the Islamabad High Court wherein interim stay was granted.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

In pursuance of SRO 1588(I)/2023 dated November 21, 2023 banking companies have been designated to the 'sector' for the purpose of section 99D of the Income Tax Ordinance, 2001, for the years 2022 and 2023. Tax authorities issued a recovery notice to the Bank thereby creating a demand. The Bank through its legal council challenged the levy, and the High Court of Sindh, has decided the case against the Bank. However, the Islamabad High Court and Lahore High Court has suspended the operation of section 99D in other similar petitions. The Bank has decided to file petition against the said levy in the Supreme Court of Pakistan along with the stay application.

34.3 Withholding tax monitoring

Withholding tax monitoring was initiated against the Bank for tax years 2014 to 2021. Orders in respect of tax years 2014, 2015, 2016, 2018, 2020 and 2021 have been passed against which appeals have been filed before the CIR(A). CIR(A) has remanded back the matters for rectification in respect of tax years 2014 and 2015 against which rectified orders have been passed and demands have been reduced. The ATIR through order dated February 07, 2022 refused Department's appeal and maintained CIR(A)'s order for tax year 2014. Tax demands for tax years 2016, 2018 and 2020 were also set-aside by CIR(A).

34.4 Sales tax

The Bank as a registered person under Sindh Sales Tax on Services Act, 2011 has been issued a Sales Tax Order from the Sindh Revenue Board (SRB) creating a demand of Rs.193.44 million (besides Rs. 7.2 million is charged as penalty) against the Bank for alleged non-payment of Sindh sales tax on certain 'presumed non-taxable services / incomes'(i.e. Bancassurance, Home Remittances under Pakistan Remittance Initiative Scheme, SBP rebates on Government securities, Rebates from foreign correspondent Banks, and FX gain on remittance by Western Union)' for the tax periods July 2011 to December 2013, 2015 to 2017 and 2019 to 2020. Bank has filed appeals before Commissioner (Appeals) Sindh Revenue Board (CA-SRB) against the order of AC-SRB, which is pending.

After year ended December 31, 2023, Punjab Revenue Authority (PRA) passed an Order for tax periods January to December 2017 raising tax demand of Rs. 157.4 million on alleged short withholding of Punjab Sales Tax. Being aggrieved, the Bank has filed an appeal alongwith application for stay against tax demand before Commissioner Appeal, which is pending.

34.5 Azad Jammu and Kashmir Operations

The Bank has commenced operations in Azad Jammu and Kashmir from tax year 2009 and has filed returns for the tax years 2009 to 2023 with the tax authorities of AJK region. The amendment proceedings and appeals are at various levels before AJK Tax authorities for the tax year 2011 to 2017 and 2019 to 2023.

The management of the Bank is confident that the appeals filed in respect of the above tax years will be decided in the Bank's favor and accordingly no demand for payment would arise.

	Note	**2024**	2023
		----- Rupees in '000 -----	
35. BASIC and DILUTED EARNINGS PER SHARE			
Profit for the year		**2,848,466**	4,334,918
		----- Numbers -----	
Weighted average number of ordinary shares		**2,050,662,536**	1,577,857,341
		----- Rupees -----	
Basic and diluted earnings per share	35.1	**1.39**	2.75

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

35.1 There were no convertible / dilutive potential ordinary shares outstanding as at December 31, 2024 and December 31, 2023, therefore diluted earning per share has not been presented separately.

36. CASH AND CASH EQUIVALENTS

	Note	2024	2023
		----- Rupees in '000 -----	
Cash and balances with treasury banks	5	**43,059,175**	40,895,031
Balances with other banks	6	**3,620,730**	3,727,564
Overdrawn nostro accounts	15	**(378,624)**	(549,483)
		46,301,281	44,073,112

36.1 Reconciliation of movement in liabilities and equity to cash flows arising from financing activities

	2024				
	Liabilities		Equity		
	Suboridnated debt	Other liabilities including lease liabilities	Share Capital	Reserves	Unappropriated Profit
	---------- Rupees in '000 ----------				
Balance as at January 01	**8,497,767**	**20,122,537**	**20,506,625**	**6,563,243**	**11,292,332**
Changes from financing cash flows					
Proceeds from subordinated debt	**-**	**-**	**-**	**-**	**-**
Repayment of subordinated debt	**(1,934)**	**-**	**-**	**-**	**-**
Payment of lease liability against right-of-use assets	**-**	**(1,656,950)**	**-**	**-**	**-**
Issuance of share capital (right shares)	**-**	**-**	**-**	**-**	**-**
	(1,934)	**(1,656,950)**	**-**	**-**	**-**
Other changes					
Liability related					
Changes in other liabilities					
cash based	**-**	**865,656**	**-**	**-**	**-**
non-cash based	**-**	**1,943,698**	**-**	**-**	**-**
Transfer of profit to statutory reserve	**-**	**-**	**-**	**569,693**	**(569,693)**
Total liability related other changes	**-**	**2,809,354**	**-**	**569,693**	**(569,693)**
Equity related	**-**	**-**	**-**	**(19,253)**	**1,985,827**
Balance as at December 31	**8,495,833**	**21,274,941**	**20,506,625**	**7,113,683**	**12,708,466**

	2023				
	Liabilities		Equity		
	Suboridnated debt	Other liabilities including lease liabilities	Share Capital	Reserves	Unappropriated Profit
	---------- Rupees in '000 ----------				
Balance as at January 01	6,995,000	20,510,793	10,119,242	2,787,201	7,845,155
Changes from financing cash flows					
Proceeds from subordinated debt	3,500,000	-	-	-	-
Repayment of subordinated debt	(1,997,233)	-	-	-	-
Payment of lease liability against right-of-use assets	-	(1,551,908)	-	-	-
Issuance of share capital (right shares)	-	-	2,205,689	-	-
	1,502,767	(1,551,908)	2,205,689	-	-
Other changes					
Liability related					
Changes in other liabilities					
cash based	-	(1,591,675)	-	-	-
non-cash based	-	2,755,327	-	-	-
Transfer of profit to statutory reserve	-	-	-	866,984	(866,984)
Total liability related other changes	-	1,163,652	-	866,984	(866,984)
Equity related	-	-	8,181,694	2,909,058	4,314,161
Balance as at December 31	8,497,767	20,122,537	20,506,625	6,563,243	11,292,332

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

37. STAFF STRENGTH	Note	2024	2023
		----------- Number -----------	
Permanent		**4,138**	3,956
On Bank's contract		**540**	530
Outsourced	37.2	**464**	454
Bank's own staff strength at the end of the year		**5,142**	4,940

37.1 Geographical segment analysis

Pakistan	**5,134**	4,933
Bahrain	**8**	7
	5,142	4,940

37.2 This excludes employees of outsourcing services companies assigned to the Bank to perform services of security guards and janitorial staff.

38. DEFINED BENEFIT PLAN

38.1 General description

The Bank operates a recognised gratuity fund for all employees who opted for this scheme introduced by the management with effect from January 01, 2007.

Permanent employees are eligible for the gratuity fund after 10 years of continuous service. Gratuity is payable at 65% of the last drawn basic salary per completed year of service.

The defined benefit is administered by a separate fund that is legally separate from the Bank. The plan is governed by the trust deed dated September 01, 2007. The trustees of the gratuity fund consist of representatives from both the employer and the employees. The trustees of the gratuity fund are required by the trust deed to act in the interest of the fund and of all relevant stakeholders in the scheme, i.e. active employees, inactive employees, retirees and employers. The trustees of the gratuity fund are responsible for the investment policy with regard to the assets of the fund.

The present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as applied in calculating the defined benefit obligation liability recognised in this unconsolidated statement of financial position.

38.2 The plan in Pakistan typically exposes the Bank to actuarial risks such as: salary risk, discount rate risk, mortality risk and investment risk defined as follow:

- **Salary increase risk**

  The risk that the final salary at the time of cessation of services is greater than assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

- **Discount rate risk**

  The discount rate is based on the yield on government bonds. If the market yield of bonds varies, the discount rate would vary in the same manner and would affect the present value of obligation and fair value of assets.

- **Demographic risks**

Withdrawal risk

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Longevity risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

- **Investment risk**

This is the risk that the assets are under-performing and are not sufficient to meet the liabilities.

38.3 Number of employees under the schemes

The number of employees covered under the gratuity scheme are: 4,131 (2023: 4,010).

38.4 Principal actuarial assumptions

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

		2024	2023
Discount rate	per annum	**12.25%**	16.00%
Expected rate of return on plan assets	per annum	**16.00%**	14.50%
Expected rate of salary increase	per annum	**12.25%**	16.00%
The average duration of the defined benefit obligation	years	**7**	7

38.5 Reconciliation of payable to defined benefit plans

	Note	2024	2023
		----- Rupees in '000 -----	
Present value of obligations	38.6	**1,109,561**	941,231
Fair value of plan assets	38.7	**(839,407)**	(808,040)
Payable	38.8	**270,154**	133,191

38.6 Movement in defined benefit obligations

	2024	2023
Obligations at the beginning of the year	**941,231**	831,155
Current service cost	**147,339**	129,984
Interest cost	**141,220**	114,375
Benefits paid by the bank	**(117,214)**	(84,721)
Re-measurement loss	**(3,015)**	(49,562)
Obligations at the end of the year	**1,109,561**	941,231

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

		Note	2024	2023
			----- Rupees in '000 -----	
38.7	**Movement in fair value of plan assets**			
	Fair value at the beginning of the year		**808,040**	950,678
	Interest income on plan assets		**131,443**	132,389
	Contribution by the bank - net		**15,977**	(84,721)
	Re-measurements loss	38.9.2	**(116,053)**	(190,306)
	Fair value at the end of the year		**839,407**	808,040

38.8 Movement in (receivable) / payable under defined benefit schemes

	Note	2024	2023
Opening balance		**133,191**	(119,523)
Charge for the year		**157,116**	111,970
Contribution by the bank - net		**(133,191)**	-
Re-measurement loss recognised in OCI during the year	38.9.2	**113,038**	140,744
Closing balance		**270,154**	133,191

38.9 Charge for defined benefit plan

38.9.1 Cost recognised in profit and loss

	Note	2024	2023
Current service cost	38.6	**147,339**	129,984
Net interest on defined benefit asset / liability		**9,777**	(18,014)
		157,116	111,970

38.9.2 Re-measurements recognised in OCI during the year

	2024	2023
Loss / (gain) on obligation		
Demographic assumptions	**-**	-
Financial assumptions	**(8,624)**	(5,116)
Experience adjustment	**5,609**	(44,446)
Return on plan assets over interest income	**116,053**	190,306
Total re-measurements recognised in OCI	**113,038**	140,744

38.10 Components of plan assets

	2024	2023
Cash and cash equivalents - net	**13,761**	46,862
Government securities	**70,788**	-
Ordinary and preference shares	**1,049,827**	1,049,827
	1,134,376	1,096,689

38.10.1 Investment in term finance certificates are subject to credit risk and interest rate risks, while equity securities and mutual funds are subject to price risk. Cash and cash equivalents include balances maintained with the Bank which are subject to credit risk. These risks are regularly monitored by Trustees of the fund.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

38.11 Sensitivity analysis

38.11.1 Significant actuarial assumptions for the determination of the defined obligation are discount rate, and expected rate of salary increase. The sensitivity analysis below has been determined based on reasonably possible changes in one respective assumption occurring at the end of the reporting period, while holding all other assumptions constant:

	2024
	-- Rupees in '000 --
1% increase in discount rate	1,032,179
1% decrease in discount rate	1,196,757
1% increase in expected rate of salary increase	1,198,381
1% decrease in expected rate of salary increase	1,029,319

38.12 Expected contributions to be paid to the funds in the next financial year	270,154
38.13 Expected charge for the next financial year	193,713

38.14 Maturity profile

The weighted average duration of the obligation (in years): 7

38.15 Funding policy

The Bank endeavors to ensure that liabilities under the funded gratuity scheme is covered by the assets of the fund on any valuation date, based on actuarial assumptions.

38.16 The plan in Pakistan typically exposes the Bank to actuarial risks such as: salary risk, discount rate risk, mortality risk and investment risk defined as follows:

- **Salary increase risk**

  The risk that the final salary at the time of cessation of services is greater than assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

- **Discount rate risk**

  The discount rate is based on the yield on government bonds. If the market yield of bonds varies, the discount rate would vary in the same manner and would affect the present value of obligation and fair value of assets.

- **Demographic Risks**

  Withdrawal risk

  The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

  Longevity Risk

  The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

- **Investment risk**

  This is the risk that the assets are under-performing and are not sufficient to meet the liabilities.

39. DEFINED CONTRIBUTION PLAN

The Bank operates a contributory provident fund for all permanent employees. The employer and employee both contribute 7.1% (2023: 7.1%) of the basic salaries to the funded scheme every month. Number of employees covered under this plan are 3,448 (2023: 3,231). During the year, the Bank has made a contribution of Rs. 366.562 million (2023: Rs. 312.365 million) to the fund. The employees have also made a contribution of equal amount to the fund.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

40. COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

40.1 Total compensation expense

Items	2024				
	Directors		President / CEO	Key Management Personnel	Other Material Risk Takers / Controllers
	Chairman	Non-Executives			
	Rupees in '000				
Fees and Allowances etc.	1,700	11,600	-	-	-
Managerial Remuneration					
i) Fixed	-	-	58,796	383,898	561,360
ii) Variable					
a) Cash Bonus / Awards	-	-	45,000	123,730	112,360
Charge for defined benefit plan	-	-	1,706	9,984	14,746
Contribution to defined contribution plan	-	-	4,283	25,188	37,174
Medical	-	-	5,880	36,494	52,778
Conveyance	-	-	1,555	32,720	86,803
Car allowance	-	-	-	52,425	110,898
Others	-	-	543	4,241	14,996
Total	1,700	11,600	117,763	668,680	991,115
Number of persons	1	6	1	36	100

Items	2023				
	Directors		President / CEO	Key Management Personnel	Other Material Risk Takers / Controllers
	Chairman	Non-Executives			
	Rupees in '000				
Fees and Allowances etc.	1,950	11,500	-	-	-
Managerial Remuneration					
i) Fixed	-	-	49,706	362,159	613,256
ii) Variable					
a) Cash Bonus / Awards	-	-	8,202	27,167	43,807
Charge for defined benefit plan	-	-	1,439	7,916	16,450
Contribution to defined contribution plan	-	-	3,630	19,733	40,768
Medical	-	-	4,971	29,562	58,026
Conveyance	-	-	1,248	30,850	113,856
Car allowance	-	-	-	41,479	117,403
Others	-	-	243	8,347	13,426
Total	1,950	11,500	69,439	527,213	1,016,992
Number of persons	1	5	1	28	127

40.1.1 The CEO and COO are provided with free use of Bank maintained cars in accordance with their entitlement.

40.1.2 Managerial remuneration includes joining related payments made to certain Executives in line with their terms of employment.

40.1.3 The SBP, vide its BPRD Circular No. 01 dated January 25, 2017, issued Guidelines on Remuneration Practices, where the Bank is required to defer a certain portion of variable compensation of the Material Risk Takers (MRTs) and Material Risk Controllers (MRCs) subject to mandatory deferrals for a defined period. In this respect, deferral amount shall be withheld for a period of three years whereas remaining portion of the variable compensation shall be paid upfront to the MRTs and MRCs. The deferred remuneration shall vest proportionately over the deferral period following the year of variable remuneration award. The deferred portion of the variable remuneration shall be paid to the MRTs and MRCs on vesting, proportionally through yearly instalments, during the deferred period, in case no malus triggers are applicable. Details of MRTs and MRCs are given below:

	2024	2023
Employees Covered under:	----- Numbers -----	
Material Risk Takers (MRTs)	80	78
Material Risk Controllers (MRCs)	56	52
	136	130

	2024	2023
	----- Rupees in '000 -----	
Movement of deferred remuneration		
Opening	34,158	35,392
Deferred during the year	99,147	21,379
Paid during the year	(19,535)	(22,613)
Closing	113,770	34,158

40.2 Remuneration paid to Directors for participation in board and committee meetings

		2024					
		Meeting Fees and Allowances Paid					
			Board Committees				
Sr. No.	Name of Director	For Board Meetings	Board Audit Committee (BAC)	Board Human Resource, Remuneration and Nomination Committee (BHRRNC)	Board Risk Management Committee (BRMC)	Board IT Committee (BITC)	Total Amount Paid
		----- Rupees in '000 -----					
1	Mr. Adil Matcheswala	1,250	-	450	-	-	1,700
2	Mr. Sadiq Ali	1,250	900	-	600	-	2,750
3	Ms. Nargis Ghaloo	1,250	900	-	-	600	2,750
4	Syed Mumtaz Ali Shah*	500	-	150	300	-	950
5	Mr. Khalilullah Shaikh **	1,250	900	-	450	-	2,600
6	Mr. Saad Ali Bhimjee ***	250	-	-	-	-	250
7	Mr. Usman Yousaf Mobin	1,250	-	450	-	600	2,300
	Total amount paid	7,000	2,700	1,050	1,350	1,200	13,300

* Mr. Syed Mumtaz Ali Shah resigned with effect from June 14, 2024.
** Mr. Khalilullah Shaikh was appointed as Non-Executive Director of the Bank on December 12, 2023.
*** Mr. Saad Ali Bhimji was appointed as Non-Executive Director of the Bank on August 27, 2024.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

Sr. No.	Name of Director	2023					
		Meeting Fees and Allowances Paid					
		For Board Meetings	Board Committees				Total Amount Paid
			Board Audit Committee (BAC)	Board Human Resource, Remuneration and Nomination Committee (BHRRNC)	Board Risk Management Committee (BRMC)	Board IT Committee (BITC)	
		------------------ Rupees in '000 ------------------					
1	Mr. Adil Matcheswala	1,500	-	450	-	-	1,950
2	Mr. Sadiq Ali	1,500	600	-	600	-	2,700
3	Ms. Nargis Ghaloo	1,500	600	-	-	750	2,850
4	Syed Mumtaz Ali Shah	1,500	-	600	600	-	2,700
5	Mr. Shahnawaz Haider Nawabi *	250	-	-	150	-	400
6	Mr. Usman Yousaf Mobin	1,500	-	600	-	750	2,850
	Total amount paid	7,750	1,200	1,650	1,350	1,500	13,450

* Mr. Shahnawaz Haider Nawabi resigned with effect from October 12, 2023.

41. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements. Fair value of unquoted debt securities, fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for assets and liabilities and reliable data regarding market rates for similar instruments.

41.1 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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. devrived 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 analyzes financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
On balance sheet financial instruments	----------------- Rupees in '000 -----------------			
Financial assets - measured at fair value				
Investments				
Federal Government Securities	**-**	**138,130,448**	**-**	**138,130,448**
Shares	**4,216,316**	**-**	**-**	**4,216,316**
Non Government Debt Securities	**-**	**1,398,905**	**-**	**1,398,905**
Foreign Securities	**-**	**16,214,890**	**-**	**16,214,890**
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	**-**	**121,590,686**	**-**	**121,590,686**
Off balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	**-**	**46,351,027**	**-**	**46,351,027**
Forward sale of foreign exchange	**-**	**17,208,402**	**-**	**17,208,402**
Forward agreements for lending	**-**	**15,018,080**	**-**	**15,018,080**

	2023			
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	----------------- Rupees in '000 -----------------			
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	140,905,314	-	140,905,314
Shares	3,444,798	-	-	3,444,798
Non Government Debt Securities	-	424,118	-	424,118
Foreign Securities	77,773	18,644,141	-	18,721,914
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	100,310,906	-	100,310,906
Off balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	69,922,737	-	69,922,737
Forward sale of foreign exchange	-	47,730,717	-	47,730,717

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

Valuation techniques used in determination of fair valuation of fair values within level 2

<table>
<tr><th>Item</th><th>Valuation approach and input used</th></tr>
<tr><td>Units of mutual funds</td><td>Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.</td></tr>
<tr><td>Market Treasury Bills (MTB), Pakistan Investment Bonds (PIB) and GoP Sukuks</td><td>Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV, PKFRV and PKISRV rates.</td></tr>
<tr><td>Debt Securities (TFCs) and Sukuk other than Government</td><td>Investments in debt securities (comprising of Term Finance Certificates, Bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP.</td></tr>
<tr><td>Overseas Government Sukuks, Overseas and Euro Bonds</td><td>The fair value of Overseas Government Sukuks, and Overseas Bonds are valued on the basis of price available on Bloomberg.</td></tr>
<tr><td>Forward foreign exchange contracts</td><td>The valuation has been determined by interpolating the foreign exchange revaluation rates announced by the State Bank of Pakistan.</td></tr>
<tr><td>Derivatives</td><td>The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currencies involved, interest rates, yield curves, volatilities, contracts duration, etc.</td></tr>
<tr><td>Property and Equipment - Land and buildings</td><td rowspan="2">Land and buildings and Non-banking assets under satisfaction of claims are carried at revalued amounts determined by professional valuers based on their assessment of the market values as disclosed in note 10 and 13 of these unconsolidated financial statements. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of State Bank of Pakistan. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties.</td></tr>
<tr><td>Non-banking assets acquired in satisfaction of claims</td></tr>
</table>

Financial instruments - Level 3

Currently, no financial instruments are classified in level 3.

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

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

42. SEGMENT INFORMATION

42.1 Segment details with respect to business activities:

	2024						
	Retail Banking	Corporate / Commercial Banking	Treasury	Investment, International and Institutional Banking	Zindigi	Others	Total
	Rupees in '000						
Profit and loss account							
Net mark-up / return / profit	(25,224,686)	(3,829,117)	56,358,032	1,223,352	(98,233)	(1,116,364)	27,312,984
Inter segment revenue - net	43,896,776	8,106,564	(51,070,186)	1,236,421	521,310	(2,690,885)	-
Non mark-up / return / income	2,194,591	1,984,603	3,772,807	1,086,274	335,187	1,966,526	11,339,988
Total income	20,866,681	6,262,050	9,060,653	3,546,047	758,264	(1,840,723)	38,652,972
Segment direct expenses	12,958,635	743,864	226,182	1,446,439	3,945,674	8,253,552	27,574,346
Inter segment expense allocation	4,335,714	1,052,214	231,565	257,223	596,484	(6,473,200)	-
Total expenses	17,294,349	1,796,078	457,747	1,703,662	4,542,158	1,780,352	27,574,346
Credit loss allowance and write offs - net	2,449,410	1,708,071	6,209	488,169	38,869	21,821	4,712,549
Profit / (loss) before tax	1,122,922	2,757,901	8,596,697	1,354,216	(3,822,763)	(3,642,896)	6,366,077

	Retail Banking	Corporate / Commercial Banking	Treasury	Investment, International and Institutional Banking	Zindigi	Others	Total
	Rupees in '000						
Balance sheet							
Cash and bank balances	12,044,527	421,951	32,972,488	1,199,620	36,839	-	46,675,425
Investments	-	-	260,209,051	17,803,843	-	24,423,708	302,436,602
Net inter segment lending	269,135,658	64,452,654	-	-	6,666,406	-	340,254,718
Lendings to financial institutions	-	-	1,999,730	-	-	-	1,999,730
Advances - performing	66,514,103	100,980,505	-	48,229,715	12,584	3,537,451	219,274,358
Advances - non-performing	2,943,758	3,218,190	-	630	25,914	55,777	6,244,269
Others	-	-	-	464,920	-	59,011,964	59,476,884
Total Assets	350,638,046	169,073,300	295,181,269	67,698,728	6,741,743	87,028,900	976,361,986
Borrowings	10,160,671	17,074,664	1,463,170	-	-	-	28,698,505
Subordinated debt	-	-	-	-	-	8,495,833	8,495,833
Deposits and other accounts	331,341,960	151,596,312	-	35,454,361	6,741,743	-	525,134,376
Net inter segment borrowing	-	-	293,718,099	30,133,918	-	16,402,701	340,254,718
Others	9,135,415	402,324	-	2,110,449	-	18,423,732	30,071,920
Total Liabilities	350,638,046	169,073,300	295,181,269	67,698,728	6,741,743	43,322,266	932,655,352
Equity	-	-	-	-	-	43,706,634	43,706,634
Total Equity and Liabilities	350,638,046	169,073,300	295,181,269	67,698,728	6,741,743	87,028,900	976,361,986
Contingencies and Commitments	21,531,623	104,827,389	78,520,444	9,970,239	-	1,063,437	215,913,132

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

	2023						
	Retail Banking	Corporate / Commercial Banking	Treasury	Investment, International and Institutional Banking	Zindigi	Others	Total
	---------- Rupees in '000 ----------						
Profit and loss account							
Net mark-up / return / interest / (expense)	(18,147,969)	1,366,455	40,772,877	40,981	(41,042)	(1,582,264)	22,409,038
Inter segment revenue - net	39,060,261	5,351,630	(43,356,182)	2,239,041	370,085	(3,664,835)	-
Non mark-up / return / income	2,157,752	1,769,765	5,031,291	1,204,117	221,674	1,819,973	12,204,572
Total income / (loss)	23,070,044	8,487,850	2,447,986	3,484,139	550,717	(3,427,126)	34,613,610
Segment direct expenses	10,773,253	709,529	204,588	1,210,569	3,844,032	6,549,172	23,291,143
Inter segment expense allocation	4,366,111	748,367	216,912	168,461	527,087	(6,026,938)	-
Total expenses	15,139,364	1,457,896	421,500	1,379,030	4,371,119	522,234	23,291,143
Provisions and write offs - net	586,806	2,088,308	-	121,568	-	10,611	2,807,293
Profit / (loss) before tax	7,343,874	4,941,646	2,026,486	1,983,541	(3,820,402)	(3,959,971)	8,515,174

	Retail Banking	Corporate / Commercial Banking	Treasury	Investment, International and Institutional Banking	Zindigi	Others	Total
	---------- Rupees in '000 ----------						
Balance sheet							
Cash and bank balances	6,601,476	3,633	29,255,325	1,673,716	1,072,267	6,016,104	44,622,521
Investments	-	-	241,068,907	22,083,317	-	24,804,777	287,957,001
Net inter segment lending	237,203,119	41,050,823	-	7,114,702	2,745,472	-	288,114,116
Lendings to financial institutions	-	-	-	-	-	-	-
Advances - performing	72,715,650	112,007,279	-	7,246,085	-	5,233,978	197,202,992
Advances - non-performing	4,034,747	2,461,476	-	27,685	-	-	6,523,908
Others	-	-	-	-	-	53,126,036	53,126,036
Total Assets	320,554,992	155,523,211	270,324,232	38,145,505	3,817,739	89,180,895	877,546,574
Borrowings	7,749,336	17,572,794	1,900,349	-	-	-	27,222,479
Subordinated debt	-	-	-	-	-	8,497,767	8,497,767
Deposits and other accounts	305,980,179	137,568,824	-	38,098,734	3,817,739	817,302	486,282,778
Net inter segment borrowing	-	-	268,423,883	-	-	19,690,233	288,114,116
Others	6,825,477	381,593	-	46,771	-	19,853,525	27,107,366
Total liabilities	320,554,992	155,523,211	270,324,232	38,145,505	3,817,739	48,858,827	837,224,506
Equity	-	-	-	-	-	40,322,068	40,322,068
Total Equity and liabilities	320,554,992	155,523,211	270,324,232	38,145,505	3,817,739	89,180,895	877,546,574
Contingencies and Commitments	77,650,720	37,673,689	120,272,393	-	-	911,638	236,508,440

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

42.2 Segment details with respect to geographical locations

Geographical segment analysis	2024		
	Pakistan	Bahrain	Total
Profit and loss	---------- Rupees in '000 ----------		
Net mark-up / return / profit	26,460,719	852,265	27,312,984
Inter segment revenue - net	(676,776)	676,776	-
Non mark-up / return / interest income	11,230,269	109,719	11,339,988
Total Income	37,014,212	1,638,760	38,652,972
Segment direct expenses	27,142,418	431,928	27,574,346
Inter segment expense allocation	(59,428)	59,428	-
Total expenses	27,082,990	491,356	27,574,346
Credit loss allowance	4,642,181	70,368	4,712,549
Profit before tax	5,289,041	1,077,036	6,366,077
Balance Sheet			
Cash and bank balances	45,726,752	948,673	46,675,425
Investments	285,958,494	16,478,108	302,436,602
Net inter segment lendings	-	-	-
Lendings to financial institutions	1,999,730	-	1,999,730
Advances - performing	215,232,557	4,041,801	219,274,358
Advances - non-performing	6,244,269	-	6,244,269
Others	59,229,981	246,903	59,476,884
Total Assets	614,391,783	21,715,485	636,107,268
Borrowings	28,698,505	-	28,698,505
Subordinated debts	8,495,833	-	8,495,833
Deposits and other accounts	506,044,586	19,089,790	525,134,376
Net inter segment borrowing	-	-	-
Others	29,911,269	160,651	30,071,920
Total liabilities	573,150,193	19,250,441	592,400,634
Equity	41,241,590	2,465,044	43,706,634
Total Equity and liabilities	614,391,783	21,715,485	636,107,268
Contingencies and Commitments	206,865,107	9,048,025	215,913,132

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

	2023		
	Pakistan	Bahrain	Total
Profit and Loss	---------- Rupees in '000 ----------		
Net mark-up / return / profit	21,683,961	725,077	22,409,038
Inter segment revenue - net	(272,747)	272,747	-
Non mark-up / return / interest income	11,952,679	251,893	12,204,572
Total Income	33,363,893	1,249,717	34,613,610
Segment direct expenses	22,936,072	355,071	23,291,143
Inter segment expense allocation	(55,701)	55,701	-
Total expenses	22,880,371	410,772	23,291,143
Credit loss allowance	2,707,532	99,761	2,807,293
Profit before tax	7,775,990	739,184	8,515,174
Balance Sheet			
Cash and bank balances	43,077,212	1,545,309	44,622,521
Investments	267,737,061	20,219,940	287,957,001
Net inter segment lending	-	-	-
Lendings to financial institutions	-	-	-
Advances - performing	193,914,587	3,288,405	197,202,992
Advances - non-performing	6,523,908	-	6,523,908
Others	53,116,890	9,146	53,126,036
Total Assets	564,369,658	25,062,800	589,432,458
Borrowings	27,222,479	-	27,222,479
Subordinated debts	8,497,767	-	8,497,767
Deposits and other accounts	463,280,458	23,002,320	486,282,778
Net inter segment borrowing	-	-	-
Others	26,936,798	170,568	27,107,366
Total liabilities	525,937,502	23,172,888	549,110,390
Equity	38,432,156	1,889,912	40,322,068
Total Equity and liabilities	564,369,658	25,062,800	589,432,458
Contingencies and Commitments	224,139,056	12,369,384	236,508,440

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

43. TRUST ACTIVITIES

The Bank undertakes Trustee and other fiduciary activities that result in the holding or placing of assets on behalf of individuals and other organisations. These are not assets of the Bank and, therefore, are not included as such in these unconsolidated financial statements. Assets held under trust are shown in the table below:

Category	2024					
	Number of IPS Accounts	Securities Held (Face Value)				Total
		Market Treasury Bills	Pakistan Investment Bonds	Naya Pakistan Certificates	Government Ijara Sukuk	
		Rupees in '000				
Charitable Institutions	**4**	**445,000**	**-**	**-**	**-**	**445,000**
Assets Management Companies	**5**	**6,000,000**	**17,387,500**	**-**	**-**	**23,387,500**
Companies	**20**	**25,602,935**	**32,730,400**	**-**	**-**	**58,333,335**
Employees Funds	**42**	**19,625,515**	**36,803,900**	**-**	**1,646,840**	**58,076,255**
Individuals	**203**	**14,750,755**	**299,600**	**2,315,229**	**27,600**	**17,393,184**
Insurance Companies	**8**	**131,316,925**	**79,524,700**	**-**	**26,967,600**	**237,809,225**
Others	**14**	**8,926,885**	**123,682,000**	**-**	**168,000**	**132,776,885**
Total	**296**	**206,668,015**	**290,428,100**	**2,315,229**	**28,810,040**	**528,221,384**

Category	2023					
	Number of IPS Accounts	Securities Held (Face Value)				Total
		Market Treasury Bills	Pakistan Investment Bonds	Naya Pakistan Certificates	Government Ijara Sukuk	
		Rupees in '000				
Charitable Institutions	7	1,927,200	508,000	-	168,000	2,603,200
Companies	16	3,947,350	1,881,300	-	-	5,828,650
Employees Funds	45	19,141,120	20,399,700	-	1,596,840	41,137,660
Individuals	157	7,026,695	420,600	911,497	27,600	8,386,392
Insurance Companies	9	132,870,725	71,372,000	-	24,131,500	228,374,225
Others	8	6,479,975	2,627,100	-	20,000	9,127,075
Total	242	171,393,065	97,208,700	911,497	25,943,940	295,457,202

44. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, subsidiaries, associates, joint ventures, employee benefit plans and its directors and Key Management Personnel.

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

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

Details of transactions with related parties during the year are as follows:

	2024					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	Rupees in '000					
Lendings to financial institutions						
Opening balance	-	-	-	-	-	-
Addition during the year	-	-	-	141,000,000	-	-
Repaid during the year	-	-	-	(139,000,000)	-	-
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	2,000,000	-	-
Investments						
Opening balance	-	-	-	20,887,275	269,800	2,637,210
Investment made during the year	-	-	-	-	-	1,986,306
Investment redeemed / disposed off during the year	-	-	-	-	-	(1,600,000)
Surplus / (Deficit) on Investments	-	-	-	-	-	(450,131)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	20,887,275	269,800	2,573,385
Credit loss allowance for diminution in value of investments	-	-	-	-	89,800	-
Advances						
Opening balance	-	247	482,029	-	185,733	1,922,929
Addition during the year	-	2,204	448,993	664,841	-	10,981,246
Repaid during the year	-	(1,885)	(178,653)	-	-	(10,142,668)
Transfer in / (out) - net	-	(566)	(116,910)	-	-	(203,545)
Closing balance	-	-	635,459	664,841	185,733	2,557,962
Credit loss allowance held against advances	-	-	138	143	185,733	4,060
Other Assets						
Interest mark-up accrued	-	-	670	1,024	-	23,168
Receivable against bancassurance	-	-	-	-	-	9,430
Prepaid insurance	-	-	-	-	-	-
Advance against investment in securities	-	-	-	-	-	792,000
Mark to market gain on forward foreign exchange contracts	-	-	-	3,417	-	-
Other receivable	-	-	-	-	-	-
Credit loss allowance against other assets	-	-	-	-	-	-
Deposits and other accounts						
Opening balance	80,689	369	41,934	1,004,208	16,895	5,868,930
Received during the year	11,025,819	20,298	871,091	314,043,171	445,341	213,787,099
Withdrawn during the year	(10,993,672)	(11,221)	(844,243)	(312,565,061)	(441,644)	(214,469,948)
Transfer in / (out) - net	-	-	(12,534)	-	-	82,083
Closing balance	112,836	9,446	56,248	2,482,318	20,592	5,268,164
Subordinated debt						
Opening balance	-	-	-	-	-	20,000
Purchased / Issued during the period / year	-	-	-	-	-	90,000
Redemption / sold during the year	-	-	-	-	-	(24)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	109,976
Other Liabilities						
Interest / return / mark-up payable on deposits	-	-	-	-	-	1,795
Interest / return / mark-up payable on subordinated loans	-	-	-	-	-	1,173
Payable to defined benefit plan	-	-	-	-	-	270,154
Mark to market loss on forward foreign exchange contracts	-	-	-	54	-	-
Others Payable	-	-	-	-	-	-
Contingencies and Commitments						
Letter of Guarantee	-	-	-	-	-	15,369
Letter of Credit	-	-	-	-	-	79,352
Commitment in respect of forward foreign exchange contracts	-	-	-	3,217,123	-	-

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

Details of transactions with related parties during the year are as follows:

	2023					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
Lendings to financial institutions						
Opening balance	-	-	-	-	-	-
Addition during the year	-	-	-	45,459,800	-	116,405,200
Repaid during the year	-	-	-	(45,459,800)	-	(116,405,200)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Investments						
Opening balance	-	-	-	1,919,121	269,800	5,067,465
Investment made during the year	-	-	-	17,814,959	-	1,290,000
Investment redeemed / disposed off during the year	-	-	-	-	-	(1,790,000)
Surplus / (Deficit) on Investments	-	-	-	-	-	(777,060)
Transfer in / (out) - net	-	-	-	1,153,195	-	(1,153,195)
Closing balance	-	-	-	20,887,275	269,800	2,637,210
Credit loss allowance for diminution in value of investments	-	-	-	-	70,878	-
Advances						
Opening balance	-	-	498,310	-	232,166	1,342,159
Addition during the year	-	1,997	174,782	-	-	8,810,838
Repaid during the year	-	(2,240)	(170,324)	-	(46,433)	(8,243,696)
Transfer in / (out) - net	-	490	(20,739)	-	-	13,628
Closing balance	-	247	482,029	-	185,733	1,922,929
Credit loss allowance held against advances	-	-	-	-	185,733	-
Other Assets						
Interest mark-up accrued	-	-	426	-	12,869	32,471
Receivable against bancassurance	-	-	-	-	-	15,358
Prepaid insurance	-	-	-	-	-	587
Advance against investment in securities	-	-	-	-	-	1,178,306
Mark to market gain on forward foreign exchange contracts	-	-	-	142,070	-	-
Other receivable	-	-	-	-	-	-
Credit loss allowance against other assets	-	-	-	-	-	-
Deposits and other accounts						
Opening balance	130,430	290	47,853	1,374,281	2,621	12,800,727
Received during the year	20,697,001	2,406	946,674	258,359,484	2,167,505	181,116,923
Withdrawn during the year	(20,746,742)	(2,327)	(946,477)	(258,729,557)	(2,158,470)	(187,829,237)
Transfer in / (out) - net	-	-	(6,116)	-	5,239	(219,483)
Closing balance	80,689	369	41,934	1,004,208	16,895	5,868,930
Subordinated debt						
Opening balance	-	-	-	-	-	124,714
Purchased / Issued during the period / year	-	-	-	-	-	20,000
Redemption / sold during the year	-	-	-	-	-	(124,714)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	20,000
Other Liabilities						
Interest / return / mark-up payable on deposits	-	-	-	-	-	16,403
Interest / return / mark-up payable on subordinated loans	-	-	-	-	-	13
Payable to defined benefit plan	-	-	-	-	-	133,191
Mark to market loss on forward foreign exchange contracts	-	-	-	4,704	-	-
Others Payable	400	-	-	-	-	-
Contingencies and Commitments						
Letter of Guarantee	-	-	-	-	-	15,141
Letter of Credit	-	-	-	-	-	516,329
Commitment in respect of forward foreign exchange contracts	-	-	-	7,146,157	-	-

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

	2024					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	------ Rupees in '000 ------					
Income						
Mark-up / return / interest earned	-	93	24,943	82,161	35,619	642,334
Fee and commission income	-	173	2,827	7,458	-	102,837
Dividend income	-	-	-	2,082,030	-	72,401
Gain on sale of securities - net	-	-	16	-	-	283,964
Gain / (loss) on sale of property and equipment	-	-	(239)	8,071	-	-
Chargers recovered on account of internal audit services	-	-	-	6,400	-	-
Gain on reclassification of AFS equity shares	-	-	-	-	-	-
Credit loss allowance on:						
Investments	-	-	-	-	18,922	-
Advances	-	-	93	143	-	3,434
Expense						
Mark-up / return / interest expensed	23,254	-	2,940	260,782	3,619	1,068,038
Commission / charges paid	-	-	-	2,417	-	-
Remuneration paid	-	-	786,443	-	-	-
Directors' fee and allowances	-	13,300	-	-	-	-
Net charge for defined contribution plans	-	-	-	-	-	366,562
Net charge for defined benefit plans	-	-	-	-	-	157,116
Insurance Expense	-	-	-	-	-	-
Advisory fee	-	-	-	-	-	-
Consultancy fee	-	-	-	-	-	60,907
Training and Development	-	-	19,071	-	-	-
Marketing, Advertisement and Publicity	-	-	-	-	-	21,142
Rent	-	-	-	-	-	6,032
Other expenses	3,053	-	-	-	-	2,314
Payments made during the year						
Insurance premium paid	-	-	-	-	-	259,062
Insurance claims settled	-	-	-	-	-	126,134
Donation Paid	-	-	-	-	-	169,813
Rent paid	-	-	-	6,591	-	-
Other Transactions						
Sale of Government Securities	-	-	13,425	-	-	182,570,938
Purchase of Government Securities	-	-	3,148	4,943	-	133,385,331
Purchase of shares of Subsidiary	-	-	-	-	-	-

	2023					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	------	------	------	Rupees in '000	------	------
Income						
Mark-up / return / interest earned	-	106	23,863	53,081	46,918	371,065
Fee and commission income	-	35	1,106	790	10	90,338
Dividend income	-	-	-	1,457,421	-	158,718
Gain on sale of securities - net	-	-	-	-	-	5,997
Gain / (loss) on sale of property and equipment	-	-	-	-	-	-
Chargers recovered on account of internal audit services	-	-	-	-	-	-
Gain on reclassification of AFS equity shares	-	-	-	332,658	-	-
Credit loss allowance on:						
Investments	-	-	-	22,878	-	-
Advances	-	-	-	-	185,733	-
Expense						
Mark-up / return / interest expensed	52,143	-	3,366	412,867	5,954	1,009,748
Commission / charges paid	-	-	-	3,705	-	-
Remuneration paid	-	-	596,652	-	-	-
Directors' fee and allowances	-	13,450	-	-	-	-
Net charge for defined contribution plans	-	-	-	-	-	312,365
Net charge for defined benefit plans	-	-	-	-	-	111,970
Insurance Expense	-	-	-	-	-	136,765
Advisory fee	-	-	-	-	-	10,917
Consultancy fee	-	-	-	-	-	56,922
Training and Development	-	-	-	-	-	-
Marketing, Advertisement and Publicity	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Other expenses	1,200	-	150	-	-	-
Payments made during the year						
Insurance premium paid	-	-	-	-	-	91,908
Insurance claims settled	-	-	-	-	-	95,788
Donation Paid	-	-	-	-	-	170,313
Rent paid	-	-	-	-	-	-
Other Transactions						
Sale of Government Securities	-	-	175,594	-	-	222,995,909
Purchase of Government Securities	-	-	309,485	12,298	-	22,146,983
Purchase of shares of Subsidiary	5,444,290	-	-	-	-	3,130,507

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

45. CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	2024	2023
	----- Rupees in '000 -----	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	**20,506,625**	20,506,625
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	**19,500,976**	17,247,260
Eligible Additional Tier 1 (ADT 1) Capital	**2,500,000**	2,500,000
Total Eligible Tier 1 Capital	**22,000,976**	19,747,260
Eligible Tier 2 Capital	**6,767,800**	5,907,060
Total Eligible Capital (Tier 1 + Tier 2)	**28,768,776**	25,654,320
Risk Weighted Assets (RWAs):		
Credit Risk	**157,270,277**	158,394,680
Market Risk	**2,333,654**	1,788,170
Operational Risk	**57,613,121**	44,504,940
Total	**217,217,052**	204,687,790
Common Equity Tier 1 Capital Adequacy ratio	**8.98%**	8.43%
Tier 1 Capital Adequacy Ratio	**10.13%**	9.65%
Total Capital Adequacy Ratio	**13.24%**	12.53%

The SBP through its BSD Circular No. 07 dated April 15, 2009 has prescribed the minimum paid-up capital (net of accumulated losses) for banks to be raised to Rs.10,000 million by the year ending December 31, 2013. The paid-up capital of the Bank as at December 31, 2024 stood at Rs. 20,506.525 million (2023: Rs. 20,506.525 million) and is in compliance with SBP requirements.

The Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10.0% plus capital conservation buffer of 1.5% of the risk weighted exposures of the Bank. Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 7.5% and 9.0%, respectively (inclusive of Capital Conservation Buffer). As at December 31, 2024 the Bank is fully compliant with prescribed ratios, as the Bank's CAR is 13.24% whereas CET 1 and Tier 1 ratios stood at 8.98% and 10.13% respectively. The Bank has complied with all capital requirements throughout the year.

Under the current capital adequacy regulations, credit risk and market risk exposures are measured using the Standardized Approach and operational risk is measured using the Basic Indicator Approach. Credit risk mitigants are also applied against the Bank's exposures based on eligible collateral under comprehensive approach.

	2024	2023
	----- Rupees in '000 -----	
Leverage Ratio (LR):		
Eligible Tier 1 Capital	**22,000,976**	19,747,260
Total Exposures	**728,556,636**	646,271,336
Leverage Ratio	**3.02%**	3.06%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**220,358,493**	156,090,413
Total Net Cash Outflow	**85,890,721**	80,778,281
Liquidity Coverage Ratio	**256.56%**	193.23%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**483,536,202**	443,311,118
Total Required Stable Funding	**269,567,322**	302,819,828
Net Stable Funding Ratio	**179.37%**	146.39%

45.1 The link to the full disclosure is available at https://jsbl.com/knowledge-centre/investor-information/.

46. RISK MANAGEMENT

Risk Management is a discipline at the core of every financial institution and encompasses all the activities that affect its risk profile. At the Bank, it involves identification, measurement, monitoring and controlling risks to ensure that:

a) The individuals who take or manage risks clearly understand it;
b) The Bank's Risk exposure is within the limits established by Board of Directors (BoD);
c) Risk taking decisions are in line with the business strategy and objectives set by BoD;
d) The expected payoffs compensate for the risks taken;
e) Risk taking decisions are explicit and clear;
f) Sufficient capital as a buffer is available to take risk; and
g) Risk management function is independent of risk taking unit.

The Bank has a comprehensive set of Risk Management policies, practices and procedures which enable the Bank to take into consideration, in an appropriate manner, all major kinds of risks mainly credit, market, liquidity, operational and IT security risks. Keeping in view the dynamics of internal and external environment, we regularly review and update our Risk Management policies and procedures in accordance with regulatory environment and international standards.

Risk Management activities remain at the forefront of all activities of the Bank which places the highest priority on conducting its business in a prudent manner in line with the relevant laws and regulatory requirements.

Risk management framework of the Bank includes:

a) Clearly defined risk management policies and procedures covering risk identification, acceptance, measurement, monitoring, reporting and control;

b) Well constituted organizational structure, defining clearly roles and responsibilities of individuals involved in risk taking as well as managing it. The Bank, in addition to risk management functions for various risk categories, has instituted a Risk Management Committee (RMC), Operational Risk Management Committee (ORMC) as well as Central Credit Committee (CCC). RMC oversees the overall credit risk management at the Bank and provides guidance in setting strategic targets as well as concentration limits and monitors progress related to earnings growth, keeping in view the capital constraints and also adheres to the concentration limits. The RMC monitors the strategic target and aggregate exposure at the Business Group level and concentration limits (by industry, geography, size, tenor) so that one category of assets or dimension of risk cannot materially harm the performance of the Bank. RMC also monitors the advances portfolio, concentrations limits, aggregate limits at business level and various house keeping elements under Credit Administration. Risk Management Committee also oversees the progress of non performing loans and cases under litigation along with the recommendation of transferring of any NPL to Corporate Restructuring Company (CRC). ORMC oversees the effectiveness of operational risk management for maintenance and implementation of operational risk management framework. It also monitors the Business Continuity Planning and reviews findings of any other management or board's sub committee. Whereas, Central Credit Committee (CCC) is entrusted with the responsibility of monitoring lending risk profile of the Bank. CCC meets regularly to actively supervise credit risk across its lending portfolio;

c) An effective management information system that ensures flow of information from operational level to top management and a system to address any exceptions observed; and

d) A mechanism to ensure an ongoing review of systems, policies and procedures for risk management and procedures to adopt changes.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

While the overall responsibility of risk management rests with the BoD, it is the duty of Senior Management to devise risk management strategy by setting up well defined policies and procedures for mitigating / controlling risks, duly approved by the Board.

Giving due consideration to the above, the Bank has put in place the following hierarchy of Risk Management:

- Board Risk Management Committee (BRMC);
- Risk Management Committee (RMC) comprises of the President / Chief Executive Officer (CEO), Chief Risk Officer, Chief Operating Officer, Chief Credit Officer, Chief Financial Officer, Group Head Investment Banking, International and FI, Country Corporate Head, Head Commercial Banking, Country Head SME, Head Products and Analytics and Head Enterprise Risk Management.
- Asset - Liability Committee (ALCO) comprises of the President / CEO, Treasurer, Chief Risk Officer, Chief Credit Officer, Group Head Investment Banking, FIs and International, Chief Financial Officer and attended by Other Business Heads;
- Central Credit Committee (CCC) comprising of the President / CEO, Chief Operating Officer, Chief Credit Officer, Group Head Investment Banking, International and FI, Country Corporate Head, Head Commercial Banking, and Head of Environmental Risk (for environmental risk only);
- Operational Risk Management Committee (ORMC) comprises of the President / CEO, Chief Risk Officer, Chief Compliance Officer, Chief Information Officer, Chief Financial Officer, Head of Distribution Retail Products, Head of Products and Analytics, Head of Centralized Operations, Head Branch Banking Operations, Chief Digital Officer and Head Operational Risk;
- IT Steering Committee (ITSC) comprises of President / CEO, Chief Operating Officer, Chief Risk Officer, Chief Financial Officer, Chief Information Officer, Chief Information Security Officer, Chief Officer-Zindigi, Chief Digital Officer, Chief Compliance Officer and Head Centralized Operations;
- Risk Management Group (RMG), a dedicated and independent set-up headed by Chief Risk Officer (CRO) and comprises of Heads of Market and Liquidity Risks, Operational Risk and BCP and Treasury Middle Office, Consumer and Program Lending Risk, Information Security, Agricultural Credit Risk, Digital Risk and Strategic Projects and Quantitative Analysis, Credit Administration (CAD), Special Assets Management (SAM), and Enterprise Risk Management (ERM);
- Credit Risk Group (CRG) is also an independent function to business and is headed by Chief Credit Officer (CCO). Credit Risk Heads dealing in corporate, Commercial, small and medium enterprises, financial institutions and international operations are reporting into CCO.

Risk Matrix / Categories

The Bank, in common with other banks, generates its revenues by accepting Country, Credit, Liquidity, Interest Rate Risk in the Banking Book, Market, Operational and other risks. Effective management of these risks is the decisive factor in the Bank's profitability.

Risk Appetite

The Bank's risk appetite is reflected in its endeavours to maintain a favourable credit rating and encompasses the following:

- The business strategy
- The expectations of stakeholders at different time horizons
- The characteristics of the risk-bearing entities
- The nature and characteristics of the risks undertaken
- The possible spread of risk situations across organizational units, assets-at-risk, and future time horizons.

Risk appetite drives business activity. It combines anticipations in risk and profitability with management preferences to control capital and resource allocation, as well as the distribution of exposure across activities and portfolios.

The Bank's hedging strategy is embedded in its risk management practices for addressing material categories of risk.

46.1 Credit Risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Credit risk is managed in terms of credit policies, approved by the BoD and regulations issued by the SBP. The Bank is exposed to credit risk on loans and advances, fund placements with financial institutions and certain investments.

Credit risk management is an ongoing process. The overall credit policy and the credit risk instructions are issued by the Board of Directors. In this regards, a Central Credit Committee (CCC) is entrusted with the responsibility of monitoring lending risk profile of the bank. In order to maintain healthy growth of the credit portfolio, the Bank's Credit Risk Management processes are consistently upgraded and improved to meet future challenges.

The Bank's strategy is to minimize credit risk through product, geography, industry and customer diversification. Credit limits are established for all counter-parties after a careful assessment of their credit worthiness. An effective credit granting procedure, which requires pre-sanction evaluation of credit proposal, adequacy of security and pre-disbursement examination of charge documents is in place and managed by Credit Risk Group (CRG), Risk Management Group (RMG) and Credit Administration Department (CAD). The Bank maintains a sound portfolio diversified in nature to counter the risk of credit concentration and further confines risk through diversification of its assets by geographical and industrial sector. For managing impaired assets in the portfolio, the Bank follows the Prudential Regulations and Risk Management guidelines issued by SBP and the Credit related policies approved by the Board.

46.1.1 Credit risk: Standardised approach

The Bank has adopted the Standardised Approach of Basel II for risk weighing its Credit Risk Exposures.

The following table illustrates the approved External Credit Assessment Institutions (ECAIs) whose ratings are being utilised by the Bank with respect to material categories of exposures:

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

Exposures	VIS	PACRA	MOODY'S	FITCH	S&P
Corporate	✓	✓	-	-	-
Banks	✓	✓	✓	✓	✓
SME's (retail exposures)	✓	✓	-	-	-
Sovereigns	✓	✓	✓	✓	✓
Securitisations	N/A	N/A	N/A	N/A	N/A

The Bank has used Issue Specific Ratings for rating / risk weighing Issue Specific Exposures and Entity Ratings for rating / risk weighing claims against specific counterparties. Both short and long term ratings have been used to rate corresponding short and long term exposures. For this purpose, Mapping Grid provided by SBP as given below:

Long - Term Ratings Grades Mapping

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

Short - Term Ratings Grades Mapping

SBP Rating Grade	PACRA	VIS	Fitch	Moody's	S&P
S1	A-1	A-1	F1	P-1	A-1+, A-1
S2	A-2	A-2	F2	P-2	A-2
S3	A-3	A-3	F3	P-3	A-3
S4	Others	Others	Others	Others	Others

46.1.2 Policies and processes for collateral valuation and management as regards Basel II

For Credit Risk Mitigation purposes the Bank uses only the eligible collaterals under Comprehensive Approach of Credit Risk Mitigation under Standardised Approach as prescribed by SBP under Circular No. 08 dated June 27, 2006, which includes Cash and Cash Equivalent Securities including Government Securities like Cash Margins, Lien on Bank Accounts, Foreign Deposit Receipts, Term Deposit Receipts, Pledge of Defense Saving Certificates, Regular Income Certificates, Special Saving Certificates, Market Treasury Bills and Pakistan Investment Bonds etc. and Shares, Term Finance Certificates (TFCs) and Mutual Funds Listed on the Main Index.

Under the Bank's policy all collaterals are subject to periodic valuations to monitor the adequacy of margins held. Shares / Marketable securities are valued by the Bank on daily basis to calculate the Drawing Power (DP). In case of any shortfall in the requisite margins, the DP is adjusted to the appropriate level and the business units are informed to take appropriate action as per the agreement with the customer.

Particulars of bank's significant on-balance sheet credit risk in various sectors are analysed as follows:

46.1.3 Lendings to financial institutions

Credit risk by public / private sector

	Gross lendings		Non-performing lendings		Credit loss allowance / provision held			
					Stage 1	Stage 2	Stage 3	
	2024	2023	2024	2023		2024		2023
	Rupees in '000							
Public / Government	-	-	-	-	-	-	-	-
Private	2,000,000	-	-	-	(270)	-	-	-
	2,000,000	-	-	-	(270)	-	-	-

46.1.4 Investment in debt securities

Credit risk by industry sector

	Gross investments		Non-performing investments		Credit loss allowance / provision held			
					Stage 1	Stage 2	Stage 3	
	2024	2023	2024	2023		2024		2023
	Rupees in '000							
Chemical and pharmaceuticals	695,647	8,331	-	-	-	-	-	-
Financial	274,356,088	262,549,801	-	-	250	203,415	-	313,800
Transport, storage and communication	143,446	593,446	143,446	143,446	-	-	143,446	143,446
Others	1,722,743	1,268,814	890,408	159,661	-	-	415,937	159,661
	276,917,924	264,420,392	1,033,854	303,107	250	203,415	559,383	616,907

Credit risk by public / private sector	Gross investments		Non-performing investments		Credit loss allowance / provision held			
					Stage 1	Stage 2	Stage 3	
	2024	2023	2024	2023		2024		2023
	Rupees in '000							
Public / Government	273,484,252	243,523,955	-	-	-	-	-	124,556
Private	3,433,672	20,896,437	1,033,854	303,107	250	203,415	559,383	492,351
	276,917,924	264,420,392	1,033,854	303,107	250	203,415	559,383	616,907

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

46.1.5 Advances

Credit risk by industry sector

	Gross Advances		Non-performing Advances		Credit loss allowance / provision held			
					Stage 1	Stage 2	Stage 3	
	2024	2023	2024	2023		2024		2023
	Rupees in '000							
Agriculture, forestry, hunting and fishing	6,434,413	6,111,460	581,975	580,651	4,729	550	314,974	1,227,313
Air transport	21,906,163	18,570,899	-	-	-	-	-	746,854
Chemical and pharmaceuticals	6,232,806	7,964,370	963,069	1,542,879	1,292	1,126	888,588	45,246
Construction	13,760,050	16,304,747	1,963,179	374,688	4,383	203,842	1,040,510	1,299,405
Education and medical	1,303,280	1,640,927	119,556	118,256	428	2,369	78,855	-
Electronics and electrical appliances	372,590	446,285	-	-	343	3,500	-	-
Financial	48,073,251	6,112,147	-	-	2,450	2,432	-	1,076,015
Food, tobacco and beverages	22,015,562	28,423,229	3,718,436	2,175,467	17,544	20,134	3,251,562	133,672
Hotel and tourism	416,988	343,313	11,022	14,307	771	271	4,400	351,022
Individuals	34,296,372	31,574,730	1,908,292	1,635,364	176,185	122,556	584,853	1,300,000
Information and communication	18,648,052	21,361,145	1,000,335	1,149,548	11,778	2,477	866,295	50,418
Leather and related products	705,461	841,321	1,163	-	177	1,710	638	2,072,707
Metal and allied industries	10,108,824	10,824,676	4,535,112	2,518,234	1,702	5,369	3,164,693	105,644
Mining and quarrying	828,844	1,049,026	27,835	18,500	22	1,111	27,835	-
Plastic and Non Metallic Prodcuts	2,318,850	3,024,596	719,941	722,543	540	16,158	665,612	15,667
Power (electricity), gas, water, sanitary	845,080	2,443,374	553,043	557,363	14	1,753	434,041	26,693
Printing and Publication activities	1,656,837	2,239,215	19,638	7,913	362	6,232	5,364	192,282
Services	4,115,758	3,892,277	33,442	1,333,482	898	9,465	26,174	44,051
Textile	24,819,202	23,122,540	1,630,790	680,233	9,314	30,042	1,404,547	269,275
Transport, storage and communication	6,173,285	4,433,605	442,647	305,020	5,076	3,027	436,289	-
Wholesale and retail trade	19,156,939	21,449,278	2,980,099	2,386,540	9,792	6,907	1,824,029	148,629
Others	3,525,793	1,613,626	118,415	63,462	1,435	4,489	64,461	555,649
	247,714,400	213,786,786	21,327,989	16,184,450	249,235	445,520	15,083,720	9,660,542

Credit risk by public / private sector	Gross Advances		Non-performing Advances		Credit loss allowance / provision held			
					Stage 1	Stage 2	Stage 3	
	2024	2023	2024	2023		2024		2023
	Rupees in '000							
Public / Government	21,906,163	18,570,899	-	-	-	-	-	-
Private	225,808,237	195,215,887	21,327,989	16,184,450	249,235	445,520	15,083,720	9,660,542
	247,714,400	213,786,786	21,327,989	16,184,450	249,235	445,520	15,083,720	9,660,542

46.1.6 Contingencies and commitments

Credit risk by industry sector

	2024	2023
	---------- Rupees in '000 ----------	
Agriculture, forestry, hunting and fishing	**8,824,219**	6,977,254
Chemical and pharmaceuticals	**5,452,540**	2,130,231
Construction	**67,383,615**	39,812,156
Education and medical	**80,948**	104,839
Electronics and electrical appliances	**785,658**	3,959,006
Financial	**72,396,415**	130,826,946
Food, tobacco and beverages	**13,861,170**	8,170,638
Hotel and tourism	**6,673**	551,246
Individuals	**1,226,205**	2,039,580
Information and communication	**6,845,273**	6,494,377
Leather and related products	**20,246**	-
Metal and allied industries	**5,690,568**	2,129,149
Oil and Allied	**2,470,440**	3,431,455
Paper and allied	**655,800**	499,728
Power (electricity), gas, water, sanitary	**82,883**	2,580,604
Real estate activities	**3,473,370**	4,551,937
Textile	**13,882,265**	9,937,495
Transport, storage and communication	**2,319,857**	2,243,831
Wholesale and retail trade	**8,478,413**	7,978,712
Others	**1,976,574**	2,089,256
	215,913,132	236,508,440

Credit risk by public / private sector

	2024	2023
Public / Government	**14,461,819**	113,051,623
Private	**201,451,313**	123,456,817
	215,913,132	236,508,440

46.1.7 Concentration of Advances

The Bank's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 111,459.037 million (2023: Rs. 68,633.786 million) are as following:

	2024	2023
	----- Rupees in '000 -----	
Funded	**75,066,413**	36,721,558
Non Funded	**36,392,624**	31,912,228
Total Exposure	**111,459,037**	68,633,786

46.1.7.1 The sanctioned limits against these top 10 exposures aggregated to Rs. 71,999.525 million (2023: Rs. 70,850.560 million).

Total funded classified therein

	2024		2023	
	Amount	**Credit loss allowance held**	Amount	Provision held
	-------------------- Rupees in '000 --------------------			
OAEM	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Total	-	-	-	-

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

46.1.8 Advances - Province / Region-wise Disbursement and Utilisation

	2024							
		Utilisation						
	Disbursements	Punjab	Sindh	KPK and FATA	Balochistan	Islamabad	AJK and Gilgit-Baltistan	Bahrain
	----------	----------	----------	----------	Rupees in '000	----------	----------	----------
Province / Region								
Punjab	43,515,109	43,515,109	-	-	-	-	-	-
Sindh	116,336,581	-	116,336,581	-	-	-	-	-
KPK and FATA	1,342,280	-	-	1,342,280	-	-	-	-
Balochistan	49,216	-	-	-	49,216	-	-	-
Islamabad	58,147,536	-	-	-	-	58,147,536	-	-
AJK and Gilgit-Baltistan	189,173	-	-	-	-	-	189,173	-
Bahrain	26,862,279	-	-	-	-	-	-	26,862,279
Total	246,442,174	43,515,109	116,336,581	1,342,280	49,216	58,147,536	189,173	26,862,279

	2023							
		Utilisation						
	Disbursements	Punjab	Sindh	KPK and FATA	Balochistan	Islamabad	AJK and Gilgit-Baltistan	Bahrain
	----------	----------	----------	----------	Rupees in '000	----------	----------	----------
Province / Region								
Punjab	90,898,651	90,898,651	-	-	-	-	-	-
Sindh	150,753,568	-	150,753,568	-	-	-	-	-
KPK and FATA	3,706,138	-	-	3,706,138	-	-	-	-
Balochistan	990,579	-	-	-	990,579	-	-	-
Islamabad	40,955,191	-	-	-	-	40,955,191	-	-
AJK and Gilgit-Baltistan	906,809	-	-	-	-	-	906,809	-
Bahrain	13,859,548	-	-	-	-	-	-	13,859,548
Total	302,070,484	90,898,651	150,753,568	3,706,138	990,579	40,955,191	906,809	13,859,548

46.1.9 Sensitivity of ECL to Future Economic Conditions

The ECL are sensitive to judgements and assumption made regarding formulation of forward-looking scenarios and how much such scenarios are incorporated into calculations. The Bank performs sensitivity analysis on the ECL recognised on each of its segments.

The table below shows the loss allowance on each segment assuming each forward-looking scenario (e.g. improved, base and worst) were weighted 100 percent instead of applying scenario probability across the three scenarios.

		Improved		Base		Worst	
	Total ECL as per FS	As per sensitivity	Increase / decrease in %	As per sensitivity	Increase / decrease in %	As per sensitivity	Increase / decrease in %
		----------	----------	Rupees in '000	----------	----------	----------
Corporate and commercial	10,295,547	10,264,354	-0.30%	10,294,204	-0.01%	10,332,996	0.36%
Medium enterprise	3,102,096	3,090,088	-0.39%	3,101,704	-0.01%	3,115,931	0.45%
Small enterprise	1,043,376	1,037,153	-0.60%	1,042,937	-0.04%	1,051,649	0.79%
Consumer	659,847	634,018	-3.91%	659,123	-0.11%	689,059	4.43%
Agriculture	265,580	264,238	-0.51%	265,519	-0.02%	267,202	0.61%
Credit Card	218,710	188,465	-13.83%	217,910	-0.37%	252,687	15.54%
Staff	816	816	0.00%	816	0.00%	816	0.00%
Overseas Operations	192,503	155,396	-19.28%	191,847	-0.34%	232,674	20.87%

46.2 Market Risk

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

The Bank has an approved market risk policy wherein the governance structure for managing market risk, measurement tools used and the market risk exposure limits have been addressed. The Bank's strategy for managing market risk is to relate the level of risk exposures to their risk appetite and the capital at hand.

The Board of Directors (BoD) and the Asset and Liability Committee (ALCO) are responsible for addressing market risk from a strategic perspective and are assisted by the market risk function in meeting these objectives.

The Market Risk Unit reports directly to Head ERM and is responsible for ensuring the implementation of market risk policy in line with the Bank's strategy.

Risk reporting undertaken by the market risk function includes:

a) Portfolio Reports
b) Limit monitoring reports
c) Sensitivity analysis; and
d) Stress testing of the portfolio

Currently, the Bank is using the market risk standardised approach for the purpose of computing regulatory capital, the details of which are set out above.

46.2.1 Balance sheet split by trading and banking books

	2024			2023		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	Rupees in '000					
Cash and balances with treasury banks	43,058,132	-	43,058,132	40,895,031	-	40,895,031
Balances with other banks	3,617,293	-	3,617,293	3,727,490	-	3,727,490
Lendings to financial institutions	1,999,730	-	1,999,730	-	-	-
Investments	296,258,733	6,177,869	302,436,602	287,430,930	47,925	287,478,855
Advances	225,518,627	-	225,518,627	203,726,900	-	203,726,900
Property and equipment	12,086,893	-	12,086,893	10,766,680	-	10,766,680
Right-of-use assets	2,610,093	-	2,610,093	10,766,680	-	10,766,680
Intangible assets	6,806,276	-	6,806,276	4,872,907	-	4,872,907
Deferred tax assets	-	-	-	-	-	-
Other assets	37,973,622	-	37,973,622	37,964,595	-	37,964,595
	629,929,399	6,177,869	636,107,268	600,151,213	47,925	600,199,138

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

46.2.2 Foreign Exchange Risk

Main objective of foreign exchange risk management is to ensure that the foreign exchange exposure of the Bank lies within the defined appetite of the Bank.

Daily reports are generated to monitor the internal and regulatory limits with respect to the overall foreign currency exposures. The overall net open position, whether short or long has the potential to negatively impact the profit and loss depending upon the direction of movement in foreign exchange rates.

Foreign exchange open and mismatched positions are marked to market on a daily basis.

Currency risk arises where the value of financial instruments changes due to changes in foreign exchange rates. In order to manage currency risk exposure, the bank enters into ready / spot, forward and swap transactions with the State Bank of Pakistan (SBP) and in the inter bank market. The Bank's foreign exchange exposure comprises of forward contracts, foreign currencies cash in hand, balances with banks abroad, foreign placement with SBP and foreign currencies assets and liabilities. The net open position is managed within the statutory limits, as fixed by SBP. Counter parties' limits are also fixed to limit risk concentration. Appropriate segregation of duties exists between the front and back-office functions while compliance with the net open position limit is independently monitored on an ongoing basis.

	2024				2023			
	Foreign currency assets	**Foreign currency liabilities**	**Off-balance sheet items**	**Net foreign currency exposure**	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure
	Rupees in '000							
United States Dollar	**38,394,601**	**62,969,982**	**24,890,935**	**315,554**	42,286,252	61,141,671	19,394,396	538,977
Great Britain Pound Sterling	**512,583**	**4,655,040**	**4,151,702**	**9,245**	493,995	4,249,965	3,879,420	123,450
Euro	**1,481,392**	**1,214,198**	**(283,030)**	**(15,836)**	1,645,515	752,604	(855,979)	36,932
Other currencies	**442,961**	**697,220**	**-**	**(254,259)**	360,472	808,157	-	(447,685)
	40,831,537	**69,536,440**	**28,759,607**	**54,704**	44,786,234	66,952,397	22,417,837	251,674

	2024		2023	
	Banking book	**Trading book**	Banking book	Trading book
	Rupees in '000			
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	**-**	**547**	-	2,517
- Other comprehensive income	**-**	**-**	-	-

46.2.3 Equity position Risk

Equity positions in the banking book include Investment in equities that are available-for-sale or held for strategic investment purposes. These investments are generally regarded as riskier relative to fixed income securities owing to the inherent volatility of stock market prices. The Bank mitigates these risks through diversification and capping maximum exposures in a single company, compliance with regulatory requirement, and following the guidelines laid down in the Bank's Investment Policy as set by the Board of Directors (BoD). The Bank follows a delivery versus payment settlement system thereby minimizing risk available in relation to settlement risk.

Equity price risk is managed by applying Portfolio level limits and scrip-wise stop loss monitoring

	2024		2023	
	Banking	Trading	Banking	Trading
	------------------------ Rupees in '000 ------------------------			
Impact of 5% change in equity prices on				
- Profit and loss account	-	-	-	-
- Other comprehensive income	202,779	-	172,240	-

46.2.4 Yield / Interest rate risk in the banking book (IRRBB)-Basel II Specific

Yield / Interest rate sensitivity position for on-balance sheet instruments is based on the earlier of contractual re-pricing or maturity date and for off-balance sheet instruments is based on settlement date. This also refers to the non-trading market risk. The gap analysis between the market rate sensitive assets and liabilities is given below:

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	------------------------ Rupees in '000 ------------------------			
Impact of 1% change in interest rates on				
- Profit and loss account	309,015	-	174,963	-
- Other comprehensive income	(284,818)	(72,650)	(548,320)	(2)

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

46.3 Mismatch of interest rate sensitive assets and liabilities

	2024											
	Effective yield / interest rate (%)	Total	Exposed to yield / interest rate risk									Non-interest bearing financial instruments
			Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	
		Rupees in '000										
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	-	43,058,132	4,965,343	-	-	-	-	-	-	-	-	38,092,789
Balances with other banks	4.06%	3,617,293	-	-	-	-	-	-	-	-	-	3,617,293
Lendings to financial institutions	10.99%	1,999,730	1,999,730	-	-	-	-	-	-	-	-	-
Investments	18.66%	302,436,602	46,052,340	64,524,330	114,453,722	42,918,152	518,583	2,331,173	3,632,882	1,368,073	175,383	26,461,964
Advances	18.27%	225,518,627	102,730,229	13,591,876	77,090,470	7,777,214	6,827,728	7,424,121	6,391,823	2,618,335	1,066,831	-
Other assets	-	32,375,701	-	-	-	-	-	-	-	-	-	32,375,701
		609,006,085	155,747,642	78,116,206	191,544,192	50,695,366	7,346,311	9,755,294	10,024,705	3,986,408	1,242,214	100,547,747
Liabilities												
Bills payable	-	8,125,841	-	-	-	-	-	-	-	-	-	8,125,841
Borrowings	15.02%	28,698,505	2,536,798	4,087,991	8,880,494	1,516,211	1,633,554	4,241,986	1,754,516	4,046,955	-	-
Deposits and other accounts	11.90%	525,134,376	222,064,191	19,993,163	36,288,921	47,203,824	810,278	139,573	225,827	-	-	198,408,599
Liabilities against right-of-use assets	15.73%	2,788,429	2,580	18,182	32,361	81,438	506,717	564,386	569,066	1,013,699	-	-
Subordinated debt	22.46%	8,495,833	-	3,498,833	4,997,000	-	-	-	-	-	-	-
Other liabilities	-	10,133,278	-	-	-	-	-	-	-	-	-	10,133,278
		583,376,262	224,603,569	27,598,169	50,198,776	48,801,473	2,950,549	4,945,945	2,549,409	5,060,654	-	216,667,718
On-balance sheet gap		25,629,823	(68,855,927)	50,518,037	141,345,416	1,893,893	4,395,762	4,809,349	7,475,296	(1,074,246)	1,242,214	(116,119,971)
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions		-	-	-	-	-	-	-	-	-	-	-
Commitments in respect of:												
- forward foreign exchange contracts		29,714,456	7,615,827	9,523,393	13,162,236	(587,000)	-	-	-	-	-	-
- forward government securities transactions		14,991,654	14,991,654	-	-	-	-	-	-	-	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		51,495	-	-	51,495	-	-	-	-	-	-	-
Off-balance sheet gap		44,757,605	22,607,481	9,523,393	13,213,731	(587,000)	-	-	-	-	-	-
Total yield / interest risk sensitivity gap			(46,248,446)	60,041,430	154,559,147	1,306,893	4,395,762	4,809,349	7,475,296	(1,074,246)	1,242,214	(116,119,971)
Cumulative yield / interest risk sensitivity gap			(46,248,446)	13,792,984	168,352,131	169,659,024	174,054,786	178,864,135	186,339,431	185,265,185	186,507,399	

	Effective yield / interest rate (%)	Total	Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	Non-interest bearing financial instruments
	2023											
			Exposed to yield / interest rate risk									
		---------- Rupees in '000 ----------										
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	-	40,895,031	4,614,459	-	-	-	-	-	-	-	-	36,280,572
Balances with other banks	4.76%	3,727,490	-	-	-	-	-	-	-	-	-	3,727,490
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-
Investments	18.10%	287,957,001	116,283,934	303,001	2,821,117	54,510,248	12,733,082	202,851	58,595,713	17,887,292	-	24,619,763
Advances	18.38%	203,726,900	132,206,172	21,103,025	10,169,510	9,538,214	8,428,469	10,627,879	5,730,070	2,482,326	3,441,235	-
Other assets	-	32,190,193	-	-	-	-	-	-	-	-	-	32,190,193
		568,496,615	253,104,565	21,406,026	12,990,627	64,048,462	21,161,551	10,830,730	64,325,783	20,369,618	3,441,235	96,818,018
Liabilities												
Bills payable	-	5,668,721	-	-	-	-	-	-	-	-	-	5,668,721
Borrowings	15.00%	27,222,479	784,673	14,788,250	3,308,234	173,587	518,069	1,530,567	2,074,696	4,044,403	-	-
Deposits and other accounts	11.90%	486,282,778	195,841,094	18,380,943	35,290,009	75,096,979	385,844	671,683	70,450	-	-	160,545,776
Liabilities against right-of-use assets	13.23%	2,234,115	15,267	6,184	21,616	118,078	334,339	519,970	262,546	956,115	-	-
Subordinated debt	22.50%	8,497,767	4,998,000	3,499,767	-	-	-	-	-	-	-	-
Other liabilities	-	11,655,785	-	-	-	-	-	-	-	-	-	11,655,785
		541,561,645	201,639,034	36,675,144	38,619,859	75,388,644	1,238,252	2,722,220	2,407,692	5,000,518	-	177,870,282
On-balance sheet gap		26,934,970	51,465,531	(15,269,118)	(25,629,232)	(11,340,182)	19,923,299	8,108,510	61,918,091	15,369,100	3,441,235	(81,052,264)
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions		-	-	-	-	-	-	-	-	-	-	-
Commitments in respect of:												
- forward foreign exchange contracts		22,159,645	(5,265,939)	176,353	15,101,246	12,147,985	-	-	-	-	-	-
- forward government securities transactions		-	-	-	-	-	-	-	-	-	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		10,000	-	-	-	10,000	-	-	-	-	-	-
Off-balance sheet gap		22,169,645	(5,265,939)	176,353	15,101,246	12,157,985	-	-	-	-	-	-
Total yield / interest risk sensitivity gap			46,199,592	(15,092,765)	(10,527,986)	817,803	19,923,299	8,108,510	61,918,091	15,369,100	3,441,235	(81,052,264)
Cumulative yield / interest risk sensitivity gap			46,199,592	31,106,827	20,578,841	21,396,644	41,319,943	49,428,453	111,346,544	126,715,644	130,156,879	

46.3.1 Reconciliation of Assets and Liabilities exposed to yield / interest rate risk with Total Assets and Liabilities

	2024	2023
	--------- Rupees in '000 ---------	
Total financial assets as per note 46.3	**609,006,085**	568,496,615
Add: Non financial assets		
Property and equipment	**12,086,893**	8,627,102
Intangible assets	**6,806,276**	4,872,907
Right-of-use assets	**2,610,093**	2,139,578
Other assets	**5,597,921**	5,296,256
	27,101,183	20,935,843
	636,107,268	589,432,458

	2024	2023
	--------- Rupees in '000 ---------	
Total financial liabilities as per note 46.3	**583,376,262**	541,561,645
Add: Non financial liabilities		
Deferred tax liabilities - net	**671,138**	1,316,108
Other liabilities	**8,353,234**	6,232,637
	592,400,634	549,110,390

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

46.3.2 OPERATIONAL RISK

The Bank currently uses Basic Indicator Approach to Operational Risk for regulatory capital calculations. A comprehensive ORM Framework approved by the Board of Directors is in place which addresses all significant aspects of ORM. Operational Risk identification and assessment tools used by the Bank include Risk and Control Self Assessments (RCSAs), Key Risk Indicators (KRIs) and Incident Management and Data Collection. Operational Risk Champions have been nominated from all departments of the Bank and are responsible for implementation of the Framework in coordination with the ORM department. An Operational Risk Management Committee (ORMC) monitors and oversees operational risk issues.

To inculcate the operational risk management culture at the Bank, Operational Risk Management function imparts operational risk awareness to all the new employees of the Bank as part of the induction training along with the mandatory training for all employees of the Bank via the Bank's online learning portal.

The Business Continuity Management (BCM) framework is in place and the plans are regularly tested to provide assurance that key functions of the Bank are able to continue their operations from alternate processing site(s) in case the primary site(s) are not accessible or available.

46.4 Liquidity risk

Liquidity risk is the risk that the Bank will not be able to raise funds to meet its commitments. The Bank's Asset and Liability Committee (ALCO) manages the liquidity position on a continuous basis.

The Bank's policy for liquidity management is to maintain adequate liquidity at all times and in all currencies under both normal and stress conditions, to meet its contractual and potential payment obligations without incurring additional and unacceptable cost to the business.

Treasury is responsible for the managing liquidity risk under the guidance of Asset-Liability Committee of the Bank. The Bank's liquidity risk management approach starts at the intraday level (operational liquidity) managing the daily payments queue and factoring in our access to the qualifying securities of State Bank of Pakistan. It then covers tactical liquidity risk management dealing with the access to unsecured funding sources and the liquidity characteristics of our asset inventory (asset liquidity). Finally, the strategic perspective comprises the maturity profile of all assets and liabilities on our statement of financial position.

For monitoring and controlling liquidity risk, the Bank generates a scenario sensitive maturity statement of financial position, and run controlled mismatches that are monitored and discussed by ALCO members regularly. The Bank prepares various types of reports and analysis for assisting ALCO in taking necessary strategic actions for managing liquidity risk in the Bank. These include liquidity ratios, Concentration analysis, Gap reports, Stress testing, Liquidity Coverage ratio and Net Stable Funding Ratio analysis etc.

The Bank calculates Liquidity Coverage Ratio (LCR) on a monthly basis. Based on December 31, 2024 numbers LCR is 190.5% against SBP minimum requirement of 100%, with Total Stock of High-Quality Liquid Assets (HQLA) of Rs. 198,354.2 million and Net Cash Outflows of Rs. 104,122.5 million. On monthly basis during the year, LCR has remained well over the minimum threshold ranging from 190.5% to 426.01% during the year.

Furthermore, Based on December 31, 2024 numbers the NSFR is 179.37% against SBP minimum requirement of 100%, with Total Available Stable Funding of Rs. 483,536.2 million and Total Required Stable Funding of Rs. 269,567.3 million.

The Bank strategically emphasizes diversification and stability in its funding approach. Its funding base is varied, encompassing stable sources like equity, subordinated loans, retail and small business deposits, and less stable forms such as deposits from larger entities. It is fully compliant with Basel III Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), ensuring an ample supply of high-quality liquidity assets relative to liabilities.

The Bank employs stress testing to assess its balance sheet's vulnerability to hypothetical stress events. Liquidity risk factors undergo significant shocks, and their impact on the balance sheet is quantified. Stress testing encompasses scenarios defined by both regulatory standards and internally identified risks. Results are communicated to senior management, the Board of Directors, and regulators.

A Contingency Funding Plan (CFP) is in place to address liquidity challenges during crises. CFP identifying stress scenarios and corresponding funding plans, incorporating early warning indicators. Three Contengiency Levels are defined in CFP with varying action Plans for each.

The Liquidity Coverage Ratio's (LCR) key drivers include High-Quality Liquid Assets (HQLA) and Net Cash Outflow, determined by asset liquidity quality and liability profile volatility. The composition of HQLA as of December 31, 2024, is detailed as below:

Level 1 Assets: Rs. 194,476 billion
Level 2 Assets: Rs. 3,759.6 billion

46.4.1 Assets and Liabilities - based on contractual maturities

	2024													
	Total	Up to 1 day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
	Rupees in '000													
Assets														
Cash and balances with treasury banks	43,058,132	43,058,132	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	3,617,293	3,617,293	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	1,999,730	-	1,999,730	-	-	-	-	-	-	-	-	-	-	-
Investments	302,436,602	883,150	12,111,639	107,131	280,352	426,968	642,264	89,044,425	38,460,385	4,457,767	5,006,962	2,942,132	124,700,401	23,373,026
Advances	225,518,627	55,507,632	2,029,375	2,000,340	19,701,206	7,660,819	6,859,252	79,380,652	5,278,161	4,705,696	11,004,299	9,955,004	8,623,697	12,812,494
Property and equipment	12,086,893	-	-	-	128,019	-	707,057	366,568	-	686,617	1,224,798	1,018,936	1,684,225	6,270,673
Intangible assets	6,806,276	53,427	534,265	106,853	213,706	480,839	747,971	267,133	534,265	801,398	1,068,530	160,280	373,986	1,463,623
Right-of-use assets	2,610,093	-	-	-	27,645	-	152,685	79,158	-	148,271	264,488	220,033	363,698	1,354,115
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	37,973,622	10,120	1,982,193	862,986	4,290,314	3,985,994	1,794,472	15,591,887	311	4,391,676	7,015	1,452	5,035,035	20,167
	636,107,268	103,129,754	18,657,202	3,077,310	24,641,242	12,554,620	10,903,701	184,729,823	44,273,122	15,191,425	18,576,092	14,297,837	140,781,042	45,294,098
Liabilities														
Bills payable	8,125,841	8,125,841	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	28,698,505	442,592	1,372,634	99,975	621,597	1,386,692	2,701,299	8,880,494	80,893	1,435,318	1,633,554	4,241,986	1,754,516	4,046,955
Deposits and other accounts	525,134,376	371,771,376	15,533,614	17,351,122	15,816,678	15,821,173	4,171,991	36,288,921	21,661,786	25,542,037	810,278	139,573	225,827	-
Liabilities against right-of-use asset	2,788,429	-	-	-	29,534	-	163,117	84,567	-	158,401	282,559	235,067	388,548	1,446,636
Subordinated debt	8,495,833	-	-	-	-	233	-	733	233	733	1,933	1,933	2,495,867	5,994,168
Deferred tax liabilities	671,138	-	-	-	-	-	-	-	-	349,501	321,637	-	-	-
Other liabilities	18,486,512	559,807	775,403	841,467	815,967	1,069,985	8,055,196	602,836	-	5,631,222	110,075	18,892	5,662	-
	592,400,634	380,899,616	17,681,651	18,292,564	17,283,776	18,278,083	15,091,603	45,857,551	21,742,912	33,117,212	3,160,036	4,637,451	4,870,420	11,487,759
Net assets	43,706,634	(277,769,862)	975,551	(15,215,254)	7,357,466	(5,723,463)	(4,187,902)	138,872,272	22,530,210	(17,925,787)	15,416,056	9,660,386	135,910,622	33,806,339

Share capital / head off capital account	20,506,625
Reserves	7,113,683
Unappropriated profit / unremitted profit	12,708,466
Surplus on revaluation of assets	3,377,860
	43,706,634

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

	2023													
	Total	Up to 1 day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
	----- Rupees in '000 -----													
Assets														
Cash and balances with treasury banks	40,895,031	40,895,031	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	3,727,490	3,727,490	-	-	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	287,957,001	287,182	17,460,462	-	137,978	302,104	896	1,818,854	24,610,144	29,900,102	40,925,887	28,657,651	67,643,980	76,211,761
Advances	203,726,900	94,080,337	3,791,842	4,016,194	5,783,924	12,084,003	7,586,443	11,703,137	1,529,901	977,212	7,303,358	21,877,833	13,313,412	19,679,304
Property and equipment	8,627,102	38,164	38,608	44,993	94,226	176,913	181,848	670,288	474,603	244,104	1,195,302	408,095	984,066	4,075,892
Intangible assets	4,872,907	834	5,006	5,840	14,183	23,358	25,838	1,239,455	76,097	75,934	295,115	287,637	536,411	2,287,199
Right-of-use assets	2,139,578	-	-	-	14,932	-	8,551	37,710	-	195,382	293,771	569,980	231,853	787,399
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	37,486,449	16,753,833	68,302	188,782	5,173,049	1,160,768	192,794	8,230,694	14,240	1,322,646	-	-	4,381,276	65
	589,432,458	155,782,871	21,364,220	4,255,809	11,218,292	13,747,146	7,996,370	23,700,138	26,704,985	32,715,380	50,013,433	51,801,196	87,090,998	103,041,620
Liabilities														
Bills payable	5,668,721	5,668,721	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	27,222,479	549,504	24,482	62,676	408,379	7,344,381	3,923,636	3,364,384	112,312	2,116,448	781,544	1,126,141	2,510,940	4,897,652
Deposits and other accounts	486,282,778	305,213,954	6,062,268	6,864,405	38,246,231	10,108,201	8,272,748	35,290,013	46,892,607	23,212,113	5,378,105	670,683	71,450	-
Liabilities against right-of-use assets	2,234,115	-	-	-	15,267	-	6,184	21,616	-	118,078	334,339	519,970	262,545	956,116
Subordinated debt	8,497,767	-	-	-	-	235	-	733	233	733	1,933	1,933	3,867	8,488,100
Deferred tax liabilities	1,316,108	-	-	-	3,493	(88,366)	(47,400)	(77,305)	(77,305)	(141,448)	(81,199)	61,101	162,823	1,601,714
Other liabilities	17,888,422	8,346	68,302	188,782	817,948	1,160,473	13,681,197	347,979	14,240	1,601,155	-	-	-	-
	549,110,390	311,440,525	6,155,052	7,115,863	39,491,318	18,524,924	25,836,365	38,947,420	46,942,087	26,907,079	6,414,722	2,379,828	3,011,625	15,943,582
Net assets	40,322,068	(155,657,654)	15,209,168	(2,860,054)	(28,273,026)	(4,777,778)	(17,839,995)	(15,247,282)	(20,237,102)	5,808,301	43,598,711	49,421,368	84,079,373	87,098,038
Share capital / head off capital account	20,506,625													
Reserves	6,563,243													
Unappropriated profit / unremitted profit	11,292,332													
Surplus on revaluation of assets	1,959,868													
	40,322,068													

46.4.2 Assets and Liabilities - based on expected maturities

For assets and liabilities that have a contractual maturity, the expected maturity is considered to be the same as contractual maturity. Assets and liabilities that do not have a contractual maturity have been categorised on the basis of expected maturities as determined by ALCO.

	2024									
	Total	Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years
	Rupees in '000									
Assets										
Cash and balances with treasury banks	43,058,132	43,058,132	-	-	-	-	-	-	-	-
Balances with other banks	3,617,293	3,617,293	-	-	-	-	-	-	-	-
Lendings to financial institutions	1,999,730	1,999,730	-	-	-	-	-	-	-	-
Investments	302,436,602	13,382,272	1,069,232	89,044,425	42,918,152	5,006,962	2,942,132	124,700,401.00	2,310,369	21,062,657
Advances	225,518,627	27,080,597	17,181,191	83,638,444	55,222,900	11,004,299	9,955,004	8,623,697	1,807,821	11,004,674
Property and equipment	12,086,893	128,018	707,057	366,568	686,617	1,224,798	1,018,936	1,684,225	1,900,337	4,370,337
Intangible assets	6,806,276	53,427	2,350,766	106,853	213,706	480,839	427,412	747,971	961,677	1,463,625
Right-of-use assets	2,610,093	27,645	152,685	79,158	148,271	264,488	220,033	363,698	1,354,115	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets	37,973,622	7,145,612	5,780,466	15,591,887	4,392,045	7,015	1,452	5,034,977	20,168	-
	636,107,268	96,492,726	27,241,397	188,827,335	103,581,691	17,988,401	14,564,969	141,154,969	8,354,487	37,901,293
Liabilities										
Bills payable	8,125,841	8,125,841	-	-	-	-	-	-	-	-
Borrowings	28,698,505	2,536,798	4,087,991	8,880,494	1,516,211	1,633,554	4,241,986	1,754,516	4,046,955	-
Deposits and other accounts	525,134,376	54,665,047	28,901,888	69,339,914	62,354,029	18,179,731	23,170,717	30,675,618	237,847,432	-
Liabilities against right-of-use assets	2,788,429	29,534	163,117	84,567	158,401	282,559	235,067	388,548	1,446,636	-
Subordinated debt	8,495,833	-	233	733	967	1,933	1,933	2,495,867	3,494,167	2,500,000
Deferred tax liabilities	671,138	-	-	-	349,500	321,638	-	-	-	-
Other liabilities	18,486,512	2,992,645	9,125,181	602,836	5,631,222	110,074	18,892	5,662	-	-
	592,400,634	68,349,865	42,278,410	78,908,544	70,010,330	20,529,489	27,668,595	35,320,211	246,835,190	2,500,000
Net assets	43,706,634	28,142,861	(15,037,013)	109,918,791	33,571,361	(2,541,088)	(13,103,626)	105,834,758	(238,480,703)	35,401,293
Share capital / head off capital account	20,506,625									
Reserves	7,113,683									
Unappropriated profit / unremitted profit	12,708,466									
Surplus on revaluation of assets	3,377,860									
	43,706,634									

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

	2023									
	Total	Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years
	Rupees in '000									
Assets										
Cash and balances with treasury banks	40,895,031	40,895,031	-	-	-	-	-	-	-	-
Balances with other banks	3,727,490	3,727,490	-	-	-	-	-	-	-	-
Lending to financial institutions	-	-	-	-	-	-	-	-	-	-
Investments	287,957,001	17,885,622	303,000	1,818,854	54,510,246	40,925,887	28,469,691	67,831,939	33,605,394	42,606,368
Advances	203,726,900	33,018,960	26,103,240	19,472,462	66,297,024	14,060,819	16,724,981	10,290,471	4,762,761	12,996,182
Property and equipment	8,627,102	215,995	358,730	670,286	718,707	1,195,332	408,095	984,065	923,764	3,152,128
Intangible assets	4,872,907	25,862	49,196	75,530	1,315,957	295,115	287,637	536,411	823,575	1,463,624
Right-of-use assets	2,139,578	14,932	8,551	37,710	195,382	293,771	569,980	231,853	787,399	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets	37,486,449	22,890,491	1,353,563	8,230,694	1,336,885	-	-	3,674,816	-	-
	589,432,458	118,674,383	28,176,280	30,305,536	124,374,201	56,770,924	46,460,384	83,549,555	40,902,893	60,218,302
Liabilities										
Bills payable	5,668,721	5,668,721	-	-	-	-	-	-	-	-
Borrowings	27,222,479	1,045,040	11,268,017	3,364,384	2,228,760	781,544	1,126,141	2,510,940	4,897,653	-
Deposits and other accounts	486,282,778	64,855,259	27,305,385	44,214,449	79,029,156	23,226,979	24,469,181	35,769,197	187,413,172	-
Liabilities against right-of-use assets	2,234,115	15,266	6,184	21,616	118,078	334,339	519,970	262,546	956,116	-
Subordinated debt	8,497,767	-	233	733	968	1,933	1,933	3,867	5,988,100	2,500,000
Deferred tax liabilities	1,316,108	3,493	(135,766)	(77,305)	(218,753)	(81,199)	61,101	162,823	1,601,714	-
Other liabilities	17,888,422	1,083,380	14,865,131	347,979	1,591,932	-	-	-	-	-
	549,110,390	72,671,159	53,309,184	47,871,856	82,750,141	24,263,596	26,178,326	38,709,373	200,856,755	2,500,000
Net assets	40,322,068	46,003,224	(25,132,904)	(17,566,320)	41,624,060	32,507,328	20,282,058	44,840,182	(159,953,862)	57,718,302
Share capital / head off capital account	20,506,625									
Reserves	6,563,243									
Unappropriated profit / unremitted profit	11,292,332									
Surplus on revaluation of assets	1,959,868									
	40,322,068									

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2024

47. DERIVATIVE RISK

The policy guidelines for taking derivative exposures are approved by the Board of Directors (BOD). Bank's Asset and Liability Committee (ALCO) is responsible for reviewing and managing associated risks of the transactions.

The nature, scope and purpose of derivatives business, for trading purposes or hedging purpose and the types of derivative in which they deal.

The overall responsibility for offering derivative products and sustaining profitability lies with the Treasurer and in his absence with his delegate. The Market Risk Unit / Treasury Middle Office of the Bank responsible for measurement and monitoring of the market risk exposures, analysis of present and potential risk factors.

The Market Risk Unit also monitors associated Credit, Market and Liquidity Risk in line with Board of Directors approved limit framework. The unit coordinates with the business regarding approvals for derivatives risk limits and produces various reports / analysis for ALCO / BRMC on periodic basis. These reports provide details of outstanding un-hedged positions, profitability and status of compliance with limits. Treasury Operations records derivatives activity in the Bank's books and is responsible for reporting to the SBP.

The derivative transaction such as Cross Currency Swaps carries credit risk which is the risk that a party to a derivative contract will fail to perform its obligation. There are two types of credit risk associated with derivative transactions: 1) settlement, and 2) pre-settlement risk. Bank's Central Credit Committee is responsible for reviewing and managing associated Counterparty Credit Risks of the transaction.

The Bank also enters into Foreign Currency and Commodity Options from its Wholesale Banking Branch Bahrain for market making activities. The Bank can hedge its risk by taking on and off-balance sheet position in interbank market, where available.

48. GENERAL

48.1 Corresponding figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current year. However, there are no material re-arrangements / re-classifications to report.

48.2 The figures in these unconsolidated financial statements have been rounded off to the nearest thousand.

49. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue by the Board of Directors of the Bank in their meeting held on February 28, 2025.

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

Annexure - I

Statement showing written-off loans or any other financial relief of Rupees Five Hundred Thousand or above provided during the year ended December 31, 2024

S. No.	Name and address of the borrower	Name of individuals/ partners/ directors (with CNIC No.)	Father's/ Husband's name	Outstanding Liabilities at beginning of year				Principal	Interest/	Other financial	Total
				Principal	Interest/ Mark-up	Other than Interest/ Mark-up	Total	written-off	Mark-up written-off/ waived	Other than Interest/ Mark-up	
				Rupees in '000							
1	GHULAM SARWAR HOUSE NO 115 STREET NO 1 MOHMADINA BLOCK PIRMAHAL TEHSIL KAMALIA DISTT TOBA TEK SINGH	GHULAM SARWAR 33302-5108821-7	KHUSHI MUHAMMAD KHAN	725	20	1	746	725	20	1	746
2	BILAL AHMED ALI RANJHA HOUSE 209 BLOCK U PHASE 2 DHA LAHORE	BILAL AHMED ALI RANJHA 38401-4928568-9	CHAUDHARY SAIF ULLAH RANJHA	650	1,355	-	2,005	230	1,355	-	1,585
3	AKRAM AND BROTHERS SHOP NO 63 B GHALLA MANDI VEHARI	HAFIZ MUHAMMAD WASEEM AKRAM 36603-2964551-5	MUHAMMAD AKRAM	2,224	1,971	-	4,195	-	513	140	653
4	IMTIAZ ALI NOONARI HOUSE NO D4 42 NASEEM NAGAR PHASE 3 QASIMABAD HYDERABAD	IMTIAZ ALI NOONARI 41306-6122213-1	KAMAL KHAN NOONARI	1,000	729	13	1,742	-	697	13	710
5	IRFAN MEHMOOD DERA AHMAD NAWAZ PEER ASHAB PO RAZAI SHAH SHUMALI TEHSIL AND BHAKKAR	IRFAN MEHMOOD 38101-9329113-7	MEHMOOD	698	489	-	1,187	-	517	16	533
6	HASSAN MAHMOOD H NO 15 MOHALLA AHMAD BLOCK GARDEN TOWN LAHORE	HASSAN MAHMOOD 35202-0523859-1	SABIR MEHMMOD	1,500	931	-	2,431	-	780	30	810
7	GUL HASSAN VILLAGE NASURULLAH DUNB SHAKH USTA MUHAMMAD PO USTA MUHAMMAD	GUL HASSAN 53202-5418173-3	HYDER KHAN	-	712	-	712	-	477	28	505
8	MUHAMMAD SAEED SHAKKIR HOUSE 1126 AZIZABAD FB AREA BLOCK 8 KARACHI	MUHAMMAD SAEED SHAKKIR 42101-9639987-7	MOHAMMAD SHARIF SHAKKIR	6,068	957	-	7,025	-	953	-	953
9	GUL MUNIR GOTH QABOOL KHAN MAN GSI PO BULRI SHAH KARIM TEHSIL BULRI SHAH KARIM DISTT TANDO MUHAMMAD KHAN	GUL MUNIR 41602-0623661-7	GHULAM HUSSAIN MAGSI	5,000	3,360	-	8,360	-	2,295	100	2,395
10	MOHAMMAD IBRAHIM KHAN HOUSE NO3704 70 HASSAN PARWANA COLONY POST OFFICE GPO MULTAN	MOHAMMAD IBRAHIM KHAN 36302-9148629-3	MUHAMMAD HUSSAIN KHAN	-	2,017	-	2,017	-	2,017	173	2,190
11	MUHAMMAD AMJAD KHAN MOH GULSHAN E DILAWAR GT ROAD NEAR GRID STATION KAMOKE DISTT GUJRANWALA	MUHAMMAD AMJAD KHAN 34102-4106239-1	ABDUL MAJEED KHAN	2,992	986	-	3,978	-	605	22	627
12	SALMAN KHAN BLOCK A 4 HOUSE NO 8 65 ADAM TOWN COMPOUND WALL MIR PURKHAS	SALMAN KHAN 44109-0353469-7	ABDUL SALAM	900	590	-	1,490	-	670	20	690

Annexure - I

S. No.	Name and address of the borrower	Name of individuals/ partners/ directors (with CNIC No.)	Father's/ Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest/ Mark-up written-off/ waived	Other financial Other than Interest/ Mark-up	Total
				Principal	Interest/ Mark-up	Other than Interest/ Mark-up	Total				
				Rupees in '000							
13	MOHAMMAD IBRAHIM FLAT NO 402 THE PATEL SUPARI WALA ST GARDEN EAST KARACHI	MOHAMMAD IBRAHIM 42301-8566182-3	ABDUL SATTAR	8,895	1,868	-	10,763	-	549	15	564
14	MUHAMMAD ISHAQ HOUSE NO 1653 MANSOOR NAGAR RAIS AMROHI COLONY SEC TOR 11 1 2 ORANGI TOWN KARACHI	MUHAMMAD ISHAQ 34201-0566819-5	MUHAMMAD ASGHAR	-	-	-	-	505	-	-	505
15	SHAH NAWAZ MARI DEH HOOT WASSAN TALU KA JAM NAWAZ ALI DISTT SANGHAR	SHAH NAWAZ MARI 44103-0187586-1	ABDUL GHANI MAREE	1,399	792	-	2,191	-	674	41	715
16	ASGHAR ALI YOUNAS NAGAR DHANT PURA POST OFFICE CHAK DHANT PURATEHSIL SHEIKHUPURA	ASGHAR ALI 35404-1636181-9	MUHAMMAD AKRAM	1,765	839	-	2,604	-	839	-	839
17	ABDUL HAMEED VILLAGE QABOOL KHAN MAGSI PO BULRI SHAH KARIM TALUKA BULRI SHAH KARIM TANDO MUHAMMAD KHAN	ABDUL HAMEED 41602-0646711-1	MUHAMMAD SULEMAN	1,844	1,029	45	2,918	-	1,256	-	1,256
18	GONDAL CRUSHING PLANT HOUSE NO 1752 BLOCK A SATELLITE TOWN SARGODHA	ASIF NASEER 38403-2154694-1	NASEER AHMED	8,001	1,102	-	9,103	-	1,100	-	1,100
19	MUHAMMAD AHMAD MORA QALAN DAKHANA MORE KHUNDA NANKANA SAHIB	MUHAMMAD AHMAD 35501-0351066-3	MEHR FALAK SHER	600	482	-	1,082	-	570	6	576
20	ZAHOOR AHMAD GALI KHAJOOR WALI MO HALLAH ALI TOWN HAFIZABAD	ZAHOOR AHMAD 34301-2129995-7	MUHAMMAD MANZOOR	2,615	2,013	1	4,629	-	1,399	1	1,400
21	FARMERS EQUITY (PVT) LTD. 1ST FLOOR MALL PLAZA MALL ROAD MULTAN CANTT MULTAN	ABDUL REHMAN KHAN MALAZAI (36302-9016207-5) MUHAMMAD IBRAHIM KHAN (36302-9148629-3) MUHAMMAD SAAD (36302-3726445-5)	MUHAMMAD HUSSAIN KHAN MUHAMMAD HUSSAIN KHAN ABDUR REHMAN	-	1,757	2	1,759	-	296	1,652	1,948
			TOTAL:	**46,876**	**23,999**	**62**	**70,937**	**1,460**	**17,582**	**2,258**	**21,300**

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

Annexure - II

Details of disposal of Property and equipment to related parties For The Year Ended December 31, 2024

Particulars	Cost	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of Buyer
	------------------------------ Rupees in '000			------------------------------		
Electrical, office and computer equipment						
Mobile phone	50	-	5	5	Buyback	Hasan Shahid
Mobile phone	40	20	21	1	Buyback	Soofi Saif
Mobile phone	98	-	10	10	Buyback	Tauqeer Haider
Laptop	175	-	-	-	Buyback	Imran Haleem Shaikh
Laptop	428	-	-	-	Buyback	Imran Haleem Shaikh
Laptop	418	255	-	(255)	Buyback	Imran Haleem Shaikh
	1,209	**275**	**36**	**(239)**		
Vehicle	20,374	16,111	24,182	8,071	Sale	Bank Islami Pakistan Ltd.
Total	**21,583**	**16,386**	**24,218**	**7,832**		

PLANNING MAJOR PURCHASES

Get ready for major purchases like a home or a car by setting a budget and saving ahead. Explore JS CarAamad and JS GharApna for financing options, ensuring these investments align with your financial goals and support your wealth building.

CONSOLIDATED FINANCIAL STATEMENTS

DIRECTORS' REPORT ON THE

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

On behalf of the Board of Directors, we are pleased to present the Annual Report on the audited consolidated financial statements of JS Bank Limited (the 'Bank) and its subsidiaries and the auditors' report thereon for the year ended December 31, 2024.

Consolidated financial highlights

	2024	2023
	(PKR Million)	
Profit before taxation	**30,679**	18,678
Taxation	**17,319**	8,301
Profit after taxation	**13,360**	10,377
Profit attributable to non-controlling interest	**3,051**	916
Profit attributable to equity holders of the Bank	**10,309**	9,461
Earnings per share - Basic and Diluted (Rupees)	**5.03**	6.00
Investments – net	**629,466**	583,123
Advances – net	**521,168**	429,352
Total assets	**1,359,043**	1,226,459
Deposits	**1,081,826**	1,007,819
Shareholders' equity	**76,797**	59,769

Subsidiary Companies

BankIslami Pakistan Limited

Bank Islami Pakistan Limited (BIPL) is a full-service Islamic Bank in Pakistan. It operates in compliance with the principles of Islamic Shariah. As an Islamic bank, BankIslami places a significant emphasis on ensuring that its operations and financial products adhere to Shariah principles. In August 2023, JS Bank acquired the majority of shares, making BIPL its subsidiary with 75.12 percent shareholding.

Summarized results of the Bank are set out below:

PKR Million

Particulars	December 31, 2024(Audited)	December 31, 2023 (Audited)
Profit before tax	25,530	20,523
Profit after tax	11,834	11,045
EPS (Rupees)	10.6733	9.9622

JS Global Capital Limited

JS Global Capital Limited is one of the largest securities brokerage and investment banking firms in Pakistan with a leadership position in the domestic capital markets. It is in the business of equity, fixed income, currencies and commodities brokerage and investment banking. It was incorporated in Pakistan on June 28, 2000 and is the successor to the securities business of Jahangir Siddiqui & Co. Ltd. and Bear Stearns Jahangir Siddiqui Limited. JS Bank has 92.90 percent ownership of the company.

JS Global has a paid-up capital of PKR 275 million and shareholder equity of PKR 2,945 million as of December 31, 2024. It is listed on the Pakistan Stock Exchange.

PACRA has assigned long-term and short-term entity ratings to JS Global of “AA” (Double A) and “A1+” (A One plus), respectively. The ratings denote a very low expectation of credit risk emanating from very strong capacity for timely payment of financial commitments.

Summarized results of the company are set out below:

PKR Million

Particulars	December 31, 2024 (Audited)	December 31, 2023 (Audited)
Profit Before Tax	518	212
Profit After Tax	455	187
EPS (Rupees)	16.54	6.82

JS Investments Limited

JS Investments Limited (JSIL) has a paid-up capital of PKR 616 million and shareholder equity of PKR 2,112 million as of December 31, 2024. It is listed on the Pakistan Stock Exchange. JS Bank has 84.73 percent ownership of the company.

The company is a licensed Investment Adviser and Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In addition, JSIL also has a license for Pension Fund Manager under the Voluntary Pension System Rules 2005 and a Private Equity & Venture Capital Fund Management Services license from the Securities and Exchange Commission of Pakistan.

Summarized results of the Company are set out below:

PKR Million

Particulars	December 31, 2024 (Audited)	December 31, 2023 (Audited)
Profit before tax	489	254
Profit after tax	449	310
EPS (Rupees)	7.27	5.02

For and on behalf of the Board,

Basir Shamsie
President & CEO
February 28, 2025

Adil Matcheswala
Chairman

جے ایس انویسٹمنٹ لمیٹڈ

31 دسمبر 2024 تک جے ایس انویسٹمنٹ لمیٹڈ (جے ایس آئی ایل) کا ادا شدہ سرمایہ 616 ملین روپے جبکہ حصص یافتگان کا سرمایہ 2,112 ملین روپے ہے۔ یہ پاکستان اسٹاک ایکسچینج میں درج ہے۔ جے ایس بینک کمپنی کی 84.73 فیصد کی ملکیت رکھتی ہے۔

جے ایس انویسٹمنٹ لائسنس یافتہ انویسٹمنٹ ایڈوائزر اور ایسیٹ مینجمنٹ کمپنی ہے جو نان بینکنگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشنز) قواعد 2003 (این بی ایف سی قواعد) اور نان بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ اینٹیٹیز ریگولیشنز 2008 (این بی ایف سی ریگولیشنز) کے تحت کام کرتی ہے۔ اس کے علاوہ جے ایس آئی ایل کے پاس والنٹری پنشن سسٹم رولز 2005 کے تحت پنشن فنڈ منیجر اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے پرائیویٹ ایکوئٹی اینڈ وینچر کیپیٹل فنڈ مینجمنٹ سروسز کا بھی لائسنس ہے۔

کمپنی کے نتائج کا خلاصہ درج ذیل ہے:

روپے ملین میں

تفصیلات	31 دسمبر 2024 (پڑتال شدہ)	31 دسمبر 2023 (پڑتال شدہ)
قبل از ٹیکس منافع	489	254
بعد از ٹیکس منافع	449	310
ای پی ایس (روپے)	7.27	5.02

از طرف بورڈ

باصر شمسی	عادل ماچس والا
صدر اینڈ سی ای او	چیئرمین

28 فروری 2025ء

کمپنی کے نتائج کا خلاصہ درج ذیل ہے:

روپے ملین میں

تفصیلات	31 دسمبر 2024 (آڈٹ شدہ)	31 دسمبر 2023 (آڈٹ شدہ)
قبل از ٹیکس منافع	25,530	20,523
بعد از ٹیکس منافع	11,834	11,045
فی حصص آمدنی (روپے)	10.6733	9.9622

جے ایس گلوبل کیپیٹل لمیٹڈ:

جے ایس گلوبل کیپیٹل لمیٹڈ مقامی کیپیٹل مارکیٹ میں قائدانہ پوزیشن کے ساتھ پاکستان کی سب سے بڑی سیکیورٹیز بروکریج اور انویسٹمنٹ فرموں میں سے ایک فرم ہے جو ایکوئٹی، فکسڈ آمدن، کرنسیوں اور کموڈیٹیز بروکریج اور انویسٹمنٹ بینکنگ کے کاروبار سے منسلک ہے۔ جے ایس گلوبل کیپیٹل لمیٹڈ 28 جون 2000 کو پاکستان میں قائم کی گئی اور یہ جہانگیر صدیقی اینڈ کمپنی لمیٹڈ اور بیئر اسٹرنز جہانگیر صدیقی لمیٹڈ کے سیکیورٹیز کاروبار کا جانشین ہے۔ جے ایس بینک کے پاس کمپنی کے 92.90 فیصد کی ملکیت ہے۔

جے ایس گلوبل کے پاس 31 دسمبر 2024 تک ادا شدہ سرمایہ 275 ملین روپے ہے اور شیئر ہولڈر سرمایہ 2,945 ملین روپے ہے۔ یہ پاکستان اسٹاک ایکسچینج میں درج ہے۔

پاکستان کریڈٹ ریٹنگ ایجنسی (پی اے سی آر اے) بینک کی طویل مدتی اینٹیٹی ریٹنگ -AA (ڈبل اے مائنس) مختصر مدتی کریڈٹ ریٹنگ +A1 (اے ون پلس) تفویض کی ہے۔ یہ درجہ بندی مالیاتی وعدوں کی بروقت ادائیگی کیلئے انتہائی مضبوط صلاحیت سے پیدا ہونے والے کریڈٹ رسک کی بہت کم توقع کی نشاندہی کرتی ہے۔

کمپنی کے نتائج کا خلاصہ درج ذیل ہے:

روپے ملین میں

تفصیلات	31 دسمبر 2024 (پڑتال شدہ)	31 دسمبر 2023 (پڑتال شدہ)
قبل از ٹیکس منافع	518	212
بعد از ٹیکس منافع	455	187
فی حصص آمدنی (روپے)	16.54	6.82

حتمی مالیاتی نتائج پر ڈائریکٹرز رپورٹ
برائے سال مختتمہ 31 دسمبر 2024ء

بورڈ آف ڈائریکٹرز کی جانب سے ہم 31 دسمبر 2024ء کو اختتام پذیر ہونے والے سال کیلئے جے ایس بینک لمیٹڈ (دی بینک) اوراس کی ذیلی کمپنیوں کے پڑتال شدہ حتمی مالیاتی نتائج اور آڈیٹرز رپورٹ پیش کرنے میں مسرت محسوس کرتے ہیں۔

حتمی مالیاتی نتائج کا خلاصہ:

	2024	2023
	(پاکستانی روپے ملین میں)	
قبل از ٹیکس منافع	30,679	18,678
ٹیکس کی ادائیگی	17,319	8,301
بعد از ٹیکس منافع	13,360	10,377
نان کنٹرولنگ انٹریسٹ سے منسوب منافع	3,051	916
بینک کے ایکوئٹی ہولڈرز سے منسوب منافع	10,309	9,461
فی حصص منافع ۔ بنیادی (روپے)	5.03	6.00
سرمایہ کاریاں ۔صافی	629,466	583,123
ایڈوانسز ۔صافی	521,168	429,352
کل اثاثے	1,359,043	1,226,459
ڈپازٹس	1,081,826	1,007,819
شیئر ہولڈرز ایکوئٹی	76,797	59,769

ذیلی کمپنیاں:

بینک اسلامی پاکستان لمیٹڈ:

بینک اسلامی پاکستان لمیٹڈ (بی آئی پی ایل) پاکستان میں ایک مکمل سروس فراہم کنندہ اسلامی بینک ہے۔ یہ اسلامی شریعت کے اصولوں کے مطابق آپریٹ کرتا ہے۔ بطور ایک اسلامی بینک، بینک اسلامی اس بات کو یقینی بنانے پر خاص زور دیتا ہے کہ اس کے آپریشنز اور مالیاتی پروڈکٹس شرعی اصولوں کے مطابق ہوں۔ اگست 2023 میں، جے ایس بینک نے 75.12 فیصد شیئر ہولڈنگ کے ساتھ بی آئی پی ایل کو اپنا ذیلی ادارہ بناتے ہوئے حصص کی اکثریت حاصل کی۔

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REPORT

To the members of JS Bank Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **JS Bank Limited** (the Bank) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

KPMG Taseer Hadi & Co.

Following are the Key Audit Matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
1	**Valuation of Advances:** (Refer note 9 & 20 to the consolidated financial statements)	
	As at 31 December 2024, the Bank's Credit loss allowance against advances and off-balance sheet items amounting to Rs. 41,334 million and Rs. 572 million respectively. As per the BPRD Circular No. 07 of 2023, the Bank adopted IFRS 9 in accordance with the Application Instructions issued by State Bank of Pakistan (SBP) for IFRS 09 from 01 January 2024 which requires the Bank to recognize Expected Credit Losses (ECL) on advances including non-funded exposure. The estimation of ECL on advances including non-funded exposure, involves judgement and complexity. The key areas which are subject to management judgement in the estimation of ECL are: • Model estimations – judgmental modelling and assumption are used to estimate ECL which involves determining Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD). Respective model assumption is a key driver of complexity and uncertainty and are required in the application of these model for calculation of the ECL estimate. • Economic scenarios – IFRS 9 requires the Bank to measure ECL on an unbiased forward-looking basis reflecting a range of future	Our audit procedures, amongst others, included the following: • Performing risk assessment procedures over the credit loss allowance against advances and off-balance sheet exposure within the Bank's consolidated financial statement. As part of these risk assessment procedures, identifying the portfolios associated with a risk of material misstatement including those arising from judgements over the estimation of ECL either due to inputs, methods or assumption. • Assessing the design, implementation and operating effectiveness of key controls established by the Bank over measurement of ECL and provision calculated as per PR; • We involved in-house specialist who assisted in the following: - Evaluating the Bank's impairment methodologies for compliance with application instructions as issued by SBP for IFRS 9; - Assessing the reasonableness of the Bank's methodology and models for determining the economic scenarios used and the probability weightings applied to them by independently validating and challenging the assumption, methodologies, and outputs of the models; - Assessing the reasonableness of macro-economic variable and

S.No.	Key Audit Matters	How the matter was addressed in our audit
	economic conditions. Management judgement is applied in determining the forward-looking economic scenarios used as an input to calculate ECL, the associated scenario probability weightings, and the key economic variables that drive the scenarios. • Qualitative criteria – the criteria selected to identify a SICR involves judgment and can lead to unreliable ECL recognized for certain portfolios. In line with the application instructions as issued by SBP for IFRS 9, the Bank must compare the ECL for Stage 3 advances with the provision determined under the Prudential Regulations (PR) issued by the SBP. The PR requires specific provisioning against the advances on the basis of time-based criteria which should be supplemented by a subjective evaluation of Bank's credit portfolio. The determination of provision against advances, therefore, involves use of management's judgement, on a case-to-case basis, taking into account factors such as the economic and business conditions, borrowers' repayment behaviors and realizability of collateral held by the Bank. Because of the high degree of estimation uncertainty and judgement involved in the calculation of ECL we considered the area of ECL provision as a key audit matter.	economic forecasts by comparing these to external sourced data extracted; and - Performing independent testing of the Expected Credit Loss (ECL) allowance on a sample basis. • Ensuring completeness of the key inputs into the ECL calculations with their respective sub-ledgers and general ledgers. • Performing testing on sample basis over key inputs into the ECL calculations with their respective source documents. • Performing sensitivity analysis on the key assumption, that is probability weighted economic scenarios, to assess reasonableness and the risk of biasness by changing weights assigned to each economic scenario. • In accordance with the PR, we sampled at least sixty percent of the total advances portfolio and performed credit review through the following substantive procedures: - verifying repayments of advances/ mark-up installments and checked that non-performing advances have been correctly classified and categorized based on the number of days overdue; - examining watch list accounts and, based on review of the individual facts and circumstances, discussions with management and our assessment of financial conditions of the borrowers, formed a judgement as to whether classification of these accounts as performing was appropriate; and

S.No.	Key Audit Matters	How the matter was addressed in our audit
		- assessing the accuracy of specific provision made against non-performing advances in accordance with the criteria prescribed under the PRs by performing recalculation. • Assessing the appropriateness of SICR criteria applied by the Bank by ensuring that the SICR criteria and staging methodology are consistent with the relevant application instructions as issued by SBP for IFRS 9. • Assessing the appropriateness of ECL on advances categorized as Stage 3 by performing a comparison of ECL computed, through the use of methodology and models with the provision required to be computed as required under the PR to ensure that an amount which is higher of the ECL and PR requirements is appropriately recognized for these stage 3 advances pursuant to the requirement of application instructions as issued by SBP for IFRS 9. • Evaluating the adequacy of the consolidated financial statement disclosures, including disclosures of key assumptions, judgements and sensitivities.
2	**Impairment testing of goodwill** (Refer Note 12 to the consolidated financial statements)	
	As at 31 December 2024, intangible assets include goodwill amounting to Rs. 4,408 million acquired as a result of scheme of amalgamation as disclosed in note 12 to the consolidated financial statements. Goodwill is required to be annually assessed for impairment under IAS-36 "Impairment of Assets". Accordingly,	Our audit procedures, amongst others, included the following: • Evaluating the model used in determining the value in use as well as assessing the discount rate used; • Comparing the cash flow forecasts to approved budgets and other relevant

S.No.	Key Audit Matters	How the matter was addressed in our audit
	Management has performed an impairment test of the goodwill which is subjective in nature due to assumptions made about future performance. As disclosed in note 12, the Bank uses a discounted cash flow model to determine value in use, on the basis of the certain key assumptions. Due to the significance and impact of the assumptions and judgements involved, the impairment testing of goodwill is considered to be a key audit matter.	market and economic information, as well as testing the underlying calculations; • Involving our internal valuation specialists to review and evaluate management's key assumptions used in impairment calculations; • Performing sensitivity analyses around the key assumptions used in the models; • Assessing the adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable financial reporting framework
3	**Acquisition of BankIslami Pakistan Limited (BIPL)** (Refer Note 1.4.3 to the consolidated financial statements)	
	On August 18, 2023, the Bank obtained control of BIPL by holding 50.24% of the total shareholding of BIPL. 'International Financial Reporting Standard (IFRS) 3, 'Business Combinations', requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's balance sheet and any intangible assets acquired in the business combination are required to be separately recognised and carried at fair values. 'IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalize the accounting for business combination, the Bank had recorded the net assets of the Business Combination on provisional values which have been finalised in the current year. Due to the impact of the assumptions and judgements involved in the fair	Our audit procedures, amongst others, included the following: • Assessing the carrying amounts of all net assets acquired by the Group at the acquisition date. This review was conducted to identify any potential adjustments required to reflect the fair value of assets and liabilities. • Evaluating the competence, capabilities and objectivity of the Management Expert and evaluating the appropriateness of the work performed; • Obtaining the project price allocation report and conducting inquiries with Management's Expert to understand the valuation methodology; • Engaging our valuation specialist in assessing the appropriateness of the valuation methodology and key assumptions applied in the valuation;

S.No.	Key Audit Matters	How the matter was addressed in our audit
	valuation exercise, the acquisition of BIPL is considered to be a key audit matter.	• Assessing the appropriateness of the bargain purchase gain on acquisition of BIPL and is in line with the guidance of IFRS 3 "Business Combination"; • Evaluating the transaction is recorded in line with the requirements of accounting and reporting standards as applicable in Pakistan; and • Assessing the appropriateness and adequacy of the disclosure made in the consolidated financial statement.

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

Management is responsible for the other information. The Other Information comprises the Annual Report, but does not include the unconsolidated financial statements, consolidated financial statements and our auditor's reports thereon. We were provided with the Director's Report to the Shareholders and Chairman's Review Report prior to the date of this Auditor's report and the remaining parts of the Annual report are expected to be made available to us after that date.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 07 March 2025

Karachi

UDIN: AR202410106dF0WJehVm

Consolidated Statement of Financial Position

As at December 31, 2024

2024	(Restated) 2023		Note	2024	(Restated) 2023
----- USD in '000 -----				----- Rupees in '000 -----	
		ASSETS			
302,109	295,037	Cash and balances with treasury banks	5	**84,152,368**	82,182,460
18,222	19,035	Balances with other banks	6	**5,075,835**	5,302,080
15,286	59,243	Lendings to financial institutions	7	**4,257,928**	16,502,138
2,259,796	2,093,424	Investments	8	**629,466,174**	583,123,274
1,871,004	1,541,382	Advances	9	**521,168,186**	429,351,921
101,150	79,848	Property and equipment	10	**28,175,404**	22,241,601
25,412	20,995	Right-of-use assets	11	**7,078,577**	5,848,280
44,013	36,117	Intangible assets	12	**12,259,952**	10,060,410
-	-	Deferred tax assets		**-**	-
242,000	257,934	Other assets	13	**67,408,704**	71,846,826
4,878,992	4,403,015	Total Assets		**1,359,043,128**	1,226,458,990
		LIABILITIES			
78,619	38,751	Bills payable	14	**21,899,370**	10,793,898
410,557	304,862	Borrowings	15	**114,360,666**	84,919,346
3,883,778	3,618,092	Deposits and other accounts	16	**1,081,826,269**	1,007,819,494
28,164	24,005	Lease liabilities	17	**7,845,190**	6,686,639
41,259	40,728	Subordinated debt	18	**11,492,708**	11,344,671
8,803	2,440	Deferred tax liabilities	19	**2,452,165**	679,542
152,111	159,566	Other liabilities	20	**42,370,206**	44,446,530
4,603,291	4,188,444	Total Liabilities		**1,282,246,574**	1,166,690,120
275,701	214,571	**NET ASSETS**		**76,796,554**	59,768,870
		REPRESENTED BY			
73,619	73,619	Share capital	21	**20,506,625**	20,506,625
34,530	26,171	Reserves		**9,618,250**	7,290,037
29,203	17,520	Surplus on revaluation of assets	22	**8,134,496**	4,880,072
93,776	63,655	Unappropriated profit		**26,121,333**	17,731,217
231,128	180,965			**64,380,704**	50,407,951
44,573	33,606	Non-controlling interest		**12,415,850**	9,360,919
275,701	214,571			**76,796,554**	59,768,870
		CONTINGENCIES AND COMMITMENTS	23		

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

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

Consolidated Statement of Profit and Loss Account

For the year ended December 31, 2024

2024	(Restated) 2023		Note	2024	(Restated) 2023
--------- USD in '000 ---------				----- Rupees in '000 -----	
795,021	473,918	Mark-up / return / interest / profit earned	25	**221,453,179**	132,009,866
529,486	332,059	Mark-up / return / interest / profit expensed	26	**147,488,285**	92,495,085
265,535	141,859	**Net mark-up / interest / profit**		**73,964,894**	39,514,781
		NON MARK-UP / INTEREST INCOME			
32,247	21,280	Fee and commission income	27	**8,982,540**	5,927,547
1,622	1,758	Dividend income		**451,838**	489,582
16,621	21,081	Foreign exchange income		**4,629,745**	5,872,014
90	(59)	Income / (loss) from derivatives		**24,937**	(16,426)
5,369	1,381	Gain on securities - net	28	**1,495,476**	384,782
-	-	Net gains / (losses) on derecognition of financial assets measured at amortised cost		**-**	-
1,470	(218)	Share of profit / (loss) of associates		**409,539**	(60,643)
1,037	2,172	Other income	29	**288,837**	605,011
58,456	47,395	**Total non mark-up / interest income**		**16,282,912**	13,201,867
323,991	189,254	**Total Income**		**90,247,806**	52,716,648
		NON MARK-UP / INTEREST EXPENSES			
184,348	111,182	Operating expenses	30	**51,350,253**	30,969,655
2,404	1,187	Workers' welfare fund	31	**669,542**	330,734
483	293	Other charges	32	**134,606**	81,477
187,235	112,662	**Total non-mark-up / interest expenses**		**52,154,401**	31,381,866
136,756	76,592	**Profit before credit loss allowance**		**38,093,405**	21,334,782
26,617	21,613	Credit loss allowance and write offs - net	33	**7,414,240**	6,020,259
-	12,076	Bargain purchase gain on acquisition of subsidiary	1.4.3.7	**-**	3,363,805
110,139	67,055	**Profit before taxation**		**30,679,165**	18,678,328
62,176	29,803	Taxation	34	**17,319,093**	8,301,497
47,963	37,252	**Profit after taxation**		**13,360,072**	10,376,831
		Attributable to:			
37,011	33,964	Equity holders of the Bank		**10,309,369**	9,460,636
10,952	3,288	Non-controlling interest		**3,050,703**	916,195
47,963	37,252			**13,360,072**	10,376,831
----- US Dollar -----				----- Rupees -----	
0.018	0.022	**Earnings per share - basic and diluted**	35	**5.03**	6.00

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

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2024

2024	(Restated) 2023		2024	(Restated) 2023
--------- USD in '000 ---------			-------- Rupees in '000 --------	
47,963	37,252	**Profit after taxation for the year**	**13,360,072**	10,376,831
		Other comprehensive income / (loss)		
		Items that may be reclassified to profit and loss account in subsequent periods:		
(69)	789	Effect of translation of net investment in foreign branch	**(19,253)**	219,841
13,503	1,253	Movement in surplus on revaluation of debt investments through FVOCI - net of tax	**3,761,382**	348,900
-	13,515	Revaluation of available for sale investments - net of tax (Pakistan Operations)	**-**	3,764,669
13,434	15,557		**3,742,129**	4,333,410
		Items that will not be reclassified to profit and loss account in subsequent periods:		
(340)	(378)	Remeasurement loss on defined benefit obligations - net of tax	**(94,686)**	(105,239)
596	66	Movement in surplus on revaluation of investments in equity - net of tax	**166,011**	18,429
2,471	(164)	Movement in surplus on revaluation of property and equipment - net of tax	**688,289**	(45,739)
115	1,405	Movement in surplus on revaluation of non-banking assets - net of tax	**32,129**	391,277
2,842	929		**791,743**	258,728
64,239	53,738	**Total comprehensive income**	**17,893,944**	14,968,969
		Attributable to:		
50,543	47,649	Equity holders of the Bank	**14,078,728**	13,272,692
13,696	6,089	Non-controlling interest	**3,815,216**	1,696,277
64,239	53,738		**17,893,944**	14,968,969

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

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

Consolidated Statement of Changes in Equity

For the year ended December 31, 2024

	Attributable to shareholders of the Bank										Non-controlling interest	Total
	Share capital		Reserves			Surplus / (deficit) on revaluation of			Unappropriated profit	Sub-total		
	Issued, subscribed and paid up	Discount on issue of shares	Share premium	Exchange translation reserve	Statutory reserve	Investments	Property and Equipment	Non-Banking Assets				
	Rupees in '000											
Balance as at January 01, 2023	12,974,643	(2,855,401)	-	457,187	2,330,014	(438,754)	1,674,379	107,083	8,643,962	22,893,113	363,274	23,256,387
Non-controlling interest on acquisition of subsidiaries (note 1.4.3)	-	-	-	-	-	-	-	-	-	-	15,568,355	15,568,355
Profit after taxation for the prior year	-	-	-	-	-	-	-	-	9,460,636	9,460,636	916,195	10,376,831
Other comprehensive income / (loss) - net of tax												
Effect of translation of net investment in foreign branch	-	-	-	219,841	-	-	-	-	-	219,841	-	219,841
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	-	-	348,900	-	-	-	348,900	-	348,900
Movement in surplus/(deficit) on revaluation of investment in equity instruments - net of tax	-	-	-	-	-	18,429	-	-	-	18,429	-	18,429
Remeasurement of available for sale investments - net of tax	-	-	-	-	-	2,976,377	-	-	-	2,976,377	788,292	3,764,669
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	(96,913)	(96,913)	(8,326)	(105,239)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	(45,739)	-	-	(45,739)	-	(45,739)
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	391,162	-	391,162	116	391,278
Other comprehensive income - net of tax	-	-	-	219,841	-	3,343,706	(45,739)	391,162	(96,913)	3,812,057	780,082	4,592,139
Transfer to statutory reserve	-	-	-	-	1,593,778	-	-	-	(1,593,778)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(142,360)	(66)	142,426	-	-	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	-	-	(9,339)	-	-	9,339	-	-	-
Transactions with owners, recorded directly in equity												
Issue of share capital (right shares)	2,205,689	-	-	-	-	-	-	-	-	2,205,689	-	2,205,689
Issue of share capital (further issue of shares)	5,326,293	-	5,544,618	-	-	-	-	-	-	10,870,911	-	10,870,911
Sale of shares by non-controlling interest	-	-	-	-	-	-	-	-	1,165,545	1,165,545	(7,784,177)	(6,618,632)
Discount on issue of shares written off against share premium account - note 21.4	-	2,855,401	(2,855,401)	-	-	-	-	-	-	-	-	-
Interim cash dividend to NCI by subsidiary @Rs. 1.75 per share	-	-	-	-	-	-	-	-	-	-	(482,810)	(482,810)
Balance as at December 31, 2023 (Restated)	20,506,625	-	2,689,217	677,028	3,923,792	2,895,613	1,486,280	498,179	17,731,217	50,407,951	9,360,919	59,768,870
Impact of adoption of IFRS 9 - net of tax (note 4.1.2)	-	-	-	-	-	(418,084)	-	-	312,109	(105,975)	(70,557)	(176,532)
Balance as at January 01, 2024 after adoption of IFRS 9	**20,506,625**	**-**	**2,689,217**	**677,028**	**3,923,792**	**2,477,529**	**1,486,280**	**498,179**	**18,043,326**	**50,301,976**	**9,290,362**	**59,592,338**
Profit after taxation	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**10,309,369**	**10,309,369**	**3,050,703**	**13,360,072**
Other comprehensive income / (loss) - net of tax												
Effect of translation of net investment in foreign branch	**-**	**-**	**-**	**(19,253)**	**-**	**-**	**-**	**-**	**-**	**(19,253)**	**-**	**(19,253)**
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	**-**	**-**	**-**	**-**	**-**	**3,060,570**	**-**	**-**	**-**	**3,060,570**	**700,812**	**3,761,382**
Movement in surplus/(deficit) on revaluation of investment in equity instruments - net of tax	**-**	**-**	**-**	**-**	**-**	**165,259**	**-**	**-**	**-**	**165,259**	**752**	**166,011**
Remeasurement gain / (loss) on defined benefit obligations - net of tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(84,063)**	**(84,063)**	**(10,623)**	**(94,686)**
Movement in surplus on revaluation of property and equipment - net of tax	**-**	**-**	**-**	**-**	**-**	**-**	**619,322**	**-**	**-**	**619,322**	**68,967**	**688,289**
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**27,524**	**-**	**27,524**	**4,605**	**32,129**
	-	**-**	**-**	**(19,253)**	**-**	**3,225,829**	**619,322**	**27,524**	**(84,063)**	**3,769,359**	**764,513**	**4,533,872**
Transfer to statutory reserve	**-**	**-**	**-**	**-**	**2,347,466**	**-**	**-**	**-**	**(2,347,466)**	**-**	**-**	**-**
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	**-**	**-**	**-**	**-**	**-**	**-**	**(193,619)**	**(1,819)**	**195,438**	**-**	**-**	**-**
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	**-**	**-**	**-**	**-**	**-**	**(4,729)**	**-**	**-**	**4,729**	**-**	**-**	**-**
Final Cash dividend to NCI by subsidiary company @ Rs. 1 per share	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(275,891)**	**(275,891)**
First Interim Cash dividend to NCI by subsidiary company @ Rs. 1.5 per share	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(413,837)**	**(413,837)**
Balance as at December 31, 2024	**20,506,625**	**-**	**2,689,217**	**657,775**	**6,271,258**	**5,698,629**	**1,911,983**	**523,884**	**26,121,333**	**64,380,704**	**12,415,850**	**76,796,554**

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

President and Chief Executive Officer | Chief Financial Officer | Director | Director | Director

Consolidated Cash Flow Statement

For the year ended December 31, 2024

(Restated)					(Restated)
2024	2023		Note	**2024**	2023
------- USD in '000 -------				------- Rupees in '000 -------	
		CASH FLOW FROM OPERATING ACTIVITIES			
110,139	67,056	Profit before taxation		**30,679,165**	18,678,328
		Less:			
(1,622)	(1,758)	Dividend income		**(451,838)**	(489,582)
(1,470)	218	Share of profit / (loss) of associates		**(409,539)**	60,643
107,047	65,516			**29,817,788**	18,249,389
		Adjustments:			
(265,535)	(141,859)	Net mark-up / interest income		**(73,964,894)**	(39,514,781)
11,061	5,789	Depreciation on property and equipment	30	**3,080,948**	1,612,490
136	122	Depreciation on non-banking assets	30	**37,939**	34,074
9,743	5,095	Depreciation on right-of-use assets	30	**2,713,926**	1,419,084
2,883	1,485	Amortisation	30	**803,164**	413,572
26,617	21,613	Credit loss allowance and write offs - net	33	**7,414,240**	6,020,259
(221)	(310)	Gain on sale of property and equipment - net	29	**(61,525)**	(86,241)
-	(1,194)	Gain on reclassification of AFS equity shares	29	**-**	(332,658)
(18)	(231)	Gain on termination of leases - net	29	**(4,915)**	(64,479)
4,443	3,424	Finance charges on leased assets	26	**1,237,692**	953,739
1,662	682	Charge for defined benefit plan		**462,822**	190,007
1,331	(303)	Unrealised (loss) / gain on revaluation of investments measured at FVPL - net	28	**370,816**	(84,334)
2,404	1,187	Provision for workers' welfare fund	31	**669,542**	330,730
-	(12,076)	Bargain purchase gain on acquisition of subsidiary	1.4.3.7	**-**	(3,363,805)
(205,494)	(116,576)			**(57,240,245)**	(32,472,343)
(98,447)	(51,060)			**(27,422,457)**	(14,222,954)
		(Increase) / decrease in operating assets			
43,969	87,191	Lendings to financial institutions		**12,247,450**	24,287,125
(17,669)	(1,296)	Securities measured at FVPL		**(4,921,665)**	(361,107)
(369,421)	(5,742)	Advances		**(102,902,213)**	(1,599,520)
(27,122)	(40,957)	Other assets (excluding advance taxation)		**(7,554,887)**	(11,408,628)
(370,243)	39,196			**(103,131,315)**	10,917,870
		Increase / (decrease) in operating liabilities			
39,869	4,179	Bills payable		**11,105,472**	1,164,008
105,125	(289,919)	Borrowings from financial institutions		**29,282,478**	(80,756,875)
265,686	388,080	Deposits		**74,006,775**	108,099,762
1,178	23,338	Other liabilities (excluding current taxation)		**328,013**	6,500,806
411,858	125,678			**114,722,738**	35,007,701
(56,832)	113,814			**(15,831,034)**	31,702,617
844,996	352,819	Mark-up / interest received		**235,373,654**	98,277,789
(534,688)	(210,960)	Mark-up / interest paid		**(148,937,271)**	(58,763,008)
(806)	(539)	Contribution maid to gratuity funds		**(224,649)**	(150,000)
(81,416)	(27,678)	Income tax paid		**(22,678,524)**	(7,709,677)
171,254	227,456	**Net cash flow from operating activities**		**47,702,176**	63,357,721
		CASH FLOW FROM INVESTING ACTIVITIES			
(69,092)	169,778	Net investments in amortised cost securities		**(19,245,629)**	47,291,663
(46,283)	(246,190)	Net investments in securities classified as FVOCI		**(12,892,096)**	(68,576,271)
(3,452)	-	Net investments in associates		**(961,433)**	-
1,631	1,738	Dividend received		**454,208**	484,030
(22,609)	(13,137)	Investments in property and equipment		**(6,297,867)**	(3,659,276)
(69)	789	Effect of translation of net investment in foreign branch		**(19,253)**	219,841
652	2,618	Disposal of property and equipment		**181,705**	729,191
-	80,345	Investment in subsidiary net of cash acquired		**-**	22,380,002
(10,849)	(5,625)	Investments in intangible assets		**(3,022,031)**	(1,566,708)
(150,071)	(9,684)	**Net cash flow (used in) investing activities**		**(41,802,396)**	(2,697,528)
		CASH FLOWS FROM FINANCING ACTIVITIES			
539	12,565	Receipt of subordinated debt		**150,000**	3,500,000
(7)	(7,181)	Payments of subordinated debt		**(1,963)**	(2,000,329)
(14,445)	(8,189)	Payments of lease obligations against right-of-use assets		**(4,023,523)**	(2,280,921)
-	7,918	Issue of share capital (Right shares)		**-**	2,205,689
(2,476)	(1,733)	Dividend paid to NCI		**(689,728)**	(482,810)
(16,389)	3,380	**Net cash flow (used in) / from financing activities**		**(4,565,214)**	941,629
4,794	221,152	**Increase in cash and cash equivalents**		**1,334,566**	61,601,822
312,099	90,947	Cash and cash equivalents at beginning of the year		**86,935,131**	25,333,309
316,893	312,099	**Cash and cash equivalents at end of the year**	36	**88,269,697**	86,935,131

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

President and Chief Executive Officer   Chief Financial Officer   Director   Director   Director

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

1. STATUS AND NATURE OF BUSINESS

1.1 The Group consists of:

Holding Company: JS Bank Limited

JS Bank Limited (the Bank) is a banking company incorporated in Pakistan as a public limited company on March 15, 2006. The Bank is a subsidiary company of Jahangir Siddiqui & Co. Ltd. (JSCL) and its shares are listed on Pakistan Stock Exchange Limited (PSX). The Bank commenced its banking operations on December 30, 2006 and its registered office is situated at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi.

The Bank is a scheduled bank, engaged in commercial banking and related services as described in the Banking Companies Ordinance, 1962 and is operating through 314 (2023: 291) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (2023: 1). The Pakistan Credit Rating Agency Limited (PACRA) has assigned the long-term entity rating of the Bank to “AA” (Double A) whereas short-term rating is maintained at ‘A1+’ (A One Plus), which is the highest possible short-term rating. The ratings denote a very low expectation of credit risk and indicate very strong capacity for timely repayment of financial commitments.

Jahangir Siddiqui Investment Bank Limited (JSIBL), formerly Citicorp Investment Bank Limited, was acquired by Jahangir Siddiqui & Co. Ltd. (JSCL) on February 01, 1999. JSIBL’s holding company JSCL, entered into a Framework Agreement with American Express Bank Limited, New York (AMEX) on November 10, 2005 for acquisition of its American Express Bank Limited - Pakistan Branches, (AEBL). Consequently, a new banking company, JS Bank Limited (JSBL) was incorporated on March 15, 2006 and a restricted Banking License was issued by the State Bank of Pakistan (SBP) on May 23, 2006.

A Transfer Agreement was executed on June 24, 2006 between JSIBL and JSBL for transfer of the entire business and undertakings of JSIBL to JSBL and a separate Transfer Agreement was also executed on June 24, 2006, between AMEX and JSBL for the transfer of AEBL’s commercial banking business in Pakistan with all assets and liabilities (other than certain excluded assets and liabilities) (AEBL business). The shareholders of JSIBL and JSBL, in their respective extra-ordinary general meetings held on July 31, 2006, approved a Scheme of Amalgamation (the Scheme) under Section 48 of the Banking Companies Ordinance, 1962. The Scheme was initially approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SC/NBFC(J)-R/JSIBL/2006/517 dated September 28, 2006. Subsequently, the Scheme was sanctioned by the SBP vide its order dated December 02, 2006 and, in accordance therewith, the effective date of amalgamation was fixed at December 30, 2006.

The ultimate parent of the Group is Jahangir Siddiqui & Co. Ltd. which holds 71.21% (2023: 71.21%) shares of the Bank.

1.2 Composition of the Group

	Effective Holding	
	2024	2023
Subsidiaries		
JS Global Capital Limited	**92.90%**	92.90%
JS Investments Limited	**84.73%**	84.56%
BankIslami Pakistan Limited	**75.12%**	75.12%
My Solutions Corporation Limited	**75.12%**	75.12%

1.3 Composition of the Associated Companies

Associates of the Bank		
Omar Jibran Engineering Industries Limited	**9.60%**	9.60%
Veda Transit Solutions (Private) Limited	**3.92%**	3.92%
Intercity Touring Company (Private) Limited	**9.12%**	9.12%

1.3.1 In addition to the above, funds managed by JS Investments Limited (JSIL) are also treated as associates of the group by virtue of the controlling interest of the Bank in JSIL. The names and holding percentages are disclosed in note no. 1.4.2 and 8.8.1 respectively of these consolidated financial statements.

1.3.2 At the time of the acquisition, there were investments in associates recorded in BIPL’s books. However, since these investments were fully provided for as of the acquisition date, they are not included in this note.

1.4 Subsidiary Companies

1.4.1 JS Global Capital Limited (JSGCL)

JSGCL is principally owned by the Bank, holding 92.9% of its equity interest. The Bank acquired effective controlling interest in JSGCL on December 21, 2011, April 15, 2016, October 01, 2019 and June 02, 2021 of 51.05%, 16.11%,16.37% and 9.37% respectively. The ownership interest has increased by 41.85%, without any change in the cost of investment, due to the fact that JSGCL has bought back its 11,993,000 shares on April 15, 2016, 7,450,000 shares on October 02, 2019 and 27,477,297 share on June 02, 2021. JSGCL is a public listed company incorporated in Pakistan under the repealed Companies Ordinance, 1984. The shares of JSGCL are listed on Pakistan Stock Exchange (PSX). Further, JSGCL is a corporate member of PSX and member of Pakistan Mercantile Exchange. The principal business of JSGCL is to carry out share brokerage, money market, forex and commodity brokerage, advisory and consultancy services. Other activities include investment in a mix of listed and unlisted equity and debt securities and reverse repurchase transactions. The registered office of JSGCL is situated at 17th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan. JSGCL has eight branches (2023: eight) in seven cities of Pakistan.

1.4.2 JS Investments Limited (JSIL)

JSIL is principally owned by the Bank, holding 84.73% of its equity interest. The Bank acquired effective controlling interest in JSIL on November 01, 2012, December 22, 2015 and August 31, 2019 of 52.24%,12.92% and 19.40% respectively. The ownership interest has increased by 32.49% without any change in the cost of investment, due to the fact that JSIL has bought back its 38,351,873 ordinary shares out of its 100 million ordinary shares. JSIL is a public listed company incorporated in Pakistan on February 22, 1995 under the repealed Companies Ordinance, 1984. The shares of JSIL are listed on the Pakistan Stock Exchange (PSX), formerly since April 24, 2007. The registered office of JSIL is situated at The Centre, 19th Floor, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi.

JSIL has obtained the license of an "Investment Advisor" and "Asset Management Company" (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In addition, JSIL has also obtained registration to act as Pension Fund Manager under the Voluntary Pension System Rules, 2005.

JSIL is an asset management company of the following funds:

Open-end mutual funds:

- JS Growth Fund
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Fund of Funds
- JS Islamic Income Fund
- JS Cash Fund
- JS Large Cap Fund
- JS Money Market Fund
- JS Fixed Term Munafa Fund
- JS Islamic Money Market Fund
  (Formerly: JS Islamic Daily Dividend Fund)
- JS Momentum Factor Exchange Traded Fund
- JS Microfinance Sector Fund
- JS Islamic Premium Fund
- JS Government Securities Fund

Closed-end mutual funds:

- JS Rental REIT Fund

Private Equity and Venture Capital fund:

- JS Motion Picture Fund

Pension funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund
- JS KPK Pension Fund
- JS KPK Islamic Pension Fund

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

1.4.3 BankIslami Pakistan Limited (BIPL)

1.4.3.1 Business Combination of BIPL

The shareholders of the Bank in their meeting held on March 30, 2022 approved to acquire, as per the requirements of section 199 of the Companies Act, 2017, 86,316,954 ordinary shares of BankIslami Pakistan Limited (BIPL) (an associated company of JSCL), constituting 7.79% of the paid-up capital of BIPL, from Emirates NBD Bank PJSC at a price of upto Rs. 13.24 per share making the aggregate consideration upto Rs. 1,142 million.

During the year 2023, pursuant to the approvals of the shareholders of the Bank at their General Meetings held on March 29, 2023 and May 19, 2023 and after obtaining all the requisite approvals from regulatory bodies i.e. State Bank of Pakistan ('SBP'), Competition Commission of Pakistan ('CCP'), Securities and Exchange Commission of Pakistan ('SECP') as well as all regulatory and statutory formalities and compliance with all the applicable laws and regulations, the Bank acquired 42.45%, i.e., 470,603,772 ordinary voting shares and control of BankIslami Pakistan Limited (BIPL) on August 18, 2023 from sponsors and other shareholders of BIPL (namely, Ahmed Goolam Mohamed Randeree, Shabir Ahmed Randeree, Sumya Builders and Developers and Jahangir Siddiqui & Co. Ltd. (the holding company of the Bank) through agreements against the issuance of 532,629,349 new shares of the Bank by way of other than rights and other than cash consideration, i.e., 1.1318 ordinary shares of the Bank issued as consideration for every 1 ordinary share of BIPL. Accordingly on August 18, 2023, BIPL became a subsidiary of the Bank with 50.24% shareholding by obtaining control.

During the year 2023, the Bank acquired 24.88%, i.e., on August 25, 2023, 275,891,276 ordinary shares of BIPL by way of public offer (published in newspapers on June 28, 2023) made to all public shareholders as required under the Takeover Regulations in cash at the rate of Rs. 23.99 per share. To partly finance the public offer, the Bank, with the approval of the Board of Directors, had issued 220,568,925 ordinary shares by way of 17% Right Shares, i.e., 17 right shares for every 100 shares held, at par value of Rs. 10/- each.

Post-acquisition, the shareholding of the Bank in BIPL had increased to 75.12%.

1.4.3.2 The Bank acquired the control over BIPL through following phases in the years 2022 and 2023:

	Date of acquisition	Number of shares acquired	Proportion of voting equity interest acquired
Acquired through Cash from Emirates NBD Bank	**November 11, 2022**	**86,316,954**	**7.79%**
Acquired through Share SWAP Agreements	**August 18, 2023**	**470,603,772**	**42.45%**
		556,920,726	**50.24%**
Acquired through Cash from Public Offer	**August 25, 2023**	**275,891,276**	**24.88%**
		832,812,002	**75.12%**

Business Combination of BIPL

On August 18, 2023, the Bank obtained control of BIPL by holding 50.24% of the total shareholding of BIPL. Therefore, the effective date of business combination is considered to be August 18, 2023.

1.4.3.3 Consideration transferred

Fair value per share of the Bank as per the SPA was determined at Rs. 20.4099 per share:

Total number of shares issued (Number in '000)	532,629
Value per share (Rupees)	20.4099
Total value of consideration transferred (Rupees in '000)	10,870,912

1.4.3.4 Fair Value of previously held interest

IFRS 3 requires that in a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition date fair value and recognise the resulting gain or loss in the statement of profit and loss.

Previously held equity interest in BIPL i.e., 7.79% at the date of business combination (Number in '000)	86,317
Fair value per share (Rupees)	17.13
Fair value of previously held interest (Rupees in '000)	1,478,609

1.4.3.5 Fair value of net identifiable assets acquired as at business combination

International Financial Reporting Standard (IFRS) 3, 'Business Combinations', requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's balance sheet and any intangible assets acquired in the business combination are required to be separately recognised and carried at fair values.

IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalize the accounting for business combination. Identified assets acquired, liabilities assumed or incurred have been carried at the fair value as at the acquisition date. The fair valuation exercise will be completed within the period of one year as allowed under IFRS 3. Any adjustment arising at the time of finalization of this exercise will be incorporated with retrospective effect from the date of acquisition. In the financial statements for the year ended 31 December 2023, the Bank had recorded the assets of the Business Segment on provisional values which have been finalised in the current year.

The financial statement that were used for the purpose of carrying out fair valuation exercise as at August 18, 2023 were separate financial statements of BIPL because the carrying amount of separate financial statement are not materially different from consolidated financial statements of BIPL as at August 18, 2023.

The fair values and carrying amounts of net identifiable assets acquired are as follows:

	Carrying Amounts	Fair value adjustments	Fair values
		Rupees in '000	
Cash and balances with treasury banks	27,815,593	-	27,815,593
Balances with other banks	1,183,041	-	1,183,041
Due from financial institutions - net	29,438,101	-	29,438,101
Investments - net	251,768,739	(627,942)	251,140,797
Islamic financing, related assets and advances - net	206,990,695	(5,101,453)	201,889,242
Fixed assets	14,083,440	-	14,083,440
Intangible assets	3,435,083	1,627,160	5,062,243
Deferred tax assets	2,854,825	485,123	3,339,948
Other assets - net	29,802,211	-	29,802,211
Non-current assets held for sale	447,523	-	447,523
Total Assets	567,819,251	(3,617,112)	564,202,139

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

	Carrying Amounts	Fair value adjustments	Fair values
	----------	Rupees in '000	----------
Bills payable	4,226,945	-	4,226,945
Due to financial institutions	70,999,596	(3,112,188)	67,887,408
Deposits and other accounts	436,962,094	-	436,962,094
Subordinated sukuk	2,850,000	-	2,850,000
Other liabilities	20,994,011	-	20,994,011
Total Liabilities	536,032,646	(3,112,188)	532,920,458
Net Assets	31,786,605	(504,924)	31,281,681
Attributable to:			
Equity holders of the Bank			15,713,326
Non-controlling interest			15,568,355
			31,281,681

1.4.3.6

Assets acquired	Valuation technique
Fixed assets and non-banking assets acquired in satisfaction of claims	The valuation experts used a market based approach to arrive at the fair value of BIPL's fixed assets and non-banking assets acquired in satisfaction of claims. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar assets.
Investment in associates	Investment in associate other than those fully impaired at the acquisition date are valued using 'Discounted cash flows'. The valuation model considers the present value of expected payments, discounted using a cost of equity.
Intangible assets	The multiple-period excess earnings method considers the present value of net cash flows expected to be generated by the core deposits, by excluding any cash flows related to contributory assets.
Subsidised rate financings, subsidised rate borrowings and staff loan	These assets are valued using 'Discounted cash flows'. The valuation model considers the present value of expected payments, discounted using a market rate prevailing at the time of business combination.
Deferred tax liabilities	Deferred tax liabilities arising from the assets acquired and liabilities assumed in the acquisition of BIPL have been recognised in accordance with IAS 12 'Income Taxes'. The Bank has accounted for the potential tax effects of temporary differences that exist at the acquisition date or arose as a result of the acquisition in accordance with IAS 12.

Carrying amounts of all the below mentioned assets and liabilities are equal to its fair value:

- Cash and balances with treasury banks and Balances with other banks fair value are considered equal to its carrying amount due to their highly liquid nature and short-term maturity.

- Investments other than those fully impaired are either valued at "Available for Sales" or "Held to Maturity".

- Carrying amount of advances other than Subsidised rate financings and staff loan, Lendings to financial institutions, deposits, sub-ordinated sukuks and borrowings other than subsidised rate borrowings are considered to be fair value as it carries market interest rates.

- Carrying amounts of other assets other than non-banking assets acquired in satisfaction of claims and mark to market gain on Shariah compliant alternative of forward foreign exchange contracts and other liabilities is considered equal to its fair value due to the realisability of associated economic benefits being short term or equal to its carrying amount.

1.4.3.7 Bargain purchase gain on acquisition

	Rupees in '000
Consideration transferred	**10,870,912**
Fair Value of previously held interest	**1,478,609**
Non controlling interest (proportionate share in the net assets of BIPL)	**15,568,355**
	27,917,876
Less: Fair value of net identifiable assets acquired as at acquisition date	**31,281,681**
Bargain purchase gain on acquisition	**3,363,805**

1.4.3.8 Effect of retrospective adjustments made due to finalization of fair valuation exercise

	2023		
	As previously reported	Adjustment	As adjusted
Statement of Financial Position	------ Rupees in '000 ------		
Advances	**434,453,374**	**(5,101,453)**	**429,351,921**
Intangible assets	**8,501,048**	**1,559,362**	**10,060,410**
Borrowings	**(88,031,534)**	**3,112,188**	**(84,919,346)**
Deferred tax liabilities	**(890,194)**	**210,652**	**(679,542)**
Unappropriated profit	**(17,808,561)**	**77,344**	**(17,731,217)**
Non-controlling interest	**(9,486,564)**	**125,645**	**(9,360,919)**
Reserves	**(7,306,299)**	**16,262**	**(7,290,037)**
Statement of Profit and Loss Account			
Operating expenses	**30,901,857**	**67,798**	**30,969,655**
Bargain purchase gain on acquisition of subsidiary	**3,576,591**	**(212,786)**	**3,363,805**
Provisions and write offs - net	**6,648,201**	**(627,942)**	**6,020,259**
Taxation	**7,945,714**	**355,783**	**8,301,497**
	------ Rupees ------		
Earnings per share - basic and diluted	**5.99**	**0.01**	**6.00**

There is no impact of above mentioned retrospective adjustments on the Group's total operating, investing or financing cash flows for the year ended December 31, 2023.

1.4.3.9 Acquisition of NCI

On August 25, 2023, the Bank acquired 24.88% i.e., 275,891,276 ordinary shares of BIPL by way of public offer made to all public shareholders of BIPL in cash at the rate of Rs. 23.99 per share. This transaction has resulted in decrease in the value of NCI.

	Rupees in '000
Fair value of net identifiable assets acquired as at acquisition date	**31,281,681**
Additional interest acquired in BIPL	**24.88%**
Carrying amount of NCI acquired	**7,784,178**
Consideration paid to NCI	**6,618,632**
An increase in equity shareholders of the Bank	**1,165,546**

1.4.3.10 BankIslami Pakistan Limited (BIPL) was incorporated in Pakistan on October 18, 2004 as a public limited company to carry out the business of an Islamic Commercial Bank in accordance with the principles of Islamic Shariah. BIPL is principally engaged in corporate, commercial, consumer and retail banking, and investment activities.

BIPL is operating through 540 branches including 60 sub-branches as at December 31, 2024 (2023: 440 branches including 60 sub-branches). The registered office of the Bank is situated at 11th Floor, Dolmen City Executive Tower, Marine Drive, Block-4, Clifton, Karachi. The shares of the Bank are quoted on the Pakistan Stock Exchange Limited.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

1.5 Associated Companies

Omar Jibran Engineering Industries Limited (OJEIL)

The Bank has invested in the shares of OJEIL, a public unlisted company. The Bank has classified the investment as an associate on account of its significant influence over the investee company. OJEIL was incorporated on June 25, 1987 in Pakistan as an unquoted public limited company under the repealed Companies Ordinance, 1984. The registered office of OJEIL is situated at DSU-10, Pakistan Steel Industries Estate Bin Qasim, Karachi. OJEIL is mainly engaged in manufacturing and sale of automotive parts and armouring of vehicles.

Veda Transit Solutions (Private) Limited (VEDA)

The Bank has invested in the shares of VEDA, a private limited company. The Bank has classified the investment as an associate on account of its significant influence over the investee company. VEDA was incorporated on June 10, 2016 in Pakistan as private limited company under the repealed Companies Ordinance, 1984. The registered office of VEDA is situated at Raaziq Logistics Centre 16 KM, Multan Road, Near Dina Nath Stop, Lahore. VEDA is mainly engaged in the rural / urban, intracity / intercity transportation of passenger and goods.

Intercity Touring Company (Private) Limited (ITC)

The Bank has invested in the shares of ITC, a private limited company. The Bank has classified the investment as an associate on account of its significant influence over the investee company. ITC was incorporated on April 25, 2014 in Pakistan as private limited company under the repealed Companies Ordinance, 1984. The registered office of ITC is situated at 147-P Gulberg III, Lahore. ITC is mainly engaged in the transportation, touring and logistics related services.

Funds managed by JS Investments Limited (JSIL)

In addition to the above, funds managed by JSIL as mentioned in note 1.4.2 are classified as associates of the Group by virtue of the subsidiary status of JSIL. Significant judgement pertaining to associates are disclosed in note 4.4 to these consolidated financial statements.

2. BASIS OF PRESENTATION

These consolidated financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 02, dated February 09, 2023 with further addition made vide BPRD Circular Letter No. 13 of 2024, dated July 01, 2024 and accounting and financial reporting standards as applicable in Pakistan.

These consolidated financial statements include financial statements of JS Bank Limited and its subsidiary companies, (the Group) and share of the profit / reserves of associates.

These consolidated financial statements have been presented in Pakistani Rupees (PKR), which is the currency of the primary economic environment in which the Group operates and functional currency of the Group. The amounts are rounded off to the nearest thousand rupees except as stated otherwise.

The US Dollar amounts shown on the consolidated statement of financial position, consolidated statement of profit and loss account, consolidated statement of comprehensive income and consolidated cash flow statement are stated as additional information solely for the convenience of readers and have not been subject to audit by the external auditors. For the purpose of conversion to US Dollars, the rate of Rs. 278.55 to 1 US Dollar has been used for 2023 and 2024 as it was the prevalent rate as on December 31, 2024.

There is no significant doubt on the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

2.1 Statement of Compliance

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

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

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

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies vide BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks vide its notification S.R.O 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements.

International Financial Reporting Standard (IFRS) 10, 'Consolidated Financial Statements' was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O56(I)/2016 dated January 28, 2016, that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS 10 is not applicable in case of investment by companies in mutual funds established under trust structure.

These consolidated financial statements of the Bank are prepared using generally consistent accounting policies. However, as per SBP IFRS 9 application instructions, overseas branches comply with the local regulations enforced within their respective jurisdictions under IFRS 9.

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

SBP has allowed extension to banks up to December 31, 2024 for developing the requisite models for calculating EAD for revolving products beyond the contractual date.

The Bank and BIPL have both received extensions from the State Bank of Pakistan (SBP) up to December 31, 2025 for application of Effective Interest / Profit Rates (EIR / EPR) in general for all financial assets and liabilities (excluding staff loans / subsidized loans).

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

- Islamic Banking Institutions (IBIs) are allowed to follow Islamic Financial Accounting Standards (IFAS) 1 and 2 where applicable and continue the existing accounting methodology on other Islamic products until issuance of further instruction in this regard.

- The treatment of charity should be in line with the existing practices as defined in SBP instructions issued via IBD Circular No. 02 dated March 25, 2008 and should not be recognised as income.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

2.2 Basis of Consolidation

2.2.1 Subsidiary

- The consolidated financial statements include the financial statements of the Bank and its subsidiary companies together - the Group.
- Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its investment with investee and has the ability to effect those return through its power over the investee except investment in mutual funds established under trust structure where IFRS 10 is not applicable in case of investment by companies in mutual funds established under Trust structure.
- These consolidated financial statements incorporate the financial statements of subsidiaries from the date that control commences until the date that control ceases.
- The financial statements of the subsidiary companies are prepared for the same reporting year as the Bank for the purpose of consolidation, using consistent accounting policies.
- The assets, liabilities, incomes and expenses of subsidiary companies have been consolidated on a line by line basis.
- Non-controlling interests are that part of the net results of operations and of net assets of subsidiaries attributable to interest which are not owned by the Bank.
- Material intra-group balances and transactions are eliminated.

2.2.2 Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method of accounting.

2.2.3 Acquisition Accounting

Acquisitions of businesses not under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the bank, liabilities incurred by the bank to the former owners of the acquiree and the equity interests issued by the Bank in exchange for control of the acquiree. Acquisition-related costs are recognised in consolidated statement of profit and loss account as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill on acquisition is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the consolidated statement of profit and loss account as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the Group's net assets in the event of liquidation is measured at proportionate share of net assets of the acquiree at the date of the acquisition.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

2.3 Standards, interpretations of and amendments to approved accounting standards that are effective in the current period

As directed by SBP via BPRD Circular Letter No. 07 of 2023 dated April 13, 2023, IFRS 9, (Financial Instruments) became effective in Pakistan for period beginning on or after January 01, 2024. In addition, due to the application of IFRS 9, SBP vide BPRD Circular No. 02 dated February 09, 2023, amended the format of the annual financial statements. Details regarding the aforementioned adoption and amendment, including the impact thereof, are discussed in more detail in note 4.1.2 to these consolidated financial statements.

There are certain other amendments to existing accounting and reporting standards that have become applicable to the Group for accounting periods beginning on or after January 01, 2024. These are either considered to not be relevant or do not have any significant impact and accordingly have not been detailed in these consolidated financial statements.

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

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after January 01, 2024:

Standards and Amendments	Effective date (annual periods beginning on or after)
Amendments to IAS 21- Lack of Exchangeability	January 01, 2025
IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised

	IASB effective date (accounting periods beginning on or after)
IFRS 1 – First-time adoption of International Financial Reporting Standards	January 01, 2004

2.5 Critical accounting estimates and key sources of estimation uncertainty

The preparation of these consolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the application of its accounting policies. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis.

i) Valuation and impairment of financial instruments (notes 4.1.2.12, 8, 9, 42 and 47.1.9).

ii) Valuation of assets acquired in a business combination (notes 1.4.3).

iii) Classification of investment in associates (notes 4.4).

iv) Valuation and depreciation of property and equipment (notes 4.7 and 10).

v) Valuation of right-of-use assets and related lease liability (notes 4.8, 11 and 17).

vi) Valuation and amortisation of intangible assets including impairment of goodwill (notes 4.9, 4.21 and 12).

vii) Valuation of non-banking assets acquired in satisfaction of claims (notes 4.10 and 13.2).

viii) Defined benefit plans (notes 4.15.2 and 38).

ix) Taxation (notes 4.13, 19 and 34).

x) Fair value of derivatives (note 24).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

3. BASIS OF MEASUREMENT

These consolidated financial statements have been prepared under the historical cost convention except for:

- Certain classes of property and equipment and non-banking assets acquired in satisfaction of claims which are stated at revalued amounts less accumulated depreciation.

- Investments classified under Fair Value through Profit or Loss (FVPL) and Fair Value through Other Comprehensive Income (FVOCI) and derivative financial instruments, which are measured at fair value.

- Certain concessional rate advances and related borrowing (Staff Loans and Financing / Borrowing under SBP TERF Schemes).

- Net obligations in respect of defined benefit schemes which are carried at their present values.

- Lease liability against right-of-use assets that are carried at present value.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, except as disclosed in note 4.1 below.

4.1 Changes in Accounting Policies

4.1.1 Revised format of consolidated financial statements

SBP through its BPRD Circular No. 02 dated February 09, 2023, and BPRD Circular Letter No. 07 dated April 13, 2023, amended the format of quarterly, half yearly and annual financial statements of banks effective from accounting years starting from January 01, 2024 and onwards. Accordingly, the Group has prepared these consolidated financial statements on the new format prescribed by SBP. The adoption of the new format contains additional disclosures and certain changes in the financial statements' presentation, primarily due to the implementation of IFRS 9 as applicable in Pakistan. However, the corresponding figures continue to be classified and disclosed in accordance with the previous financial accounting and reporting framework.

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

- Right-of-use-assets (Note 11) amounting to Rs. 7,078.577 million (2023: Rs. 5,848.280 million) which were previously shown as part of property and equipment (note 10) are now shown separately on the consolidated statement of financial position.

- Lease liabilities (Note 17) amounting to Rs. 7,845.190 million (2023: Rs. 6,686.639 million) which were previously shown as part of other liabilities (note 20) are now shown separately on the consolidated statement of financial position.

4.1.2 Impact of IFRS 9 - Financial Instruments

During the year, as directed by the SBP vide its BPRD Circular No. 07 dated April 13, 2023, International Financial Reporting Standard (IFRS) 9, 'Financial Instruments' became applicable to Banks in Pakistan.

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

IFRS 9 addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach as previously followed. The ECL has impact on all the financial assets of the Bank and its subsidiairy (BIPL) which are exposed to credit risk.

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

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

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

4.1.2.1 **Impacts on the consolidated statement of financial position:**

Financial Asset / Liabilities	Note	Balances as of December 31, 2023 (Audited) (Restated)	Reclassification under IFRS 9	Remeasurement under IFRS 9	Adjustments / Reversals of provision held	ECL Charge	Gross Impact	Tax	Net of Tax Impact	Balances as of January 01, 2024	Measurement category before IFRS 9	Measurement category after IFRS 9
		Rupees in '000										
Assets												
Cash and balances with treasury banks		82,182,460	-	-	-	(299)	(299)	-	(299)	82,182,161	Loans and receivables	Amortised Cost
Balances with other banks		5,302,080	-	-	-	(7,213)	(7,213)	-	(7,213)	5,294,867	Loans and receivables	Amortised Cost
Lendings to financial institutions		16,502,138	-	-	-	(20)	(20)	-	(20)	16,502,118	Loans and receivables	Amortised Cost
Investments												
Held for trading												
Federal government securities		47,925	478,146	-	-	-	478,146	-	478,146	526,071	Held for trading	FVPL
Non government debt securities		126,688	50,000	-	-	-	50,000	-	50,000	176,688	Held for trading	FVPL
Shares		568,734	692,581	-	-	-	692,581	-	692,581	1,261,315	Held for trading	FVPL
Open end mutual funds		770,006	464,670	-	-	-	464,670	-	464,670	1,234,676	Held for trading	FVPL
Available for sale												
Federal government securities	4.1.2.1.1	418,724,787	(478,146)	-	-	-	(478,146)	-	(478,146)	418,246,641	Available for sale	FVOCI
Shares	4.1.2.1.4	4,170,871	(692,581)	(136,589)	136,589	-	(692,581)	-	(692,581)	3,478,290	Available for sale	FVOCI - without recycling
Non government debt securities	4.1.2.1.2	37,158,677	(50,000)	-	-	(3,337)	(53,337)	-	(53,337)	37,105,340	Available for sale	FVOCI
Foreign securities	4.1.2.1.3	18,728,734	-	-	-	-	-	-	-	18,728,734	Available for sale	FVOCI
Open end mutual funds	4.1.2.1.6	464,670	(464,670)	-	-	-	(464,670)	-	(464,670)	-	Available for sale	FVPL
Held to maturity												
Federal government securities	4.1.2.1.5	102,146,174	-	-	-	-	-	-	-	102,146,174	Held to maturity	Amortised Cost
Associates		216,008	-	-	-	-	-	-	-	216,008	Outside the scope of IFRS 9	
		583,123,274	-	(136,589)	136,589	(3,337)	(3,337)	-	(3,337)	583,119,937		
Advances											Loans and receivables	Amortised Cost
Temporary Economic Refinance Facility (TERF)		9,683,247	-	(113,936)	-	(8,143)	(122,079)	-	(122,079)	9,561,168	Loans and receivables	Amortised Cost
Staff loans and overseas operations		8,330,458	-	(1,701,053)	-	(574)	(1,701,627)	-	(1,701,627)	6,628,831	Loans and receivables	Amortised Cost
Advances other than TERF staff loans and overseas operations		411,338,216	-	(398,197)	-	(2,011,465)	(2,409,662)	-	(2,409,662)	408,928,554	Loans and receivables	Cost
		429,351,921	-	(2,213,186)	-	(2,020,182)	(4,233,368)	-	(4,233,368)	425,118,553		
Property and equipment		22,241,601	-	-	-	-	-	-	-	22,241,601	Outside the scope of IFRS 9	
Right-of-use assets		5,848,280	-	-	-	-	-	-	-	5,848,280	Outside the scope of IFRS 9	
Intangible assets		10,060,410	-	-	-	-	-	-	-	10,060,410	Outside the scope of IFRS 9	
Deferred tax assets		-	-	-	-	-	-	-	-	-	Outside the scope of IFRS 9	
Other assets												
Financial assets		56,944,153	-	(86,422)	-	(21,166)	(107,588)	-	(107,588)	56,836,565	Loans and receivables	Amortised Cost
Non-financial assets		13,260,515	-	3,763,513	-	-	3,763,513	-	3,763,513	17,024,028	Outside the scope of IFRS 9	
Mark to market gain on forward exchange contracts		1,642,158	-	-	-	-	-	-	-	1,642,158	Fair Value	FVPL
		71,846,826	-	3,677,091	-	(21,166)	3,655,925	-	3,655,925	75,502,751		
		1,226,458,990	-	1,327,316	136,589	(2,052,217)	(588,312)	-	(588,312)	1,225,870,678		
Liabilities												
Bills payable		10,793,898	-	-	-	-	-	-	-	10,793,898	Historical Cost	Amortised Cost
Borrowings		84,919,346	-	(255,153)	-	-	(255,153)	-	(255,153)	84,664,193	Historical Cost	Amortised Cost
Deposits and other accounts		1,007,819,494	-	-	-	-	-	-	-	1,007,819,494	Historical Cost	Amortised Cost
Lease liabilities		6,686,639	-	-	-	-	-	-	-	6,686,639	Outside the scope of IFRS 9	
Subordinated debt		11,344,671	-	-	-	-	-	-	-	11,344,671	Historical Cost	Amortised Cost
Deferred tax liabilities		679,542	-	-	-	-	-	(306,504)	(306,504)	373,038	Outside the scope of IFRS 9	
Other liabilities												
Financial liabilities	4.1.2.1.7	37,148,636	-	-	-	149,877	149,877	-	149,877	37,298,513	Historical Cost	Amortised Cost
Non-financial liabilities		5,374,617	-	-	-	-	-	-	-	5,374,617	Outside the scope of IFRS 9	
Mark to market loss on forward exchange contracts		1,923,277	-	-	-	-	-	-	-	1,923,277	Fair value	FVPL
		44,446,530	-	-	-	149,877	149,877	-	149,877	44,596,407		
		1,166,690,120	-	(255,153)	-	149,877	(105,276)	(306,504)	(411,780)	1,166,278,340		
Net Assets		59,768,870	-	1,582,469	136,589	(2,202,094)	(483,036)	306,504	(176,532)	59,592,338		
REPRESENTED BY												
Share capital		20,506,625	-	-	-	-	-	-	-	20,506,625	Outside the scope of IFRS 9	
Reserves		7,290,037	-	-	-	-	-	-	-	7,290,037	Outside the scope of IFRS 9	
Surplus on revaluation of assets		4,880,072	(523,653)	(136,589)	-	-	(660,242)	242,158	(418,084)	4,461,988	Outside the scope of IFRS 9	
Unappropriated profit		17,731,217	523,653	1,694,828	136,589	(2,031,513)	323,557	(11,448)	312,109	18,043,326	Outside the scope of IFRS 9	
		50,407,951	-	1,558,239	136,589	(2,031,513)	(336,685)	230,710	(105,975)	50,301,976		
Non-controlling interest		9,360,919	-	24,230	-	(170,581)	(146,351)	75,794	(70,557)	9,290,362	Outside the scope of IFRS 9	
		59,768,870	-	1,582,469	136,589	(2,202,094)	(483,036)	306,504	(176,532)	59,592,338		

4.1.2.1.1 As per paragraph 3.2 of the Application Instructions, Government securities in local currency are exempted from the application of ECL framework, details are mentioned in note 4.1.2.12 to these consolidated financial statements.

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

4.1.2.1.3 These financial assets are held by overseas branch. As per paragraph 1.2 of the Application Instruction, in relation to overseas branch, IFRS 9 will be applicable based on their respective host country's regulatory accounting practices. Since IFRS 9 was already applicable to overseas branches as at January 01, 2024, there is no impact of IFRS 9 adoption on these financial assets.

4.1.2.1.4 The Group previously classified certain equity investments as Available-for-Sale (AFS). Upon implementing IFRS 9, the Group made an irrevocable election to classify certain equity investments at FVOCI whereas the default category was for FVPL.

4.1.2.1.5 Certain debt securities are held by the Group in a separate portfolio for long-term yield. These securities may be sold, but such sales are not expected to be more than infrequent. The Group considers that these securities are held within a business model whose objective is to hold assets to collect the contractual cash flows. These assets are classified as amortised cost under IFRS 9.

4.1.2.1.6 This includes puttable instrument that can be put back at any time for cash equal to a proportionate share of the net asset value of an entity. These assets are therefore mandatorily classified at FVPL under IFRS 9.

4.1.2.1.7 This includes expected credit loss against off-balance sheet items.

4.1.2.2 Impact on regulatory capital

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

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

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

The impact of adoption of IFRS 9 on the capital ratios of the Holding Company and BIPL, as disclosed in the respective financial statements were as follows:

JS Bank Limited	CAR would have been higher by 38 bps
BankIslami Pakistan Limited	CAR would have been higher by 35 bps

4.1.2.3 Classification and measurement

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

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

4.1.2.3.1 Recognition and initial measurement

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

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVPL, transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial asset on initial recognition is generally its transaction price. If the Group determines that the fair value on initial recognition differs from the transaction price then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in consolidated statement of profit and loss account on an appropriate basis over the life of the asset but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out. Advances other than staff loans and Temporary Economic Refinance Facility (TERF) and advances pertaining to overseas operations are initially measured at transaction price i.e., the amount of loan disbursed at disbursement date.

Staff loans and Temporary Economic Refinance Facility (TERF) loans and advances pertaining to overseas operations are recognised at fair value at the time of disbursement. The fair value is determined by discounting the expected future cash flows using the prevailing market rates for instruments. The difference between the disbursed amount and the fair value at initial recognition is recorded as a prepayment.

4.1.2.3.2 Classification

(a) Financial Assets

On initial recognition, a financial asset other than advances except for staff loans and Temporary Economic Refinance Facility (TERF) and advances pertaining to overseas operations is classified as measured at amortised cost, FVOCI or FVPL.

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

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

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

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

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

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

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

(b) Financial Liabilities

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

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

4.1.2.4 Business model assessment

A financial asset is classified as either held-to-collect, held-to-collect and sale and others based on Business Model Assessment. the Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The assessment requires judgement based on facts and circumstances on the date of assessment. The information considered mainly includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual markup revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Transfer of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group continuing recognition of the financial assets.

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

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

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and markup on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par-amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

The Group holds a portfolio of long-term fixed-rate loan for which the Group has the option to propose to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the financing at par without penalty. the Group has determined that the contractual cash flows of these loan are SPPI because the option varies the interest rate in a way that is in consideration for the time value of money, credit risk, other basic financing risks and costs associated with the principal amount outstanding.

4.1.2.6 Subsequent measurement

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

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

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

4.1.2.7 Amortised cost and gross carrying amount

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

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

4.1.2.8 Calculation of markup income and expense

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

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

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

Markup expense on domestic financial liabilities (comprising deposits, subordinated debts, and borrowings) is recognised on an accrual basis in the period in which it is incurred, based on effective interest rate method. In case of overseas operations, such expense is recognised under the effective interest method or as prescribed by the regulatory authorities of the countries in which the Group operates.

In accordance with the BPRD Circular Letter No. 01 of 2025 dated January 22, 2025, Islamic Banking Institutions (IBIs) are allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue the existing accounting methodology on other Islamic products until issuance of further instruction in this regard. In this respect, income from performing financing is recognised on accrual basis as per the terms of the contract.

If the revenue had been recognised in accordance with IFRS 9 and SBP Application guidelines, the following impact on profit and loss would have resulted:

	Attributable to:	
	Equity holders of the Bank	Non-controlling interest
	----- Rupees in '000 -----	
Retained Earning - net of tax	**19,254**	**6,377**
Profit and Loss Account - net of tax	**609,842**	**201,982**

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

4.1.2.9 Derecognition

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:

  (a) substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  (b) the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between:

- the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised); and
- the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in OCI shall be recognised in consolidated statement of profit or loss account.

From January 01, 2024 any cumulative gain / loss recognised in OCI in respect of equity investment securities designated at FVOCI is not recognised in the consolidated statement of profit and loss account on derecognition of such securities. Any markup on transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

The Group enters into transactions whereby it transfers assets recognised on its consolidated statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured loan transaction similar to sale-and-repurchase transactions, because the Group retains all or substantially all of the risks and rewards of ownership of such assets.

In transactions in which the Group neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the assets, the Group continues to recognise the assets to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred assets.

In certain transactions, the Group retains the obligation to service the transferred financial assets for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

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

4.1.2.10 Modification

(a) Financial Assets

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to its customers. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and

- other fees are included in consolidated statement of profit and loss account as part of the gain or loss on derecognition.

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

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

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Group first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognise the resulting adjustment as a modification gain or loss in the consolidated statement of profit and loss account. Any costs or fees incurred, and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

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

4.1.2.11 Reclassification

Financial liabilities are not reclassified subsequent to initial recognition. Reclassifications of financial assets are made when, and only when, the business model for those assets changes. Such changes are expected to be infrequent and arise as a result of significant external or internal changes such as the termination of a line of business or the purchase of a subsidiary whose business model is to realise the value of pre-existing held for trading financial assets through a hold to collect model.

Financial assets are reclassified at their fair value on the date of reclassification and previously recognised gains and losses are not restated. Moreover, reclassifications of financial assets between financial assets held at amortised cost and financial assets held at FVOCI do not affect effective interest rate or expected credit loss computations.

Reclassified from fair value through other comprehensive income

Where debt securities held at FVOCI are reclassified to financial assets held at FVPL, the cumulative gain or loss previously recognised in comprehensive income is transferred to the consolidated statement of profit and loss account.

For debt securities held at FVOCI that are reclassified to financial assets held at amortised cost, the cumulative gain or loss previously recognised in comprehensive income is adjusted against the fair value of the financial asset such that the financial asset is recorded at a value as if it had always been held at amortised cost. In addition, the related cumulative expected credit losses held within comprehensive income are reversed against the gross carrying value of the reclassified assets at the date of reclassification.

4.1.2.12 Impairment

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

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

(a) Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

(b) Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Financial assets where 12-month ECL is recognised are in ‘Stage 1’; financial assets that are considered to have experienced a significant increase in credit risk are in ‘Stage 2’; and financial assets for which there is objective evidence of impairment, so are considered to be in default or otherwise credit impaired, are in ‘Stage 3’.

(c) Non-Performing financial assets

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

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

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

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

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

The Group calculates the ECL against corporate, commercial and SME loan portfolios as higher of PR and ECL under IFRS 9 at borrower / facility level, whereas against the retail borrowers the Group will calculate ECL at higher of PR and ECL under IFRS 9 at segment / product basis as instructed under Annexure-A of BPRD Circular No. 16 dated July 29, 2024.

Based on the requirements of IFRS 9 and Application Instructions, the Group has performed an ECL assessment considering the following key elements:

(a) Probability of default (PD)

The probability that a counterparty will default over the next 12 months from the reporting date (12 month ECL, Stage1) or over the lifetime of the product (lifetime ECL, Stage 2). PD is estimated using internal rating classes and are based on the Group's internal risk rating. the Group has used Transition Matrix approach for estimation of PD for each internal rating. the Group have used roll-rate method using the days past due (DPD) criteria to estimated PD for its retail portfolio. PD are then adjusted with forward looking information for calculation of ECL.

(b) Exposure at default (EAD)

The expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortisation, pre-payments and forward-looking information where relevant. The Group estimates EAD for financial assets carried at an amortised cost equal to principal plus profit. Each repayment date is assumed to be default point in the model and the ECL is calculated on EAD at each reporting date and discounted at the effective interest rate. Further, cash and cash equivalent collaterals the Group holds against the non-retail facilities are adjusted from the LGD.

(c) Loss given default (LGD)

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

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

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

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.

- For advances measured at cost: as a deduction from the gross carrying amount of the advances.

- Loan commitments and financial guarantee contracts: as a provision in other liabilities.

- Where a financial instrument includes both a drawn and an undrawn component, and the Group does not identify the ECL on the loan commitment component separately from those on the drawn component and instead presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and

- Debt instruments measured at FVOCI: no loss allowance is recognised in the consolidated statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in OCI.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

4.1.2.13 Significant increase in credit risk (SICR)

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

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

IFRS 9 includes a rebuttable presumption that a default does not occur later than 90 days past due and it also presumes that there is SICR if credit exposure is more than 30 days past due. In order to bring consistency, SBP has allowed the backstop to the rebuttable presumption of days past due of credit portfolio against a specific credit facility and its stage allocation under IFRS 9 as mentioned in Annexure-C of BPRD Circular No. 03 dated July 05, 2022. However, banks are free to choose more stringent days past due criteria. The Group aligns its policy with Annexure-C of BPRD Circular No. 3 of 2022; hence, SICR is considered if credit exposure exceeds 60 days past due.

4.1.2.14 Write-offs

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in ‘impairment losses on financial instruments’ in the profit and loss account and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

4.1.2.15 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4.1.2.16 Undrawn loan commitments and guarantees

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

Financial guarantees issued or commitments to provide a loan at a below-market profit rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

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

4.1.2.17 Governance, ownership and responsibilities

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

The Group's Credit Division performs credit risk assessment, monitors Significant Increase in Credit Risk of the borrowers, reviews Credit Ratings and obligor attributes.

The IT Division extracts the data required for ECL calculations. IT Division also provide support for system development and upgrades.

The Group's Finance Division takes ownership of ECL models and methodologies used in calculation of ECL. Finance Division assess the financial impact, meet the financial reporting requirements and presents quarterly results to Board of Directors (BOD) / its Board Sub Committee.

The Risk Management Division calculates impact of ECL on bank's capital adequacy, leverage ratio and Liquidity requirements.

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

4.2 Cash and cash equivalents

Cash and cash equivalents represent cash and balances with treasury banks and balances with other banks net of any overdrawn nostro accounts.

4.3 Lendings to / borrowings from financial institutions

The Group enters into transactions of lendings to / borrowings from financial institutions at contracted rates for a specified period of time. These are recorded as under:

(a) Sale under repurchase obligation

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the consolidated statement of financial position and are measured in accordance with accounting policies for investments. Amounts received under these agreements are recorded as repurchase agreement borrowings. The difference between sale and repurchase price is amortised as expense over the term of the repo agreement. These are initially recognised at amount of funds received and subsequently reported as payable under the contractual terms.

(b) Purchase under resale obligation

Securities purchased with a corresponding commitment to resale at a specified future date (reverse repos) are not recognised as investments in the consolidated statement of financial position. Amounts paid under these arrangements are included in repurchase agreement lendings. The difference between purchase and resale price is accrued as income over the term of the reverse repo agreement. These are initially recognised at amount of funds disbursed and subsequently reported as receivable under the contractual terms.

(c) Other borrowings

Other borrowings include borrowings from the SBP and unsecured call borrowings which are recorded at the proceeds received. Mark-up paid on such borrowings is charged to the consolidated statement of profit and loss account over the period of borrowings on time proportionate basis using effective interest method.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

4.3.1 Due to / from financial and other institutions

4.3.1.1 Bai Muajjal

In Bai Muajjal transactions, the Group sells sukuk on deferred payment basis to financial institutions. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the credit period.

4.3.1.2 Musharakah

In Musharakah, the Group invests / accepts in the Shariah compliant business pools of / from the financial institutions as per the Shariah principles of profit and loss sharing.

4.3.1.3 Musharakah from State Bank of Pakistan under Islamic Export Refinance Scheme (IERS)

Under IERS, the Group accepts funds from the SBP under Shirkat-ul-Aqd to constitute a pool for investment in export refinance portfolio of the Group under the Shariah guidelines issued by the SBP. The profit of the pool is shared as per the agreed PSR between the partners.

4.3.1.4 Acceptances from State Bank of Pakistan for financial assistance

The Group has recorded Acceptances from State Bank of Pakistan for financial assistance at its fair value which is amortised over its agreed term.

4.3.1.5 Commodity Murabahah

In Commodity Murabahah, the Group sells commodities on credit to other financial institutions. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period.

4.3.1.6 Wakalah

In Wakalah, the Group accepts / places funds from / with financial institutions by entering into Investment Agency for the funds to be invested in profitable avenues as Wakeel / on behalf of the Muwakkil.

4.4 Investments

Associates

Associates are entities over which the Group has significant influence but not control. This influence is assessed based on the Group's potential voting rights that are currently exercisable in the entity that allow the Group to participate in but not control decision-making. Investment in associates are accounted for using the equity method of accounting.

Under the equity method, the investment in associates are initially recognised at cost and the carrying amount of investment is increased or decreased to recognise the investor's share of the post acquisition profits or losses, share of other comprehensive income or loss and share of the post acquisition movement in other reserves. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. However, in case where associates are considered as fully impaired and financial statements are not available these investments are stated at cost less provision.

In addition to above, certain mutual funds are managed by JS Investments Limited (JSIL), the subsidiary company of the Group. As stipulated under Regulation 38 of Non-Banking Finance Regulation, 2008, the Asset Management Company (AMC) is entrusted with fiduciary duties towards the unit holders of the funds. This fiduciary obligation requires AMC to act in the best interests of its unit holders, refraining from exploiting opportunities for its own benefit or that of its related parties, group companies, or employees, to the detriment of the unit holders. Therefore, the Bank has significant influence over such mutual funds due to participation in the investee's policy-making processes via the JSIL and investment in such mutual funds is considered as investment in associates even if the holding is less than 20%.

These mutual funds are not considered subsidiary due to the legal trust structure of the entity, the Bank does not have the ability to affect returns through its power over the investee. Further, under this trust structure, the trusteeship is separate from the management, and the independent trustees play a key role in overseeing the activities of the AMC.

4.5 Financial instruments

4.5.1 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value using valuation techniques. In case of equity Shariah compliant futures, the fair value is calculated with reference to quoted market price. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is taken to consolidated statement of profit and loss account.

4.6 Advances

4.6.1 Loan and advances

These are stated at cost less expected credit loss allowances except for staff loans, Temporary Economic Refinance Facility (TERF), and advances pertaining to overseas operations which are stated at amortised cost less credit loss allowances.

4.6.2 Finance lease

Leases, where the Group transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee are classified as finance leases. A receivable is recognised at an amount equal to the present value of the lease payment including any guaranteed residual value, if any. Net investment in finance lease is included in loans and advances to customers.

4.6.3 Islamic financing, related assets and advances

Islamic financing and related assets are financial products originated by the Bank and principally comprise of Murabahah, Istisna, Ijarah, Salam, Muswammah, Diminishing Musharakah, Running Musharakah (Shirkat-ul-Aqd) and other Islamic modes of financing and the related assets.

As a general rule, funds disbursed under financing arrangements for purchase of goods / assets are recorded as advance. On culmination, financings are recorded at the deferred sale price net of profit. Goods purchased that remain unsold at the consolidated statement of financial position reporting date are recorded as inventories.

4.6.4 Ijarah Financing {Ijarah contracts where the Bank acts as Mujir (lessor)}

Ijarah financing executed on or before December 31, 2008 have been accounted for under finance method, thereafter all Ijarah financing are accounted for under IFAS-2.

- Under finance method, the present value of minimum Ijarah payments have been recognised and shown under Islamic financing and related assets. The unearned income (the excess of aggregate Ijarah rentals over the cost of the asset and documentation charges under Ijarah facility) is deferred and then amortised over the term of the Ijarah, so as to produce a constant rate of return on net investment in the Ijarah. Gains / losses on termination of Ijarah contracts are recognised as income on a receipt basis. Income on Ijarah is recognised from the date of delivery of the respective assets to the Mustajir (lessee).
- Under IFAS-2 method, assets underlying Ijarah financing have been carried at cost less accumulated depreciation and impairment, if any, and are shown under Islamic financing and related assets. Rentals accrued from Ijarah financing net of depreciation charge are recognised in the consolidated statement of profit and loss account. Depreciation on Ijarah assets is charged by applying the straight line method over the Ijarah period which is from the date of delivery of respective assets to Mustajir up to the date of maturity / termination of Ijarah agreement.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

4.6.5 Murabahah

Murabahah is a sale transaction with the purchase ordered wherein the first party sells to the client / customer Shariah compliant assets / goods for cost plus a pre-agreed profit after getting title and possession of the same. In principle, on the basis of an undertaking (Promise-to-Purchase) from the client (the purchase ordered), the Group purchases the assets / goods subject of the Murabahah from a third party and takes the possession thereof. However, the Group can appoint the client as its agent to purchase and take possession of the assets / goods on its behalf. Thereafter, it sells it to the client at cost plus the profit agreed upon in the promise.

4.6.6 Istisna

Istisna is a contract where the buyer orders the client (seller / manufacturer) to manufacture and deliver specified goods at an agreed contract price upon completion. Istisna is used with Wakalah agreement to provide financing mainly to manufacturers. Thus the transaction consists of two stages:

(i) Bai Istisna whereby the Group purchases goods from the client and
(ii) Wakalah whereby the Group after receipt / possession of goods, appoints the client its agent to sell the goods in the market.

4.6.7 Diminishing Musharakah

Diminishing Musharakah represents an asset in joint ownership whereby a partner promises to buy the equity share of the other partner until the ownership of the asset is totally transferred to him. The partner using the asset pays the proportionate rental of such asset to the other partner (the Group).

4.6.8 Import Murabahah

Import Murabahahh is a product, used to finance a commercial transaction which consists of purchase by the Group (generally through an undisclosed agent) the goods from the foreign supplier and selling them to the client after getting the title and possession of the goods. Murabahah financing is extended to all types of trade transactions i.e., under Documentary Credits (LCs), Documentary Collections and Open Accounts.

4.6.9 Salam

Salam is a sale transaction where the seller undertakes to supply some specific goods to the buyer at a future date against an advance price fully paid on spot. In Salam financing, the transaction consists of two stages:

(i) Bai Salam whereby the Group purchases goods from the client and
(ii) Wakalah whereby the Group after receipt / possession of goods, appoints the client its agent to sell the goods in the market.

4.6.10 Musawamah

Under this product the Group purchases identified goods from client at an agreed purchase price on the basis of Musawamah. The Group then sells the goods in the market through an agent (Client) at a higher price to earn its desired profit.

4.6.11 Musharakah

Musharakah are different types of partnerships in business with distribution of profit in agreed ratio and distribution of loss in the ratio of capital invested.

4.6.12 Wakalah-tul-Istismar (Investment Agency Wakalah)

Wakalah-tul-Istismar means appointing another person to invest and grow one's wealth, with or without a fee. It covers contract for acquisition of services of a person or institution (Wakeel) for making investments of Wakalah Funds, and accomplishment of certain task on behalf of another person or institution (Muwakkil).

4.6.13 Running Musharakah

In Running Musharakah financing, the Group enters into financing with the customer based on Shirkat-ul-Aqd (Business Partnership) in customer's operating business. Under this mechanism the customer can withdraw and return funds to the Group subject to its Running Musharakah Financing limit during the Musharakah period. At the end of each quarter / half year the customer pays the provisional profit as per the desired profit rate which is subject to final settlement based on the relevant quarterly / half yearly / annual accounts of the customer and unclaimed profit above ceiling (if any).

4.6.14 Ijarah

Ijarah is a contract where the owner of an asset transfers its usufruct (i.e. the usage right) to another person for an agreed period, at an agreed consideration. The rentals received / receivable on Ijarah are recorded as income / revenue. Depreciation on Ijarah assets is charged by applying the straight line method over the Ijarah period which is from the date of delivery of respective assets to Mustajir up to the date of maturity / termination of Ijarah agreement.

4.7 Property and equipment, and depreciation

4.7.1 Property and equipment

Property and equipment except land and buildings are shown at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the items. Leasehold land and buildings on leasehold land are stated at revalued amount less accumulated depreciation and impairment loss, if any.

Depreciation on property and equipment (excluding land which is not depreciated) is charged using the straight line method in accordance with the rates specified in note 10.2 to these consolidated financial statements after taking into account residual value. The asset's residual values and useful lives are reviewed and adjusted, if required, at each reporting date.

Land and buildings are revalued by professionally qualified valuers with sufficient regularity to ensure that the net carrying amount does not differ materially from their fair value. In case of buildings relevant portion of the revaluation reserve is transferred to retained earnings as the asset is depreciated on or its disposal. Valuation techniques and input used are disclosed in note 42 of these consolidated financial statements.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit and loss account during the period in which they are incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is recognised in the consolidated statement of profit and loss account in the year the asset is derecognised.

4.7.2 Surplus / deficit on revaluation of Property and Equipment

The surplus arising on revaluation is credited to other comprehensive income. However, the increase shall be recognised in profit and loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit and loss account.

The deficit arising on a particular property as a result of a revaluation is recognised in the consolidated statement of profit and loss account as an impairment. However, the decrease to be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Depreciation on buildings which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and an amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of Property and equipment Account" to unappropriated profit through Statement of Changes in Equity to record realisation of surplus to the extent of the incremental depreciation charge for the year.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

Gains or losses on disposal of assets are included in the consolidated statement of profit and loss account currently, except for the related surplus on revaluation of Property and equipment (net of deferred tax) which is transferred directly to equity.

4.7.3 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment losses, if any. These are transferred to specified assets as and when assets are available for use.

4.8 Lease liability and right-of-use assets

The Group enters into leasing arrangements for its office premises, branches, ATMs and warehouses. Rental contracts are typically for a fixed period and may have extension options as described below. At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The SBP, vide its BPRD Circular Letter No. 8 dated April 30, 2019 and BPRD Circular No. BPRD/RPD/2019/17 dated July 26, 2019 has directed all Islamic Banks to apply IFRS 16 - 'Leases' in all Ijarah (lease) contracts where the Islamic Banks acts in capacity of Mustajir (lessee).

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

The lease liability is initially measured at the present value of the lease payments to be made over the lease term, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the respective entity's incremental borrowing rate.

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

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or lease modification.

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

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

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

4.9 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment, if any. Intangible assets are amortised from the month when the assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortised over its estimated useful life over which economic benefits are expected to flow to the Group. The useful life and amortisation method are reviewed and adjusted, if appropriate, annually.

Intangible assets having an indefinite useful life are carried at cost less any impairment in value and are not amortised. However, these are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

4.10 Non-banking assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are initially measured at settlement amount and upon revaluation, are carried at revalued amounts less accumulated depreciation and impairment losses, if any. The useful lives and depreciation method are reviewed annually and adjusted, if appropriate. As per SBP's requirement desktop valuation is carried out on annual basis and full-scope valuation after every three years by independent professionally qualified valuers to ensure that their net carrying value does not differ materially from their fair value. A surplus arising on revaluation of assets is credited to the 'surplus on revaluation of Non-banking assets acquired in satisfaction of claims' account and any deficit arising on revaluation is taken to consolidated statement of profit and loss account directly. Legal fees, transfer costs and direct costs of acquiring title of assets is charged to consolidated statement of profit and loss account and not capitalised. The policy for depreciation is stated in note 4.7.1 of these consolidated financial statements.

4.10.1 Surplus / deficit on revaluation of non banking assets

Revaluation of non-banking assets acquired in satisfaction of claims under DPS transactions is carried out under criteria given in regulations for DPS issued by the State Bank of Pakistan (SBP) vide BPRD Circular 01 dated January 01, 2016 i.e. valuation of property shall be done on individual property basis and not on portfolio basis, whereas accounting treatment of revaluation is accounted for in accordance with applicable financial reporting standards i.e. International Accounting Standard (IAS) 16 as referred in note 4.7.2.

Furthermore, revaluation surplus on such assets shall not be admissible for calculating Group's Capital Adequacy Ratio. However, the surplus can be adjusted upon realisation of sale proceeds.

4.11 Borrowings / deposits and their cost

Borrowings / deposits are initially recorded at the amount of proceeds received. Costs of borrowings / deposits are recognised separately as part of other liabilities and is charged to the consolidated statement of profit and loss account over the period on an accrual basis.

4.12 Subordinated debt

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

4.13 Taxation

Current

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemptions available, if any, or minimum tax on turnover, whichever is higher. The charge for current tax also includes adjustments, where considered necessary, relating to prior years arising from assessments made during the year.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

Deferred

Deferred tax is recognised using the balance sheet approach on all temporary differences arising between tax bases of assets and liabilities and their carrying amounts appearing in these consolidated financial statements. Deferred tax liability is recognised on taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carry forward of unused tax losses, if any, only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Deferred tax is calculated at the rates that are expected to apply to the period wherein the differences are expected to reverse, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the profit and loss account.

Deferred tax, if any, on revaluation of investments is recognised as an adjustment to surplus / (deficit) arising on revaluation in accordance with the requirements of IAS-12, 'Income Taxes'.

4.14 Provisions

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

Provision against identified non-funded losses is recognised when intimated and reasonable certainty exists for the Group to settle the obligation. The loss is charged to the consolidated statement of profit and loss account net of expected recovery.

4.15 Staff retirement benefits

4.15.1 Defined contribution plan

The Group has established a provident fund scheme for all its permanent employees effective from January 01, 2007 in accordance with the trust deed and rules made there under. Equal monthly contributions are made, both by the Group and the employees, to the fund at the rate defined below of basic salary. Contribution by the Group is charged to the consolidated statement of profit and loss account.

	Contribution basic salary
- JS Bank Limited (the Bank)	7.10%
- JS Global Capital Limited (Subsidiary)	7.33%
- JS Investment Limited (Subsidiary)	7.33%
- BankIslami Pakistan Limited (Subsidiary)	6.67%

4.15.2 Defined benefit plan

JS Bank Limited (the Bank)

The Bank operates an approved funded gratuity scheme covering all its eligible employees who have completed minimum qualifying period. An actuarial valuation of defined benefit scheme is conducted at the end of every year or on occurrence of any significant change. The most recent valuation in this regard was carried out as at December 31, 2024, using the projected unit credit actuarial valuation method. Under this method cost of providing for gratuity is charged to the consolidated statement of profit and loss account so as to spread the cost over the service lives of the employees in accordance with the actuarial valuation. Past-service costs are recognised immediately in consolidated statement of profit and loss account and actuarial gains and losses are recognised immediately in other comprehensive income.

BankIslami Pakistan Limited (BIPL)

BIPL operates an approved funded gratuity scheme for its permanent employees. The liability recognised in the consolidated statement of financial position in respect of defined benefit gratuity scheme, is the present value of the defined benefit obligation at the consolidated statement of financial position date less the fair value of plan assets. Contributions to the fund are made on the basis of actuarial recommendations. The defined benefit obligation is calculated periodically by an independent actuary using the projected unit credit method. The last valuation was conducted as on December 31, 2024.

Amounts arising as a result of remeasurements, representing the actuarial gains and losses and the difference between the actual investment returns and the return implied by the net interest cost are recognised in the consolidated statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur.

4.16 Revenue recognition

4.16.1 Revenue is recognised to the extent that economic benefits will flow to the Group and the revenue can be reliably measured. These are recognised as follows:

- Mark-up income / interest on performing advances and returns on debt securities are recognised on accrual basis except in case of classified advances where mark-up income is recognised on receipt basis. Mark-up / return / interest on rescheduled / restructured loans and advances and investments is recognised as permitted by the regulations of SBP.

- Where debt securities are purchased at premium or discount, such premium / discount is amortised through the consolidated statement of profit and loss account over the remaining period of maturity.

- Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of leased assets) is deferred and taken to income over the term of the lease period so as to produce a constant periodic rate of return on the outstanding net investment in lease. Gains / losses on termination of lease contracts, documentation charges, front-end fees and other lease income are recognised as income when these are realised.

- The Group earns fee and commission income from a banking service to retail and corporate customer. Fee and commission income is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for providing the services.

- Dividend income is recognised when the Group's right to receive dividend is established.

- Gain / loss on sale of investments is credited / charged to the consolidated statement of profit and loss account.

- Profit on Murabahah and Commodity Murabahah is recognised over the financing stage of Murabahah on an accrual basis. Profit on Murabahah transactions for the period from the date of disbursement to the date of culmination of Murabahah is recognised immediately on the culmination date.

- Profit from Istisna, Salam and Muswammah / Tijarah are recorded on an accrual basis commencing from the time of sale of goods till the realisation of proceeds by the Bank. Profit from Diminishing Musharakah are recognised on a time proportionate basis in the form of rentals.

- Finance method is used in accounting for income from Ijarah contracts written up to December 31, 2008. Under this method the unearned income i.e. excess of aggregate Ijarah rentals over the cost of the asset and documentation charges under Ijarah facility is deferred and then amortised over the term of the Ijarah, so as to produce a constant rate of return on net investment in the Ijarah. Gains / losses on termination of Ijarah contracts are recognised as income on a receipt basis. Income on Ijarah is recognised from the date of delivery of the respective assets to the Mustajir (lessee).

- Rental from Ijarah contracts entered on or after January 01, 2009 is recognised in the consolidated profit and loss account over the term of the contract net of depreciation expense relating to the Ijarah assets.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

- Provisional profit of Musharakah financing is recognised on an accrual basis. Actual profit / loss on Musharakah financing is adjusted after declaration of profit by Musharakah partner or on liquidation of Musharakah.
- Profit on Wakalah-tul-Istismar financings is booked on an accrual basis and is adjusted upon declaration of profit by the Wakeel.
- Profit on Running Musharakah financings is booked on an accrual basis and is adjusted upon declaration of profit by Musharakah partners.
- Profit on classified financing is recognised on a receipt basis.
- Profit on Sukuks is recognised on an accrual basis. Where Sukuks (excluding held for trading securities) are purchased at a premium or discount, the premiums / discounts are amortised through the consolidated profit and loss account over the remaining life of Sukuk, using the effective yield method.
- Remuneration for management services and asset investment advisory services are recognised on an accrual basis by applying pre-defined remuneration percentage on daily net asset value of the respective funds. The fee so charged does not exceed the limit prescribed in the NBFC Regulations / Voluntary Pension System Rules, 2005.
- Return on bank deposits, mark-up on term finance certificate, mark-up on letter of placements and mark-up on commercial papers are recognised on time proportionate basis by using effective rate of interest.
- Commission income from open end funds is recognised at the time of sale of units.
- Commission income and share of profit from management of discretionary and non discretionary client portfolios is recognised as services are rendered.
- Brokerage, consultancy, advisory fee, underwriting, book running fee, commission on foreign exchange dealings and debt securities etc. are recognised as and when such services are provided.
- Income from reverse repurchase transactions, debt securities and bank deposits is recognised at effective yield on time proportionate basis.
- Interest income on financial assets (including margin financing) is recognised on time proportionate basis taking into account effective / agreed rate of the instrument.
- Unrealised capital gains / losses arising from mark to market of investments classified as 'financial assets at fair value through profit or loss' are included in the consolidated statement of profit and loss account in the period in which they arise.
- Unrealised gains / losses arising from mark to market of investments classified as 'fair value through other comprehensive income' are taken directly to statement of comprehensive income in the period in which they arise.
- Gains / losses arising on revaluation of derivatives to fair value are taken to statement of profit and loss under other income / other expense in the period in which they arise.

4.17 Dividend and appropriation to reserves

Dividend and appropriation to reserves, except for statutory reserves, are recognised in the consolidated financial statements in the periods in which these are approved. The revaluation surplus related to Property and equipment and non-banking assets is not available for distribution of dividend.

4.18 Foreign currencies

4.18.1 Functional and presentation currency

Items included in these consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. These consolidated financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency.

4.18.2 Transactions and balances

Transactions in foreign currencies are translated into Pakistani rupees at the exchange rates prevailing on the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit and loss account.

Forward contracts relating to foreign currency deposits are valued at forward rates applicable to the respective maturities of the relevant foreign exchange contract. The forward cover received / paid on forward purchase / sale contracts relating to foreign currency deposits are realised / charged directly to consolidated statement of profit and loss account.

4.18.3 Foreign operations

Assets and liabilities of foreign operations are translated into rupees at the exchange rate prevailing at the reporting date. The results of foreign operations are translated at average rate of exchange for the year.

4.18.4 Translation gains and losses

Translation gains and losses arising on revaluations of net investment in foreign operations are taken to Exchange Translation Reserve in the statement of comprehensive income. These are recognised in the consolidated statement of profit and loss account on disposal.

4.18.5 Commitments

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

4.19 Clients' assets

The Group provides services that result in the holding of assets on behalf of its clients. Such assets are not reported in the consolidated financial statements, as they are not the assets of the Group.

4.20 Acceptances

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

4.21 Goodwill

Goodwill acquired in a business combination before July 01, 2009 is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquirer are assigned to those units or groups of units.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

4.22 Earnings per share

The Group presents basic and diluted earnings per share (EPS). Basis EPS is calculated by dividing the profit or loss attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

4.23 Segment reporting

A segment is a distinguishable component of the Group that is subject to risks and rewards that are different from those of other segments. A business segment is one that is engaged either in providing certain products or services, whereas a geographical segment is one engaged in providing certain products or services within a particular economic environment.

Segment information is presented as per the Group's functional structure and the guidance given under International Financial Reporting Standard (IFRS) 8. For management purposes, the Group has been organised into nine operating segments based on products and services, as follows:

4.23.1 Business segments

Retail Banking

Retail banking includes branch banking, small and medium enterprises, direct sales, private banking, product management, branch distribution network and tele sales.

Corporate / Commercial Banking

This includes corporate banking, commercial banking and institutional sales related loans, deposits and other transactions.

Treasury

This segment is responsible for asset / liability management and includes all treasury related products such as fixed income money market, FX and derivatives.

Investment, International and Institutional Banking

This segment includes international branch, financial institutions business, home remittances, cash management, employee banking, venture capital and green banking.

Zindigi

It is a digital platform catering branchless banking customers.

Islamic Banking

This segment includes Islamic Banking operations of the Group.

Brokerage

This includes brokerage commission earned on transactions in capital, money, foreign exchange and commodity markets.

Asset management

This includes fee for services rendered in connection with advisory and management of mutual funds.

Others

This includes the head office related activities and other functions which cannot be classified in any of the above segments.

4.23.2 Geographical segment

The Group operates in two geographic regions being:

- Pakistan
- Bahrain

4.24 Pool Management

The Islamic Banking Subsidiary of the Group - BankIslami Pakistan Limited (BIPL) operates general and specific pools for deposits and inter-bank funds accepted / acquired under Mudarabah, Musharakah and Wakalah modes.

Under the general deposit pools, BIPL accepts funds on Mudarabah basis from depositors (Rab-ul-Maal) where BIPL acts as Manager (Mudarib) and invests the funds in the Shariah compliant modes of financings, investments and placements. When utilizing investing funds, BIPL prioritizes the funds received from depositors over the funds generated from own sources after meeting the regulatory requirement relating to such deposits.

Specific pools are operated for funds acquired / accepted from the State Bank of Pakistan, high net worth customers and other banks for Islamic Export Refinance Scheme to BIPL's customers and liquidity management respectively under the Musharakah / Mudarabah modes. The profit of each deposit pool is calculated on all the remunerative assets booked by utilizing the funds from the pool after deduction of expenses directly incurred in earning the income of such pool. The directly related costs comprise of depreciation on ijarah assets and takaful premium. No expense of general or administrative nature of expense is charged to the pools. No provisions against any non-performing asset of the pool is passed on to the pool except on the actual loss / write-off of such non-performing asset. The profit of the pool is shared between equity and other members of the pool on the basis of Musharakah at gross level (before charging of mudarib share) as per the investment ratio of the equity. The profit of the pool is shared among the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period after charging of mudarib share.

The risk characteristic of each pool mainly depends on the asset and liability profile of each pool. As per BIPL's policy, relatively low risk / secured financing transactions and assets are allocated to general depositors' pool of PKR, USD, GBP and Euro. BIPL maintains General Pools, FI Pools, IERS pool and Equity pool. The general pools are exposed to general credit risk, asset ownership risk and profit rate risk of the underlying assets involved.

4.24.1 General Pool

For General Pools, BIPL allocates PKR financing to Corporate, SME and Consumer Finance customers in diversified sectors and avenues of the economy / business. Investments in Sovereign Guarantee Sukuk, Bai Muajjal with State Bank of Pakistan and Bai Muajjal with Government of Pakistan and other financial institutions are also done through General Pools. All remunerative deposits are tagged to these general pools and their funds generated from the depositors are invested on priority basis. Due to limited investment options in USD, GBP and Euro pools, funds from FCY pools are invested in available International Sukuk, Shariah Complaint Nostro accounts and remaining funds are taken out and invested in PKR general pool as part of equity. In such cases return from PKR General Pool is given back to FCY pools, so that returns can be passed on to FCY pool customers accordingly.

4.24.2 Special Mudarabah Pool

Special Mudarabah Pools are created to manage returns of High Net Worth depositors and Government institutions. The funds received against these deposits are invested in various Shariah compliant assets.

4.24.3 Specific Musharakah Pool

Islamic Export Refinance Scheme (IERS) Pool

The IERS pool assets comprise of Sovereign Guarantee Sukuks, and financings to / Sukuks of blue chip companies and exporters as allowed under the applicable laws and regulations, and are exposed to lower credit risk. The Musharakah with SBP under IERS is tagged to the IERS pool.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

Other Specific Musharakah Pool

The Other Specific Musharakah Pool assets comprise of consumer housing finance portfolio, Sukuk and the related liability of the pool comprises of Musharakah Acceptance from a financial institution. This pool is created to fund the housing finance portfolio.

Financial Institution (FI) Pools

The FI pools assets generally comprise of Sovereign Guarantee Sukuks only and the related liability of the FI pools comprise of Musharakah / Mudarabah / Wakalah Acceptance from other banks and financial institutions. These pools are created to meet the liquidity requirements of BIPL.

	Note	2024	2023
5. CASH AND BALANCES WITH TREASURY BANKS		----- Rupees in '000 -----	
In hand:			
Local currency		**23,331,748**	19,834,818
Foreign currencies		**2,228,158**	3,479,237
		25,559,906	23,314,055
With State Bank of Pakistan in:			
Local currency current accounts	5.1	**46,532,559**	41,887,252
Foreign currency current accounts	5.2	**2,395,530**	2,071,676
Foreign currency deposit accounts	5.3	**8,020,479**	6,789,860
US dollar clearing account		**10,999**	38,902
		56,959,567	50,787,690
With National Bank of Pakistan in local currency current accounts		**1,622,507**	8,059,788
Prize Bonds		**11,620**	20,927
Less: Credit loss allowance held against cash and balances with treasury banks (Stage 1)		**(1,232)**	-
Cash and balances with treasury banks - net of credit loss allowance		**82,182,460**	24,765,248

5.1 This represents local currency current account maintained under the Cash Reserve Requirement (CRR) of the SBP.

5.2 This represents foreign currency current account maintained with SBP under the CRR of the SBP.

5.3 This includes :

- a foreign currency deposit account maintained under the Special Cash Reserve Requirement (SCRR) of the SBP which carried mark-up at rates ranging from 3.53% to 4.35% per annum (2023: 3.39% to 4.34% per annum); and
- a foreign currency settlement account which carried mark-up at a rate of 0.00% per annum (2023: 0.00% per annum).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

6. BALANCES WITH OTHER BANKS	Note	2024	2023
		----- Rupees in '000 -----	
In Pakistan			
In current accounts		**6,275**	40,691
In deposit accounts	6.1	**475,539**	165,785
		481,814	206,476
Outside Pakistan			
In current accounts	6.2	**4,282,102**	4,908,757
In deposit accounts	6.3	**315,659**	186,921
		5,079,575	5,302,154
Less: Credit loss allowance held (stage 1)		**(3,740)**	(74)
Balances with other banks - net of credit loss allowance		**5,075,835**	5,302,080

6.1 These inlcude deposits with various Islamic banks under Musharakah and Mudarabah arrangements. The profit rate on these arrangements range between 10.41% to 11.13% (2023: 6.75% to 12.13%) per annum.

6.2 This includes amount held in Automated Investment Plans. The Group is entitled to earn interest from the foreign correspondent banks at agreed upon rates, when the balance exceeds a specified amount, which ranges between 3.58% to 4.08% per annum (2023: 4.50% to 5.00% per annum).

6.3 These represent deposit placement outside Pakistan with an Islamic banking division of a foreign bank under Wakala arrangement. The profit rate on these arrangements is 3% to 3.5% (2023: 2.25% to 3%) per annum.

7. LENDINGS TO FINANCIAL INSTITUTIONS	Note	2024	2023
		----- Rupees in '000 -----	
Unsecured			
Bai Muajjal Receivable			
- with other Financial Institutions	7.2	**4,257,928**	16,502,138
Other placements		**14,580**	17,820
		4,272,508	16,519,958
Less: Credit loss allowance held against lending to financial institutions	7.3	**(14,580)**	(17,820)
Lending to financial institutions - net of credit loss allowance		**4,257,928**	16,502,138

7.1 Particulars of lendings - gross

	2024	2023
In local currency	**4,272,508**	16,519,958
In foreign currencies	**-**	-
	4,272,508	16,519,958

7.2 The average return on this product is 19.6% (2023: 22.05% to 22.35%) per annum. The balance has maturity in 24 days (2023: 6 days to 110 days).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

7.3 Lending to FIs - Particulars of credit loss allowance

		2024		2023	
		Lending	Credit loss allowance held	Lending	Credit loss allowance held
		------------------------ Rupees in '000			------------------------
Domestic					
Performing	Stage 1	4,257,928	-	16,502,138	-
Under-performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		14,580	(14,580)	17,820	(17,820)
Total		4,272,508	(14,580)	16,519,958	(17,820)

	2024			
	Stage 1	Stage 2	Stage 3	Total
	------------------------ Rupees in '000			------------------------
Balance at the start of the year	-	-	17,820	17,820
Impact of adoption of IFRS 9	20	-	-	20
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of credit loss allowance	20	-	17,820	17,840
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	(20)	-	(3,240)	(3,260)
Write offs	-	-	-	-
Unwinding of discount	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	-	-	-	-
Balance at the end of the year	-	-	14,580	14,580

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

8 INVESTMENTS

8.1 Investments by type

	Note	2024 Cost / Amortised cost	2024 Credit loss allowance / Provision	2024 Surplus / (deficit)	2024 Carrying value
		Rupees in '000			
Debt Instruments					
Classified / Measured at amortised cost					
Federal Government securities		121,391,803	-	-	121,391,803
Classified / Measured at FVOCI					
Federal Government securities	8.5.1	131,780,766	(25,316)	1,362,316	133,117,766
Federal Government Shariah Compliant Securities	8.5.1	299,226,475	-	11,799,026	311,025,501
Non-Government Shariah Compliant Securities		32,808,817	(35,883)	357,473	33,130,407
Non Government debt securities		2,072,382	(922,926)	(28,810)	1,120,646
Foreign securities		15,420,105	(178,244)	86,101	15,327,962
		481,308,545	(1,162,369)	13,576,106	493,722,282
Classified / Measured at FVPL					
Federal Government securities	8.6.1	5,005,240	-	7,442	5,012,682
Non-Government Shariah Compliant Securities		50,000	-	-	50,000
Non Government debt securities		126,688	-	-	126,688
Foreign securities		915,419	-	(28,491)	886,928
		6,097,347	-	(21,049)	6,076,298
Instruments mandatorily classified / measured at FVPL					
Unlisted Preference Shares		695,647	-	(417,388)	278,259
Equity instruments					
Classified / Measured at FVPL Shares					
Listed companies					
Ordinary shares		167,845	-	67,621	235,466
Preference shares		-	-	-	-
Unlisted companies					
Ordinary shares		-	-	-	-
Foreign securities		-	-	-	-
Preference shares		-	-	-	-
		167,845	-	67,621	235,466
Classified / Measured at FVOCI (Non-Reclassifiable) Shares					
Listed companies					
Ordinary shares		2,876,959	-	1,953,491	4,830,450
Preference shares		136,589	-	24,151	160,740
Foreign securities		-	-	-	-
Unlisted companies					
Ordinary shares		11,265	-	-	11,265
Preference shares		386,306	-	(386,306)	-
Foreign securities		12,785	-	-	12,785
		3,423,904	-	1,591,336	5,015,240
Associates					
Omar Jibran Engineering Industries Limited		184,354	-	-	184,354
Shakarganj Food Products Limited		627,942	(627,942)	-	-
KASB Capital Limited		41,867	(41,867)	-	-
KASB Funds Limited		432,302	(432,302)	-	-
JS Motion Picture Fund		81,920	-	-	81,920
JS KPK Islamic Pension Fund - Equity Sub Fund		500	-	-	500
JS KPK Islamic Pension Fund -Equity Index Sub Fund		500	-	-	500
JS KPK Pension Fund - Equity Sub Fund		500	-	-	500
JS KPK Pension Fund -Equity Index Sub Fund		500	-	-	500
JS Cash Fund		1,550,942	-	-	1,550,942
JS KPK Islamic Pension Fund - MM Sub Fund		37,124	-	-	37,124
JS KPK Pension Fund - MM Sub Fund		37,274	-	-	37,274
JS KPK Islamic Pension Fund - Debt Sub Fund		500	-	-	500
JS KPK Pension Fund - Debt Sub Fund		500	-	-	500
JS Fund of Funds		423,005	-	-	423,005
Js Growth Fund		127,317	-	-	127,317
JS Fixed Term Munafa Plan-10		301,890	-	-	301,890
		3,848,937	(1,102,111)	-	2,746,826
Total Investments		616,934,028	(2,264,480)	14,796,626	629,466,174

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

	2023			
	Cost / Amortised cost	Credit loss allowance / Provision	Surplus / (deficit)	Carrying value
	-- Rupees in '000 --			
Held-for-trading securities				
Federal Government Securities				
Market Treasury Bills	47,974	-	(49)	47,925
Non Government Debt Securities				
Listed				
Term Finance Certificates	126,688	-	-	126,688
Shares				
Listed Companies				
Ordinary shares	550,760	-	17,974	568,734
Open End Mutual Funds	703,597	-	66,409	770,006
	1,429,019	-	84,334	1,513,353
Available-for-sale securities				
Federal Government Securities				
Market Treasury Bills	427,432	-	25	427,457
Pakistan Investment Bonds - Fixed	28,540,271	-	(1,124,212)	27,416,059
Pakistan Investment Bonds - Floater	110,030,211	-	1,001,079	111,031,290
Islamic Naya Pakistan Certificate	478,146	-	-	478,146
Government of Pakistan Eurobonds	1,853,745	(124,556)	(224,752)	1,504,437
Government of Pakistan Ijarah Sukuks	272,237,369	-	5,630,029	277,867,398
Shares				
Listed Companies				
Ordinary shares	2,545,088	-	1,614,519	4,159,607
Preference shares	136,589	(136,589)	-	-
Unlisted Companies				
Ordinary shares	602,944	(591,680)	-	11,264
Non Government Debt Securities				
Listed				
Term Finance Certificates	468,053	(218,053)	(15,412)	234,588
Sukuk Certificates	30,737,251	-	303,558	31,040,809
Unlisted				
Term Finance Certificates	683,150	(583,150)	-	100,000
Sukuk Certificates	5,823,697	(35,880)	(4,537)	5,783,280
Preference shares	27,733	(27,733)	-	-
Foreign Securities				
Government Debt Securities	18,554,551	(189,192)	(95,171)	18,270,188
Non Government Debt Securities	371,295	(52)	2,710	373,953
Ordinary shares	1,254,201	(1,155,350)	(14,258)	84,593
Open End Mutual Funds	153,920	-	310,750	464,670
	474,925,646	(3,062,235)	7,384,328	479,247,739
Held-to-maturity securities				
Federal Government Securities				
Market Treasury Bills	29,887,607	-	-	29,887,607
Pakistan Investment Bonds - Fixed	10,461,059	-	-	10,461,059
Pakistan Investment Bonds - Floater	61,797,508	-	-	61,797,508
Non Government Debt Securities				
Unlisted				
Term Finance Certificates	92,145	(92,145)	-	-
	102,238,319	(92,145)	-	102,146,174
Associates				
Omar Jibran Engineering Industries Limited	204,619	-	-	204,619
Veda Transit Solutions (Private) Limited	11,389	-	-	11,389
Shakarganj Food Products Limited	627,942	(627,942)	-	-
KASB Capital Limited	41,867	(41,867)	-	-
KASB Funds Limited	432,302	(432,302)	-	-
	1,318,119	(1,102,111)	-	216,008
Total Investments	579,911,103	(4,256,491)	7,468,662	583,123,274

8.1.1 Investments include certain approved / government securities which are held by the Bank to comply with the Statutory Liquidity Requirement determined on the basis of the Bank's demand and time liabilities as set out under section 29 of the Banking Companies Ordinance, 1962.

8.2 Investments by segment

	2024				2023			
	Cost / Amortised cost	Credit loss allowance / Provision	Surplus / (deficit)	Carrying value	Cost / Amortised cost	Credit loss allowance / Provision	Surplus / (deficit)	Carrying value
	Rupees in '000							
Federal Government Securities								
Market Treasury Bills	84,886,152	-	916,467	85,802,619	30,363,013	-	(24)	30,362,989
Pakistan Investment Bonds	172,107,830	-	465,437	172,573,267	210,829,049	-	(123,133)	210,705,916
Islamic Naya Pakistan Certifcates	883,141	-	-	883,141	478,146	-	-	478,146
Government of Pakistan Eurobonds	300,686	(25,316)	(12,146)	263,224	1,853,745	(124,556)	(224,752)	1,504,437
Federal Government Shariah Compliant Securities	299,226,475	-	11,799,026	311,025,501	272,237,369	-	5,630,029	277,867,398
	557,404,284	(25,316)	13,168,784	570,547,752	515,761,322	(124,556)	5,282,120	520,918,886
Shares								
Listed Companies	3,181,393	-	2,045,263	5,226,656	3,232,437	(136,589)	1,632,493	4,728,341
Unlisted Companies	397,571	-	(386,306)	11,265	602,944	(591,680)	-	11,264
	3,578,964	-	1,658,957	5,237,921	3,835,381	(728,269)	1,632,493	4,739,605
Mutual Funds	-	-	-	-	857,517	-	377,159	1,234,676
Non Government Debt Securities								
Listed Companies	922,957	(218,131)	(24,988)	679,838	31,331,992	(218,053)	288,146	31,402,085
Unlisted Companies	1,974,886	(704,795)	(421,186)	848,905	-	-	-	-
Listed Companies - Shariah compliant	30,532,621	-	346,979	30,879,600	-	-	-	-
Unlisted Companies - Shariah compliant	2,323,070	(35,883)	10,470	2,297,657	6,626,725	(738,908)	(4,537)	5,883,280
	35,753,534	(958,809)	(88,725)	34,706,000	37,958,717	(956,961)	283,609	37,285,365
Foreign Securities								
Government Debt Securities	14,113,358	(178,122)	72,691	14,007,927	18,554,551	(189,192)	(95,171)	18,270,188
Non Government Debt Securities	2,222,166	(122)	(15,081)	2,206,963	371,295	(52)	2,710	373,953
Equity securities	12,785	-	-	12,785	1,254,201	(1,155,350)	(14,258)	84,593
	16,348,309	(178,244)	57,610	16,227,675	20,180,047	(1,344,594)	(106,719)	18,728,734
Associates								
Omar Jibran Engineering Industries Limited	184,354	-	-	184,354	204,619	-	-	204,619
Veda Transit Solutions (Private) Limited	-	-	-	-	11,389	-	-	11,389
Shakarganj Food Products Limited	627,942	(627,942)	-	-	627,942	(627,942)	-	-
KASB Capital Limited	41,867	(41,867)	-	-	41,867	(41,867)	-	-
KASB Funds Limited	432,302	(432,302)	-	-	432,302	(432,302)	-	-
JS Motion Picture Fund	81,920	-	-	81,920	-	-	-	-
JS KPK Islamic Pension Fund - Equity Sub Fund	500	-	-	500	-	-	-	-
JS KPK Islamic Pension Fund -Equity Index Sub Fund	500	-	-	500	-	-	-	-
JS KPK Pension Fund - Equity Sub Fund	500	-	-	500	-	-	-	-
JS KPK Pension Fund -Equity Index Sub Fund	500	-	-	500	-	-	-	-
JS Cash Fund	1,550,942	-	-	1,550,942	-	-	-	-
JS KPK Islamic Pension Fund - MM Sub Fund	37,124	-	-	37,124	-	-	-	-
JS KPK Pension Fund - MM Sub Fund	37,274	-	-	37,274	-	-	-	-
JS KPK Islamic Pension Fund - Debt Sub Fund	500	-	-	500	-	-	-	-
JS KPK Pension Fund - Debt Sub Fund	500	-	-	500	-	-	-	-
JS Fund of Funds	423,005	-	-	423,005	-	-	-	-
Js Growth Fund	127,317	-	-	127,317	-	-	-	-
JS Fixed Term Munafa Plan-10	301,890	-	-	301,890	-	-	-	-
	3,848,937	(1,102,111)	-	2,746,826	1,318,119	(1,102,111)	-	216,008
Total Investments	616,934,028	(2,264,480)	14,796,626	629,466,174	579,911,103	(4,256,491)	7,468,662	583,123,274

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

	2024		2023	
	Cost	Market value	Cost	Market value
8.2.1 Investments given as collateral	Rupees in '000			
Available-for-sale securities				
Federal Government Securities:				
Market Treasury Bills	375,757	384,678	-	-
Government of Pakistan Ijarah Sukuks	57,565,700	57,565,700	35,314,000	36,278,840
	57,941,457	57,950,378	35,314,000	36,278,840

8.3 Particulars of credit loss allowance

8.3.1 Investments - exposure

	2024				
	Stage 1	Stage 2	Stage 3	Outstanding amount	Total
	Rupees in '000				
Opening balance	-	-	-	330,684,216	330,684,216
Impact of adoption of IFRS 9	327,198,311	1,853,745	1,495,571	(330,684,216)	(136,589)
Balance as at January 01 after adopting IFRS 9	327,198,311	1,853,745	1,495,571	-	330,547,627
New investments	175,893,176	472,628	-	-	176,365,804
Investments derecognised or repaid	(154,507,206)	(977,186)	(937,654)	-	(156,422,046)
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	(862,675)	-	862,675	-	-
	20,523,295	(504,558)	(74,979)	-	19,943,758
Amounts written off / charged Off	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	(325,878)	(575,873)	-	-	(901,751)
Closing balance	347,395,728	773,314	1,420,592	-	349,589,634

8.3.2 Investments - Credit loss allowance

	2024				
	Stage 1	Stage 2	Stage 3	Provision held	Total
	Rupees in '000				
Opening Balance	-	-	-	3,154,380	3,154,380
Impact of adoption of IFRS 9	3,395	124,557	1,146,146	(3,154,380)	(1,880,282)
Balance as at January 01 after adopting IFRS 9	3,395	124,557	1,146,146	-	1,274,098
New investments	148	178,063	-	-	178,211
Investments derecognised or repaid	(8)	(42,411)	(560,870)	-	(603,289)
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	(3,119)	-	3,119	-	-
	(2,979)	135,652	(557,751)	-	(425,078)
Charge for the year against provision for diminution	-	-	-	-	-
Reversal for the year against provision for diminution	-	-	-	-	-
Amounts written off / charged off	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	(152)	(55,352)	372,554	-	317,050
Exchange rate adjustments	(1)	(1,452)	(2,248)	-	(3,701)
Closing balance	263	203,405	958,701	-	1,162,369

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

8.4 Credit loss allowance / provision for diminution in value of investments	Note	2024	(Restated) 2023
		------- Rupees in '000 -------	
Opening balance - provision for diminution other than associates		**4,256,491**	953,410
Additional impact upon acquisition of Subsidiary		**-**	3,201,634
Opening balance - provision for diminution on associates		**-**	-
Impact of adoption of IFRS 9		**(1,880,282)**	-
Exchange rate adjustments		**(3,701)**	44,314
Charge for the year other than associates		**375,673**	90,432
Reversals for the year		**(483,701)**	(33,299)
	33	**(108,028)**	57,133
Closing balance		**2,264,480**	4,256,491

8.4.1 Particulars of credit loss allowance / provision against debt securities

Category of classification		2024 Outstanding amount	2024 Credit loss allowance held	2023 Outstanding amount	2023 Credit loss allowance / Provision held
		------------------ Rupees in '000 ------------------			
Domestic					
Performing	Stage 1	**332,448,251**	**108**	308,836,186	-
Under-performing	Stage 2	**-**	**-**	-	-
Non-performing	Stage 3				
Substandard		**-**	**-**	-	-
Doubtful		**862,675**	**388,204**	-	-
Loss		**557,917**	**570,497**	1,233,212	956,961
		1,420,592	**958,701**	1,233,212	956,961
Total		**333,868,843**	**958,809**	310,069,398	956,961
Overseas					
Performing	Stage 1	**14,947,477**	**155**	18,362,125	58
Under-performing	Stage 2	**773,314**	**203,405**	1,853,745	124,556
Non-performing	Stage 3				
Substandard		**-**	**-**	-	-
Doubtful		**-**	**-**	-	-
Loss		**-**	**-**	563,721	189,186
		-	**-**	563,721	189,186
Total		**15,720,791**	**203,560**	20,779,591	313,800

8.4.2 Debt securities amounting to Rs. 430,706.555 million relate to government securities that are exempt from the calculation of ECL by the SBP.

8.5 Quality of securities

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

8.5.1 Federal Government Securities - Government guaranteed	2024	(Restated) 2023
	Cost	
	------- Rupees in '000 -------	
Market Treasury Bills	**33,742,130**	**427,432**
Pakistan Investment Bonds	**97,737,950**	**138,570,482**
Government of Pakistan Eurobonds	**300,686**	**1,853,745**
Islamic Naya Pakistan Certificate	**-**	**478,146**
Government of Pakistan Ijarah Sukuks	**299,226,475**	**272,237,369**
	431,007,241	**413,567,174**

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

8.5.2 Shares

	2024	2023
	Cost	
	------- Rupees in '000 -------	
Listed Companies		
Ordinary Shares		
Paper, Board and Packaging	**70,493**	25,053
Oil and gas exploration companies	**453,006**	399,824
Leather and allied products	**46,470**	-
Technology and Communication	**567,564**	575,475
Power Generation and Distribution	**68,397**	-
Insurance	**897,864**	897,864
Fertilizer	**521,077**	287,377
Financial	**203,622**	329,813
Pharmaceutical	**48,466**	29,682
	2,876,959	2,545,088
Preference Shares		
Chemical	**48,236**	48,236
Textile composite	**88,353**	88,353
	136,589	136,589

	Break up value as at	2024		2023	
		Cost	Breakup Value	Cost	Breakup Value
		---------------- Rupees in '000 ----------------			
Unlisted companies - Ordinary shares					
ISE Towers REIT Management Limited	**Sept 30, 2024**	**11,000**	**25,956**	11,000	22,404
Pakistan Export Finance					
Guarantee Agency Limited	**June 30, 2010**	**-**	**-**	5,680	-
Riverstone Consultancy Private Limited	**June 30, 2021**	**-**	**-**	28,000	32,567
Mutual Funds Association of Pakistan	**N/A**	**265**	**-**	264	-
New Horizon Exploration					
and Production Limited	**Dec 31, 2014**	**-**	**-**	558,000	464,751
Apothecare Pvt. Limited	**N/A**	**74,724**	**-**	-	-
Augmentcare Pvt. Limited	**N/A**	**74,724**	**-**	-	-
Innovarge Technologies Pvt. Limited	**N/A**	**236,858**	**-**	-	-
		397,571	**25,956**	602,944	519,722

8.5.3 Non Government Debt Securities

	2024	2023
	Cost	
	------- Rupees in '000 -------	
Listed		
AAA	**200,090**	-
AA-	**375,000**	450,000
Unrated	**30,679,193**	30,755,304
	31,254,283	31,205,304
Unlisted		
AAA	**1,383,439**	2,408,996
AA-	**179,166**	160,500
A+, A	**440,000**	595,000
BB	**862,675**	1,109,153
Unrated	**761,636**	2,260,931
	3,626,916	6,534,580
	34,881,199	37,739,884

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

8.5.4 Foreign Securities

Government debt securities

	2024 Cost	2024 Rating	2023 Cost	2023 Rating
	---- Rupees in '000 ----		---- Rupees in '000 ----	
Republic of Sri Lanka	**472,628**	**CCC+**	563,721	C
State of Qatar	**410,474**	**AA**	-	
United Arab Emirates	**278,550**	**AA-**	-	
United States of America	**12,951,706**	**AA+**	17,990,830	AA+
	14,113,358		18,554,551	

Non Government debt securities

	2024	2023
	Cost	
Listed	----- Rupees in '000 -----	
AA	**833,455**	230,296
A	**417,881**	-
A-	**55,411**	140,999
	1,306,747	371,295

Equity securities

	2024	2023
Listed		
Bank of America	**-**	85,625

Foreign securities

	2024	2023
Society for Worldwide Interbank Financial Telecommunication (SWIFT)	**12,785**	13,226
Evolvence Capital Limited	**-**	1,155,350
	12,785	1,168,576

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

Details regarding quality of securities classified Under "Held to Collect" model are as follows:

8.6.1 Federal Government Securities - Government guaranteed

	2024	2023
	Cost	
	----- Rupees in '000 -----	
Market Treasury Bills	**48,740,508**	29,887,607
Pakistan Investment Bonds	**72,651,295**	72,258,567
	121,391,803	102,146,174

8.7 The market value of securities classified under HTC as at December 31, 2024 amounted to Rs. 121,590.686 million (2023: Rs. 100,310.906 million).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

8.8 Investment in associates

8.8.1 Movement of Investment in associates

	Country of incorporation	Holding (%)	2024 Investment at the beginning of the year	Reclassified during the year	Investment / (redemption) during the year	Share of loss	Dividend received	Share of other comprehensive income	Investment at the end of the year
			Rupees in '000						
Omar Jibran Engineering Industries Limited	Pakistan	9.60%	204,619	-	-	(20,265)	-	-	184,354
Veda Transit Solutions Private Limited	Pakistan	3.92%	11,389	-	-	(11,389)	-	-	-
JS Motion Picture Fund	Pakistan	100.00%	-	74,830	-	20,370	(13,280)	-	81,920
JS KPK Islamic Pension Fund - Equity Sub Fund	Pakistan	100.00%	-	500	-	-	-	-	500
JS KPK Islamic Pension Fund -Equity Index Sub Fund	Pakistan	100.00%	-	500	-	-	-	-	500
JS KPK Pension Fund - Equity Sub Fund	Pakistan	100.00%	-	500	-	-	-	-	500
JS KPK Pension Fund -Equity Index Sub Fund	Pakistan	100.00%	-	500	-	-	-	-	500
JS Islamic Income Fund	Pakistan	0.00%	-	190,833	(191,323)	490	-	-	-
JS MicroFinance Sector Fund	Pakistan	0.00%	-	15,303	(16,327)	1,024	-	-	-
JS Government Securities Fund	Pakistan	0.00%	-	78,285	(82,114)	3,886	(57)	-	-
JS Money Market Fund	Pakistan	0.00%	-	275,578	(277,495)	1,917	-	-	-
JS Cash Fund	Pakistan	6.83%	-	135,177	1,397,723	18,071	(29)	-	1,550,942
JS KPK Islamic Pension Fund - MM Sub Fund	Pakistan	41.76%	-	30,819	-	6,305	-	-	37,124
JS KPK Pension Fund - MM Sub Fund	Pakistan	74.97%	-	30,819	-	6,455	-	-	37,274
JS KPK Islamic Pension Fund - Debt Sub Fund	Pakistan	100.00%	-	500	-	-	-	-	500
JS KPK Pension Fund - Debt Sub Fund	Pakistan	100.00%	-	500	-	-	-	-	500
JS Islamic Pension Savings Fund Debt	Pakistan	0.00%	-	7,494	(7,983)	489	-	-	-
JS Islamic Pension Savings Fund MM	Pakistan	0.00%	-	603	(644)	41	-	-	-
JS Pension Savings Fund Debt	Pakistan	0.00%	-	386	(415)	29	-	-	-
JS Pension Savings Fund MM	Pakistan	0.00%	-	4,180	(4,491)	311	-	-	-
JS Fund of Funds	Pakistan	92.76%	-	387,369	(255,500)	291,136	-	-	423,005
Js Growth Fund	Pakistan	3.53%	-	-	121,481	5,836	-	-	127,317
Unit Trust of Pakistan	Pakistan	0.00%	-	-	(8,184)	8,184	-	-	-
Js Income Fund	Pakistan	0.00%	-	-	(73,551)	74,759	(1,208)	-	-
JS Fixed Term Munafa Plan-10	Pakistan	2.06%	-	-	300,000	1,890	-	-	301,890
			216,008	1,234,676	901,177	409,539	(14,574)	-	2,746,826

	Country of incorporation	Holding (%)	2023 Investment at the beginning of the year	Investment / (redemption) during the year	Share of loss	Dividend received	Share of other comprehensive income	Investment at the end of the year
			Rupees in '000					
Omar Jibran Engineering Industries Limited	Pakistan	9.60%	236,194	-	(31,575)	-		204,619
Veda Transit Solutions Private Limited	Pakistan	3.92%	40,457	-	(29,068)	-	-	11,389
			276,651	-	(60,643)	-	-	216,008

8.8.2 The investments in Funds under management of JSIL are classified as associates.

8.8.3 Summary of financial position and performance of associates

	As at	2024 Assets	2024 Liabilities	2024 Revenue	2024 Profit / (loss)	2023 Assets	2023 Liabilities	2023 Revenue	2023 Profit / (loss)
		Rupees in '000							
Omar Jibran Engineering Industries Limited	Jun 30, 2023	5,372,772	2,430,640	2,345,882	(145,624)	5,372,772	2,430,640	2,345,882	(145,624)
Veda Transit Solutions (Private) Limited	Jun 30, 2022	4,242,630	3,236,774	2,468,979	(80,262)	4,242,630	3,236,774	2,468,979	(80,262)
Shakarganj Food Products Limited	Sep 30, 2023	10,335,484	6,782,556	15,068,704	166,682	10,335,484	6,782,556	15,068,704	166,682
KASB Funds Limited	Dec 31, 2015	46,465	32,465	23,640	(66,241)	46,465	32,465	23,640	(66,241)
JS Motion Picture Fund	Dec 31, 2024	81,920	-	-	-	-	-	-	-
JS KPK Islamic Pension Fund - Equity Sub Fund	Dec 31, 2024	635	135	-	-	-	-	-	-
JS KPK Islamic Pension Fund -Equity Index Sub Fund	Dec 31, 2024	635	135	-	-	-	-	-	-
JS KPK Pension Fund - Equity Sub Fund	Dec 31, 2024	635	135	-	-	-	-	-	-
JS KPK Pension Fund -Equity Index Sub Fund	Dec 31, 2024	635	135	-	-	-	-	-	-
JS Cash Fund	Dec 31, 2024	22,760,510	52,689	1,857,180	1,720,809	-	-	-	-
JS KPK Islamic Pension Fund - MM Sub Fund	Dec 31, 2024	89,317	416	6,439	6,361	-	-	-	-
JS KPK Pension Fund - MM Sub Fund	Dec 31, 2024	50,124	407	4,059	4,004	-	-	-	-
JS KPK Islamic Pension Fund - Debt Sub Fund	Dec 31, 2024	635	135	-	-	-	-	-	-
JS KPK Pension Fund - Debt Sub Fund	Dec 31, 2024	635	135	-	-	-	-	-	-
JS Fund of Funds	Dec 31, 2024	458,909	2,902	208,765	204,121	-	-	-	-
Js Growth Fund	Dec 31, 2024	3,844,785	235,124	1,000,164	932,083	-	-	-	-
JS Fixed Term Munafa Plan-10	Dec 31, 2024	14,643,608	6,206	98,012	91,238	-	-	-	-
		USD in '000							
KASB Capital Limited	Dec 31, 2016	653	135	-	(34)	653	135	-	(34)

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

9. ADVANCES	Note	Performing 2024	Performing 2023	Non-Performing 2024	Non-Performing 2023	Total 2024	Total 2023
		---------- Rupees in '000 ----------					
Loans, cash credits, running finances, etc.	9.1	**217,306,072**	187,280,380	**25,872,505**	21,170,983	**243,178,577**	208,451,363
Bills discounted and purchased		**9,946,392**	11,025,154	**684,295**	684,295	**10,630,687**	11,709,449
Islamic financing and related assets	9.2	**301,683,052**	230,973,261	**19,037,947**	17,219,814	**320,720,999**	248,193,075
Advances - gross		**528,935,516**	429,278,795	**45,594,747**	39,075,092	**574,530,263**	468,353,887
Credit loss allowance / provision against advances							
- Stage 1		**(3,042,692)**	-	**-**	-	**(3,042,692)**	-
- Stage 2		**(960,812)**	-	**-**	-	**(960,812)**	-
- Stage 3	9.5	**-**	-	**(37,330,232)**	-	**(37,330,232)**	-
- Specific		**-**	-	**-**	(29,109,710)	**-**	(29,109,710)
- General		**-**	(4,768,909)	**-**	-	**-**	(4,768,909)
- Provision under IFRS 9 - Overseas		**-**	(21,894)	**-**	-	**-**	(21,894)
		(4,003,504)	(4,790,803)	**(37,330,232)**	(29,109,710)	**(41,333,736)**	(33,900,513)
Fair value adjustment	9.6.4 and 9.6.5	**(12,028,341)**	-	**-**	-	**(12,028,341)**	-
Fair value adjustment upon acquisition	1.4.3.5	**-**	(5,101,453)	**-**	-	**-**	(5,101,453)
Advances - net of credit loss allowance / provision		**512,903,671**	419,386,539	**8,264,515**	9,965,382	**521,168,186**	429,351,921

9.1 This includes particulars of net investment in finance lease as disclosed below

	2024				2023			
	Not later than one year	**Later than one and less than five years**	**Over five years**	**Total**	Not later than one year	Later than one and less than five years	Over five years	Total
	---------- Rupees in '000 ----------							
Lease rentals receivable	**2,558,332**	**1,716,467**	**-**	**4,274,799**	2,817,529	1,935,201	17,321	4,770,051
Residual value	**579,035**	**960,140**	**-**	**1,539,175**	650,172	993,678	17,305	1,661,155
Minimum lease payments	**3,137,367**	**2,676,607**	**-**	**5,813,974**	3,467,701	2,928,879	34,626	6,431,206
Finance charges for future periods	**(423,663)**	**(238,982)**	**-**	**(662,645)**	(536,150)	(487,044)	(3,926)	(1,027,120)
Present value of minimum lease payments	**2,713,704**	**2,437,625**	**-**	**5,151,329**	2,931,551	2,441,835	30,700	5,404,086

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

		Performing		Non-Performing		Total	
		2024	2023	**2024**	2023	**2024**	2023
9.2	**Islamic financing and related assets**	Rupees in '000					
	Running Musharakah	**77,460,146**	100,625,553	**1,444,955**	1,444,955	**78,905,101**	102,070,508
	Diminishing Musharakah financing and related assets - others	**57,762,978**	45,889,901	**5,863,442**	3,529,814	**63,626,420**	49,419,715
	Diminishing Musharakah - Housing	**20,731,082**	23,553,066	**2,120,603**	2,019,821	**22,851,685**	25,572,887
	Istisna financing and related assets	**27,767,369**	20,455,759	**3,663,174**	3,630,366	**31,430,543**	24,086,125
	Diminishing Musharakah financing and related assets - Auto	**16,734,243**	16,380,932	**642,621**	538,620	**17,376,864**	16,919,552
	Murabahah financing and related assets	**85,092,279**	16,073,181	**753,869**	397,002	**85,846,148**	16,470,183
	Musawamah financing and related assets / Tijarah	**7,894,372**	3,781,236	**3,945,758**	5,024,205	**11,840,130**	8,805,441
	Investment Agency Wakalah	**4,273,450**	2,730,590	**-**	-	**4,273,450**	2,730,590
	Murabahah against Bills	**285,574**	671,556	**192,062**	192,048	**477,636**	863,604
	Ijarah financing under IFAS 2 and related assets	**590,135**	288,755	**53,902**	161,958	**644,037**	450,713
	Financing against Bills	**2,694,138**	209,100	**-**	-	**2,694,138**	209,100
	Qardh-e-Hasana	**27,577**	48,226	**123,378**	121,025	**150,955**	169,251
	Musharakah financing	**-**	-	**160,000**	160,000	**160,000**	160,000
	Past Due Acceptance	**164,607**	155,972	**27,128**	-	**191,735**	155,972
	Net investment in Ijarah financing in Pakistan	**28,055**	85,343	**39,969**	-	**68,024**	85,343
	Housing finance portfolio - others	**-**	24,091	**7,086**	-	**7,086**	24,091
	Salam	**177,047**	-	**-**	-	**177,047**	-
	Islamic financing and related assets - gross	**301,683,052**	230,973,261	**19,037,947**	17,219,814	**320,720,999**	248,193,075
	Provision against islamic financing and related assets						
	Stage 1	**(2,793,600)**	-	**-**	-	**(2,793,600)**	-
	Stage 2	**(515,292)**	-	**-**	-	**(515,292)**	-
	Stage 3	**-**	-	**(17,076,658)**	-	**(17,076,658)**	-
	Specific	**-**	-	**-**	(13,837,297)	**-**	(13,837,297)
	General	**-**	(4,391,404)	**-**	-	**-**	(4,391,404)
		(3,308,892)	(4,391,404)	**(17,076,658)**	(13,837,297)	**(20,385,550)**	(18,228,701)
	Islamic financing and related assets - net of provision	**298,374,160**	226,581,857	**1,961,289**	3,382,517	**300,335,449**	229,964,374

9.3 Particulars of Advances (Gross)

	2024	2023
	----- Rupees in '000 -----	
In local currency	**558,426,848**	454,582,565
In foreign currencies	**16,103,415**	13,771,322
	574,530,263	468,353,887

9.3.1 Advances to Women, Women-owned and Managed Enterprises (Gross)

Women	**9,234,583**	238,658
Women Owned and Managed Enterprises	**6,695,432**	43,031
	15,930,015	281,689

9.3.2 Gross loans disbursed to women, women-owned and managed enterprises during the current and previous financial years

	2024	2023
	----- Rupees in '000 -----	
Women	**558,796**	665,495
Women Owned and Managed Enterprises	**9,423,393**	3,298,663
	9,982,189	3,964,158

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

9.4 Particulars of credit loss allowance

9.4.1 Advances - Exposure

	2024			
	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000			
Gross carrying amount - opening	377,803,746	51,475,049	39,075,092	468,353,887
New advances	265,741,574	13,611,930	2,148,754	281,502,258
Advances derecognised or repaid	(151,590,979)	(11,031,269)	(5,561,955)	(168,184,203)
Transfer to stage 1	16,933,204	(16,744,943)	(188,261)	-
Transfer to stage 2	(9,973,674)	12,579,651	(2,605,977)	-
Transfer to stage 3	(3,646,333)	(8,525,595)	12,171,928	-
	117,463,792	(10,110,226)	5,964,489	113,318,055
Amounts written off / charged off	-	-	(183,699)	(183,699)
Changes in risk parameters (PDs/LGDs/EADs)	(5,822,617)	(1,835,481)	738,865	(6,919,233)
Exchange adjustments	(37,882)	(865)	-	(38,747)
Gross carrying amount - closing	489,407,039	39,528,477	45,594,747	574,530,263

9.4.2 Advances - credit loss allowance

	2024					
	Stage 1	Stage 2	Stage 3	General Provision	Specific Provision	Total
	Rupees in '000					
Opening balance	-	-	-	4,790,803	29,109,710	33,900,513
Impact of adoption of IFRS 9	2,067,969	1,660,345	32,192,381	(4,790,803)	(29,109,710)	2,020,182
Balance as at January 01 after adopting IFRS 9	2,067,969	1,660,345	32,192,381	-	-	35,920,695
New Advances	1,164,078	75,882	1,069,606	-	-	2,309,566
Advances derecognised or repaid	(988,268)	(877,405)	(5,126,397)	-	-	(6,992,070)
Transfer to stage 1	495,506	(487,852)	(7,654)	-	-	-
Transfer to stage 2	(290,488)	1,631,542	(1,341,054)	-	-	-
Transfer to stage 3	(939,419)	(2,116,328)	3,055,747	-	-	-
	(558,591)	(1,774,161)	(2,349,752)	-	-	(4,682,504)
Amounts written off / charged off	-	-	(183,699)	-	-	(183,699)
Transfer in / (out)	(2,371)	-	147,781	-	-	145,410
Changes in risk parameters (PDs/LGDs/EADs)	1,535,912	1,074,605	7,523,521	-	-	10,134,038
Exchange adjustments	(227)	23	-	-	-	(204)
Closing balance	3,042,692	960,812	37,330,232	-	-	41,333,736

9.5

Advances include Rs. 45,594.747 million (2023: Rs. 39,075.092 million) which have been placed under non-performing / stage 3 status as detailed below:

	2024		2023	
Category of classification	Non-Performing Loans	Credit loss allowance	Non-Performing Loans	Provision
	Rupees in '000			
Domestic				
Other Assets Especially Mentioned (OAEM) *	633,357	71,555	757,584	2,154
Substandard	4,061,864	1,837,633	2,345,892	352,882
Doubtful	5,161,315	2,396,965	4,680,410	1,092,320
Loss	35,738,211	33,024,079	31,291,206	27,662,354
Total	45,594,747	37,330,232	39,075,092	29,109,710
Overseas	-	-	-	-

* The Other Assets Especially Mentioned category pertains to agriculture, housing and small enterprises financing.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

9.6 Particulars of credit loss allowance / provision against advances

		2024						2023			
	Note	Stage 1 and 2	Stage 3	Specific	General	Provision under IFRS 9 (Overseas)	Total	Specific	General	Provision under IFRS 9 (Overseas)	Total
		Rupees in '000									
Opening balance		-	-	29,109,710	4,768,909	21,894	33,900,513	7,210,740	200,614	11,500	7,422,854
Additional impact upon acquisition of subsidiary		-	-	-	-	-	-	17,593,812	3,242,903	-	20,836,715
Impact of adoption of IFRS 9		3,728,314	32,192,381	(29,109,710)	(4,768,909)	(21,894)	2,020,182	-	-	-	-
Balance as at January 01 after adopting IFRS 9		3,728,314	32,192,381	-	-	-	35,920,695	24,804,552	3,443,517	11,500	28,259,569
Exchange adjustments		(204)	-	-	-	-	(204)	-	-	2,856	2,856
Charge for the year		2,139,147	8,288,055	-	-	-	10,427,202	5,189,705	1,376,836	7,538	6,574,079
Reversal for the year	9.6.2	(1,861,382)	(3,114,286)	-	-	-	(4,975,668)	(829,895)	(51,444)	-	(881,339)
	33	277,765	5,173,769	-	-	-	5,451,534	4,359,810	1,325,392	7,538	5,692,740
Transfer in / (out)		(2,371)	147,781	-	-	-	145,410	-	-	-	-
Amounts written off	9.7	-	(90,400)	-	-	-	(90,400)	(54,652)	-	-	(54,652)
Amounts charged off - agricultural financing	9.7	-	(93,299)	-	-	-	(93,299)	-	-	-	-
Closing balance		4,003,504	37,330,232	-	-	-	41,333,736	29,109,710	4,768,909	21,894	33,900,513

9.6.1 Particulars of credit loss allowance / provision against non-performing advances

		2024			2023			
	Note	Stage 3	Stage 1 and Stage 2	Total	Specific	General	Provision under IFRS 9	Total
		Rupees in '000						
In local currency		3,811,001	37,330,232	41,141,233	29,109,710	4,768,909	-	33,878,619
In foreign currencies	9.6.5	192,503	-	192,503	-	-	21,894	21,894
		4,003,504	4,003,504	4,003,504	4,003,504	4,003,504	4,003,504	4,003,504

9.6.2 This includes reversal of provision of Rs. 406.907 million (2023: Nil) against reduction in non-performing loans of Rs. 2,189.151 million (2023: Rs. 2,997.401 million) of certain borrowers under 'Debt Property Swap' transactions.

9.6.3 The State Bank of Pakistan through various circulars has allowed benefit of the forced sale value (FSV) of Plant and Machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing loans (NPLs) for a maximum of five years from the date of classification. As at December 31, 2024, the Group has availed cumulative FSV benefit under the directives of the State Bank of Pakistan (SBP) of Rs. 2,841,257 million (2023: Rs. 4,857.792 million).

The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 1,306.978 million (2023: Rs 1,968.675 million). The additional impact on profitability arising from availing the benefit of FSV shall not be available for payment of cash or stock dividend to shareholders or bonus to employees under the requirement of Regulation R-8 of Corporate / Commercial Banking of the SBP.

9.6.4 This includes deferred fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). SBP through its letter dated August 01, 2024 has allowed staggering of such fair value impact over the period of 6 years at rates of 5%, 10%, 15%, 20%, 25%, and 25% from year 1 to year 6. Further, SBP vide BPRD Circular Letter No.16 of 2024 dated July 29, 2024 has allowed to take such fair value adjustment with effect from October 01, 2024.

9.6.5 This also includes fair valuation adjustment on modified loans and concessional rate loans (staff loans and TERF loans) considered in accordance with the requirements of IFRS 9.

		2024	2023
		-------- Rupees in '000 --------	
9.7	**Particulars of write offs:**		
9.7.1	Against credit loss allowance	183,699	54,652
	Directly charged to profit and loss account	-	-
		183,699	54,652
10.6.2	Write offs of Rs.500,000 and above		
	- Domestic	1,460	6,947
	- Overseas	-	-
	Write offs of below Rs.500,000	182,239	47,705
		183,699	54,652

9.8 Details of loan write off of Rs. 500,000 and above

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 the Statement in respect of written-off loans or any other financial relief of rupees five hundred thousand and above allowed to a person(s) during the year ended is given in Annexure-I to these consolidated financial statements. However, these write-offs do not affect the Group's right to recover debts from these customers.

		Note	2024	2023
10.	**PROPERTY AND EQUIPMENT**		----- Rupees in '000 -----	
	Capital work-in-progress	10.1	2,288,894	1,990,955
	Property and equipment	10.2	25,886,510	20,250,646
			28,175,404	22,241,601

10.1 Capital work-in-progress

	2024	2023
Civil works	367,513	326,636
Advance to supplier	502,884	311,448
Advance for acquiring properties and office premises	1,190,723	1,190,723
Equipment	227,774	162,148
	2,288,894	1,990,955

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

10.2 Property and equipment

	Note	Leasehold land	Building on leasehold land	Leasehold improvements	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Total
		2024						
		Rupees in '000						
At January 01, 2024								
Cost / Revalued amount		**4,601,622**	**8,273,484**	**2,727,159**	**5,601,098**	**11,373,193**	**502,680**	**33,079,236**
Accumulated depreciation		**-**	**(1,109,961)**	**(1,201,537)**	**(2,828,624)**	**(7,532,698)**	**(155,770)**	**(12,828,590)**
Net book value		**4,601,622**	**7,163,523**	**1,525,622**	**2,772,474**	**3,840,495**	**346,910**	**20,250,646**
Year ended December 2024								
Opening net book value		**4,601,622**	**7,163,523**	**1,525,622**	**2,772,474**	**3,840,495**	**346,910**	**20,250,646**
Additions		**-**	**2,090,750**	**723,730**	**2,268,670**	**2,577,960**	**338,818**	**7,999,928**
Movement in surplus on assets revalued during the year - net		**49,457**	**158,617**	**-**	**-**	**-**	**-**	**208,074**
Reversal of depreciation on revaluation	11.2.1	**-**	**637,420**	**-**	**-**	**-**	**-**	**637,420**
Disposals		**-**	**-**	**(16,314)**	**(25,492)**	**(33,053)**	**(45,321)**	**(120,180)**
Depreciation charge	29	**-**	**(492,338)**	**(267,014)**	**(570,546)**	**(1,671,578)**	**(79,472)**	**(3,080,948)**
Exchange rate adjustments		**-**	**-**	**(144)**	**(15)**	**9**	**(39)**	**(189)**
Other adjustments / transfers		**-**	**68**	**358**	**(44)**	**(255)**	**(8,368)**	**(8,241)**
Closing net book value		**4,651,079**	**9,558,040**	**1,966,238**	**4,445,047**	**4,713,578**	**552,528**	**25,886,510**
At December 31, 2024								
Cost / Revalued amount		**4,651,079**	**10,522,920**	**3,389,519**	**7,686,414**	**13,648,348**	**770,520**	**40,668,800**
Accumulated depreciation		**-**	**(964,880)**	**(1,423,281)**	**(3,241,367)**	**(8,934,770)**	**(217,992)**	**(14,782,290)**
Net book value		**4,651,079**	**9,558,040**	**1,966,238**	**4,445,047**	**4,713,578**	**552,528**	**25,886,510**
Rate of depreciation (%)		**-**	**1 - 5**	**10**	**5 - 20**	**12.5 - 33.3**	**20**	

	Leasehold land	Building on leasehold land	Leasehold improvements	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Total
	2023						
	Rupees in '000						
At January 01, 2023							
Cost / Revalued amount	1,728,122	3,305,685	2,351,631	1,114,238	4,717,951	209,883	13,427,510
Accumulated depreciation	-	(563,092)	(1,041,611)	(568,942)	(3,241,736)	(118,057)	(5,533,438)
Net book value	1,728,122	2,742,593	1,310,020	545,296	1,476,215	91,826	7,894,072
Year ended December 2023							
Opening net book value	1,728,122	2,742,593	1,310,020	545,296	1,476,215	91,826	7,894,072
Acquisition through business combination	3,278,500	4,056,191	-	1,540,376	1,271,011	50,058	10,196,136
Additions	-	617,158	278,036	1,160,625	2,097,362	257,983	4,411,164
Movement in surplus on assets revalued during the year - net	-	-	-	-	-	-	-
Disposals	(405,000)	(103,688)	(11,384)	(76,743)	(27,869)	(18,266)	(642,950)
Depreciation charge	-	(149,255)	(235,297)	(216,189)	(976,402)	(35,347)	(1,612,490)
Exchange rate adjustments	-	-	3,352	625	507	677	5,161
Other adjustments / transfers	-	524	180,895	(181,516)	(329)	(21)	(447)
Closing net book value	4,601,622	7,163,523	1,525,622	2,772,474	3,840,495	346,910	20,250,646
At December 31, 2023							
Cost / Revalued amount	4,601,622	8,273,484	2,727,159	5,601,098	11,373,193	502,680	33,079,236
Accumulated depreciation	-	(1,109,961)	(1,201,537)	(2,828,624)	(7,532,698)	(155,770)	(12,828,590)
Net book value	4,601,622	7,163,523	1,525,622	2,772,474	3,840,495	346,910	20,250,646
Rate of depreciation (%)	-	1 - 5	10	5 - 20	12.5 - 33.3	20	

10.2.1 This includes transfer from capital work-in-progress during the year amounting to Rs. 885.895 million (2023: Rs. 1,217.585 million) and transfers from non-banking assets acquired in satisfaction of claim amounting to Rs. 2,000.000 million (2023: Nil).

10.2.2 Cost of fully depreciated properties and equipment that are still in the Bank's use, as at December 31, 2024, amounted to Rs.10,489.007 million (2023: Rs.6,396.524 million).

10.2.3 The details of disposals of assets to related parties are given in Annexure-II to these consolidated financial statements.

10.2.4 The properties of Holding company were revalued by independent professional valuers as at December 31, 2024. The revaluation was carried out by M/s. Pakistan Inspection Co. (Pvt) Ltd. on the basis of professional assessment of present market values which resulted in increase in surplus by Rs. 845.494 million. The total surplus against revaluation of Property and equipment as at December 31, 2024 amounts to Rs. 2,202.331 million (2023: Rs. 1,393.824 million).

The total surplus against revaluation of property and equipment as at December 31, 2024 amounts to Rs. 2,232.350 million.

Had there been no revaluation, the carrying amount of revalued assets of the Group at December 31, would have been as follows:

	Note	**2024**	2023
		----- Rupees in '000 -----	
Leasehold land		**3,654,223**	3,888,412
Building on leasehold land		**5,617,759**	6,181,110
		9,271,982	10,069,522

11. RIGHT-OF-USE ASSETS

At January 1		
Cost	**14,799,906**	6,196,821
Accumulated Depreciation	**(8,951,626)**	(3,739,577)
Net Carrying amount at January 1, 2024	**5,848,280**	2,457,244
Additional impact upon acquisition of subsidiary	**-**	2,449,059
Additions during the year	**4,216,562**	2,554,992
Deletions during the year	**(298,252)**	(203,293)
Depreciation charge for the year	**(2,713,926)**	(1,419,084)
Exchange rate adjustments	**(216)**	5,685
Other adjustments	**26,129**	3,677
Net Carrying amount at December 31,	**7,078,577**	5,848,280

12. INTANGIBLE ASSETS

Capital work-in-progress - Computer software		**2,153,190**	815,848
Computer software	12.1	**4,236,584**	3,213,292
Goodwill	12.1, 12.3 and 12.4	**4,407,921**	4,407,921
Core Deposits Intangible on Acquisition		**1,396,646**	1,559,362
Others		**65,611**	63,987
		12,259,952	10,060,410

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

12.1 Intangible Assets

	Note	Computer software	Goodwill (note 12.3 and 12.4)	Core Deposits Intangible on acquisition (note 12.5)	Others	Total
		2024				
		Rupees in '000				
At January 01, 2024						
Cost		**5,227,415**	**4,407,921**	**1,627,160**	**94,851**	**11,357,347**
Accumulated amortisation		**(2,014,123)**	**-**	**(67,798)**	**(30,864)**	**(2,112,785)**
Net book value		**3,213,292**	**4,407,921**	**1,559,362**	**63,987**	**9,244,562**
Year ended December 2024						
Opening net book value		**3,213,292**	**4,407,921**	**1,559,362**	**63,987**	**9,244,562**
Additional impact upon acquisition of subsidiary		**-**	**-**	**-**	**-**	**-**
Additions - directly purchased	12.1.1	**1,651,089**	**-**	**-**	**33,600**	**1,684,689**
Disposals		**-**	**-**	**-**	**(17,574)**	**(17,574)**
Amortisation charge		**(626,046)**	**-**	**(162,716)**	**(14,402)**	**(803,164)**
Exchange rate adjustments		**(35)**	**-**	**-**	**-**	**(35)**
Other adjustments / transfers		**(1,716)**	**-**	**-**	**-**	**(1,716)**
Closing net book value		**4,236,584**	**4,407,921**	**1,396,646**	**65,611**	**10,106,762**
At December 31, 2024						
Cost		**6,878,634**	**4,407,921**	**1,627,160**	**110,877**	**13,024,592**
Accumulated amortisation and impairment		**(2,642,050)**	**-**	**(230,514)**	**(45,266)**	**(2,917,830)**
Net book value		**4,236,584**	**4,407,921**	**1,396,646**	**65,611**	**10,106,762**
Rate of amortisation (%)		**10 - 20**		**10**		
Useful life (years)		**10 - 20**		**10**		

	Computer software	Goodwill	Core Deposits Intangible on acquisition	Others	Total
	2023 (Restated)				
	Rupees in '000				
At January 1, 2023					
Cost	2,530,575	1,463,624	-	8,227	4,002,426
Accumulated amortisation	(931,294)	-	-	(3,227)	(934,521)
Net book value	1,599,281	1,463,624	-	5,000	3,067,905
Year ended December 2023					
Opening net book value	1,599,281	1,463,624	-	5,000	3,067,905
Additional impact upon acquisition of subsidiary	429,399	2,944,297	-	61,387	3,435,083
Core Deposit Intangible on acquisition date	-	-	1,627,160	-	1,627,160
Additions - directly purchased	1,529,174	-	-	(151)	1,529,023
Disposals	-	-	-	-	-
Amortisation charge	(343,525)	-	(67,798)	(2,249)	(413,572)
Exchange rate adjustments	866	-	-	-	866
Other adjustments / transfers	(1,903)	-	-	-	(1,903)
Closing net book value	3,213,292	4,407,921	1,559,362	63,987	9,244,562
At December 31, 2023					
Cost	5,227,415	4,407,921	1,627,160	94,851	11,357,347
Accumulated amortisation	(2,014,123)	-	(67,798)	(30,864)	(2,112,785)
Net book value	3,213,292	4,407,921	1,559,362	63,987	9,244,562
Rate of amortisation (%)	10 - 20		10		
Useful life (years)	10 - 20		10		

12.1.1 This includes transfer from capital work in progress during the year of Rs. 1,651.089 million (2023: Rs. 1,163.641 million).

12.2 The cost of fully amortised intangible assets that are still in the Group's use amounted to Rs. 1,025.103 million (2023: Rs. 940.543 million)

12.3 Goodwill is recorded by the Group upon the event fully disclosed in note 1.1. For impairment testing, goodwill has been allocated to 'Trading and Sales' Segment as a Cash Generating Unit (CGU), which is also a reportable segment.

Key assumptions used in calculation of value-in-use

The recoverable amount of the CGU has been determined based on value-in-use calculation, using cash flow projections based on business plan approved by the Board of Directors of the Bank covering a five year period, duly adjusted for changes based on latest forecasts. The discount rates applied to cash flows beyond five years are extrapolated using a terminal growth rate. The following rates are used by the Group:

	2024	2023
	----- Percentages -----	
- Discount rate	**14.97**	18.04
- Terminal growth rate	**12.00**	15.00

The calculation of value-in-use is most sensitive to following assumptions:

a) Interest margin

Interest margins are based on prevailing industry trends and anticipated market conditions.

b) Discount rates

Discount rate reflect management estimates of the rate of return required for each business and is calculated after taking into account the prevailing risk free rate, industry risk and business risk. Discount rate is calculated by using cost of equity of the holding company.

c) Key business assumptions

The assumptions are important as they represent management assessment of how the unit's position might change over the projected period. Based on the expansion plans, management expects aggressive growth in advances, investments and deposits during the projected periods and thereafter stabilisation in line with industry trends.

Management believes that any significant change in key assumptions, on which CGU's recoverable amount is based, may impact the carrying amount to further exceed its recoverable amount. Value-in-use calculation of the CGU are sensitive to changes in assumptions for interest rate spreads, Non Funded Income (NFI), long term growth rates and discount rates.

d) Sensitivity to changes in assumption

The estimated recoverable amount of the 'Trading and Sales' CGU exceeds its carrying amount by approximately Rs. 6,563.429 million (2023: Rs. 15,841.101 million). Management has identified two key assumptions for which there could be a reasonably possible change that could cause the carrying amount to exceed the recoverable amount. The following table shows the amount that these two assumptions are required to change individually in order for the estimated recoverable amount to be equal to the carrying amount.

	Changes required for carrying amount to equal recoverable amount	
	2024	2023
	----- Percentages -----	
- Discount rate	**0.41**	1.53
- Terminal growth rate	**-0.47**	-1.82

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

12.4 This includes goodwill recognised upon acquisition of defunct KASB Bank Limited Undertakings by BankIslami Pakistan Limited (BIPL) based on fair values of assets and liabilities. BIPL carried out Goodwill impairment testing as at December 31, 2024.

Key assumptions used in calculation of value-in-use

The recoverable amount of Goodwill has been determined based on value-in-use calculation, using cash flow projections based on financial projections approved by the management of BIPL covering a five year period. The discount rates applied to cash flows beyond five years are extrapolated using a terminal growth rate. The following rates are used by BIPL.

	2024	2023
	----- Percentages -----	
- Discount rate	**15.82**	20.66
- Terminal growth rate	**5.00**	5.00

The calculation of value-in-use is most sensitive to following assumptions:

a) Profit margins

Profit margins are based on prevailing industry trends and anticipated market conditions.

b) Discount rates

Discount rates reflect management estimates of the rate of return required for each business and are calculated after taking into account the prevailing risk free rate, industry risk and business risk. Discount rates are calculated by using cost of equity of BIPL.

c) Key business assumptions

The assumptions are important as they represent management assessment of how BIPL's financial position might change over the projected period. Based on the expansion plans, management expects aggressive growth in financing, investments and deposits during the projected periods and thereafter stabilization in line with industry trends.

Management believes that any significant change in key assumptions, on which Goodwill's recoverable amount is based, may impact the carrying amount to further exceed its recoverable amount. Value-in-use calculation of Goodwill are sensitive to changes in assumptions for profit rate spreads, Non-Funded Income (NFI), long term growth rates and discount rates.

d) Sensitivity to changes in assumption

The estimated recoverable amount of Goodwill exceeds its carrying amount by approximately Rs. 11,032.794 million. Management has identified two key assumptions for which there could be a reasonably possible change that could cause the carrying amount to exceed the recoverable amount. The following table shows the amount that these two assumptions are required to change individually in order for the estimated recoverable amount to be equal to the carrying amount.

	Changes required for carrying amount to equal recoverable amount	
	2024	2023
	----- Percentages -----	
- Discount rate	**5.18**	5.18
- Terminal growth rate	**-11.79**	-11.79

12.5 This represents core deposit intangible considered on acquisition of BIPL on August 18, 2023, as more detailed in note 1.4.3 to these consolidated financial statements.

13. OTHER ASSETS	Note	2024	(Restated) 2023
		----- Rupees in '000 -----	
Mark-up / return / interest / profit accrued in local currency		**32,044,168**	45,926,699
Mark-up / return / interest / profit accrued in foreign currencies		**125,569**	163,513
Advances, deposits, advance rent and other prepayments		**10,915,600**	5,224,714
Acceptances		**5,229,956**	6,589,632
Advance taxation (payments less provision)		**92,185**	-
Dividend receivable		**3,182**	5,552
Receivable against bancassurance / bancatakaful		**-**	332,672
Stationery and stamps on hand		**18,370**	21,290
Receivable in respect of home remittance		**20,357**	30,805
Due from State Bank of Pakistan		**1,200,456**	329,044
Fair value adjustment on advances		**3,049,801**	-
Non-banking assets acquired in satisfaction of claims	13.1	**6,565,986**	6,296,068
Mark to market gain on derivative instruments	24.2	**26,426**	-
Mark to market gain on forward foreign exchange contracts		**181,485**	1,642,158
Advance against investments in securities		**792,000**	1,178,306
Branchless banking fund settlement		**370,945**	202,425
Inter bank fund transfer settlement		**1,025,298**	1,079,395
Credit card settlement		**296,903**	498,755
Clearing and settlement accounts		**1,715,925**	-
Insurance claims receivable		**66,416**	27,302
Trade receivable from brokerage and advisory business - net		**2,442,753**	1,817,314
Balances due from funds under management		**251,204**	125,531
Others		**1,914,871**	1,197,153
		68,349,856	72,688,328
Less: Credit loss allowance / provision held against other assets	13.2	**(1,493,507)**	(1,362,792)
Other assets - net of credit loss allowance / provisions		**66,856,349**	71,325,536
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22.2	**552,355**	521,290
Other assets - total		**67,408,704**	71,846,826

13.1 Non banking assets acquired in satisfaction of claims

Market value of non-banking assets acquired in satisfaction of claims		**6,812,579**	6,511,596

13.1.1 Non-banking assets acquired in satisfaction of claims at market value

Opening balance		**6,511,596**	3,772,225
Additional impact upon acquisition of subsidiary		**-**	1,215,414
Additions	13.1.2	**2,300,000**	1,795,415
Revaluation		**33,182**	414,025
Disposal		**-**	(34,123)
Depreciation	30	**(37,939)**	(34,202)
Transfer to property and equipment		**(2,000,000)**	(617,158)
Others		**5,740**	-
		6,812,579	6,511,596

13.1.2 During the year, the Bank has acquired properties of Rs. 2,300.000 million (2023: Rs. 1,795.415 million) against debt swap transactions with borrowers resulting in reversal of provision of Rs. 406.907 million (2023: Nil) against reduction in non-performing loans of Rs. 2,189.151 million (2023: Rs. 2,997.401 million).

Notes to the Consolidated Financial Statements
For the year ended December 31, 2024

13.1.3 Non-banking assets acquired in satisfaction of claims of the Holding Company have been revalued by independent professional valuers as at December 31, 2024. The revaluation was carried out by M/s Pakistan Inspection Co. Private Limited. on the basis of professional assessment of present market values. The revaluation resulted in increse in revaluation surplus by Rs.31.272 million (2023: Rs. 413.119 million).

The properties of BIPL have been revalued by independent professional values as at December 31, 2024. The revaluation was carried out by Gandhara Consultants (Private) Limited, Harvester Services (Private) Limited and Sadruddin Associates (Private) Limited on the basis of professional assessment of present market values which resulted in an increase in surplus by Rs. 1.910 million.

	2024	2023
	----- Rupees in '000 -----	
13.2 Credit loss allowance / provision held against other assets		
Advances, deposits, advance rent and other prepayments	**61,026**	64,555
Trade receivable from brokerage and advisory business - net	**444,288**	430,225
Non-banking assets acquired in satisfaction of claims	**305,762**	305,762
Others	**682,431**	562,250
	1,493,507	1,362,792
13.2.1 Movement in credit loss allowance / provision held against other assets		
Opening balance	**1,362,792**	430,569
Additional impact upon acquisition of subsidiary	**-**	768,745
Impact of adoption of IFRS 9	**21,166**	-
Balance as at January 01 after adopting IFRS 9	**1,383,958**	1,199,314
Charge for the year	**177,716**	163,478
Reversal for the year	**(67,667)**	-
	110,049	163,478
Amount written off	**(500)**	-
Closing balance	**1,493,507**	1,362,792

14. BILLS PAYABLE

	2024	2023
In Pakistan	**21,538,732**	10,394,456
Outside Pakistan	**360,638**	399,442
	21,899,370	10,793,898

15. BORROWINGS

	Note	2024	(Restated) 2023
		----- Rupees in '000 -----	
Secured			
Borrowings from State Bank of Pakistan under:			
Export refinancing scheme	15.1	13,713,392	13,554,172
Long-term finance facility	15.2	2,391,966	2,972,509
Financing facility for storage of agricultural produce	15.3	209,921	176,993
Financing facility for renewable energy projects	15.4	1,674,570	1,797,675
Refinance for women entrepreneurs	15.5	248,243	179,462
Refinance facility for modernization of Small and Medium Enterprises (SMEs)	15.6	349,293	218,239
Refinance facility for combating COVID-19	15.7	191,327	232,749
Temporary Economic Refinance Facility (TERF)	15.8	10,922,250	12,461,501
Small enterprise financing and credit guarantee scheme for special persons	15.9	770	1,978
Refinance facility for working capital of SMEs	15.10	75,000	193,750
Refinance facility for SME Asaan Finance (SAAF) scheme	15.11	5,266,032	1,438,299
Acceptances from SBP under Mudaraba	15.12	21,096,917	30,694,154
Islamic Export Finance Scheme - Rupee based discounting	15.13	5,210,889	4,600,946
Acceptances under Islamic Export Refinance Scheme	15.14	1,053,000	3,554,100
Acceptances for financial assistance	15.15	4,827,290	4,413,497
Repurchase agreement borrowings		-	-
		67,230,860	76,490,024
Fair value adjustment on TERF borrowings		(2,639,656)	-
Borrowing from financial institutions:			
Repurchase agreement borrowings	15.16	384,547	-
Musharakah Acceptance	15.17	31,085,000	2,649,999
Refinancing facility for mortgage loans	15.18	1,929,971	2,987,901
Refinance facility for Islamic Mortgage	15.19	3,340,466	3,354,127
Running finance		-	-
		36,739,984	8,992,027
Total secured		101,331,188	85,482,051
Unsecured			
Call borrowings	15.20	700,000	-
Overdrawn nostro accounts		963,478	549,483
Musharakah Acceptance	15.17	11,350,000	2,000,000
Others		16,000	-
Total unsecured		13,029,478	2,549,483
Fair value adjustment upon acquisition	1.4.3	-	(3,112,188)
		114,360,666	84,919,346

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

15.1 The Holding Company has entered into agreement with the SBP for extending export finance to customers. These borrowings are repayable on a quarterly basis and have maturities upto June 2025. These carry mark-up rates ranging from 1.00% to 16.50% (2023: 1.00% to 18.00%) per annum.

15.2 These borrowings have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernization of their plant and machinery. These borrowings have maturities upto February 2033. These carry mark-up rates ranging from 2.00% to 11.00% (2023: 2.00% to 11.00%) per annum.

15.3 These borrowings have been obtained from the SBP under a scheme to provide financing facilities to encourage private sector to establish silos, warehouses and cold storages to enhance storage capacity and develop agricultural produce marketing. These carry mark-up rates ranging from 2.00% to 2.50% (2023: 2.00% to 2.50%) per annum and have maturities upto December 2028.

15.4 These borrowings have been obtained from the SBP for providing financing facilities to address challenges of energy shortage and climate change through promotion of renewable energy. These carry mark-up rainging from 2.00% (2023: 2.00%) per annum and have maturities upto December 2031.

15.5 These borrowings have been obtained from the SBP under a scheme to provide refinance for women entrepreneurs in the underserved areas of the country. These carry mark-up at 0.00% (2023: 0.00%) per annum and have maturities upto September 2029.

15.6 These borrowings have been obtained from the SBP under a scheme to finance modernization of Small and Medium Enterprises by providing financing facilities for setting up new units, purchase of new plant and machinery for Balancing, Modernization and Replacement (BMR) of existing units and financing for import / local purchase of new generators up to a maximum capacity of 500 KVA. These carry mark-up at rates of 2.00% (2023: 0.00%) per annum and have maturities upto March 2029.

15.7 These borrowings have been obtained from the SBP under a scheme to provide the emergency refinance facility to hospitals and medical centre to develop capacity for the treatment of COVID-19 patients. These carry mark-up at 0.00% (2023: 0.00%) per annum and have maturities upto July 2026.

15.8 These borrowings have been obtained from the SBP under a scheme to provide concessionary refinance for setting up of new industrial units in the backdrop of challenges being faced by industries post pandemic scenario. These carry mark-up at 1.00% (2023: 1.00%) per annum and have maturities upto August 2032.

15.9 These borrowings have been obtained from the SBP under a scheme to provide financing facilities to special persons to meet credit needs for setting up of new business enterprises or for expansion of existing ones. These carry mark-up at 0.00% (2023: 0.00%) per annum and have maturities upto June 2026.

15.10 These borrowings have been obtained from the SBP under a scheme to fulfill the working capital requirements of selective SME sectors. These carry mark-up at 2.00% (2023: 2.00%) per annum and have maturities upto April 2025.

15.11 These borrowings have been obtained from the SBP under a scheme to fulfill the financing requirements of SMEs. These carry mark-up at rates ranging from 1.00% to 3.00% (2023: 1.00% to 3.00%) per annum on a rollover basis.

15.12 This represents acceptance of funds by the Group on Mudarabah basis which has been invested in special pools of the Bank and are secured against lien of the Bank’s investment in Federal Government securities. The expected average return is 13.12% (2023: 22.14%) per annum.

15.13 These acceptances are on a profit and loss sharing basis and are secured against demand promissory notes executed in favor of SBP. A limit of Rs. 5,234 million (2023: 5,234 million) was allocated to the Bank by the SBP under Islamic Export Refinance Scheme - Rupee Based Discounting for the financial year ended December 31, 2024.

15.14 These acceptances are on a profit and loss sharing basis and are secured against demand promissory notes executed in favor of SBP. A limit of Rs. 3,952 million (2023: Rs. 3,952 million) was allocated to the Bank by the SBP under Islamic Export Refinance Scheme for the financial year ended December 31, 2024.

15.15 This represents Amortised cost of a 10 year financing facility of Rs. 5,000 million extended by SBP. The facility is secured against Federal Government securities. The 10 year facility was provided on the basis of Mudarabah to be remunerated at profit sharing ratio declared by the Bank on its remunerative current accounts on monthly basis. Accordingly, the profit amortization rate applied by the Bank in this respect is 0.01% per annum.

15.16 This repurchase agreement borrowing is secured by market treasury bills and carries a markup rate of 13.30% (2023: Nil) per annum, and is due to mature on January 2, 2025.

15.17 The expected profit rate on this agreement is 12.50% to 13.25% (2023: 21.25% to 21.75%) per annum and has maturity of 1 to 15 Days (2023: 4 to 14 Days).

15.18 The holding company has entered into an agreement with the Pakistan Mortgage Refinance Company Limited (PMRC) for extending housing finance facilities to the Bank's customers on the agreed terms and conditions. The borrowing carries mark-up rates ranging from 6.50% to 14.07% (2023: 6.50% to 11.67%) and have maturities upto June 2031.

15.19 The agreements are on a profit and loss sharing basis and are secured against housing finance portfolio. The profit rate on these agreements is ranging from 8.50% to 13.97% (2023: 8.5% to 13.97%) per annum.

15.20 This carries a mark up rate of 12.60% (2023: Nil) per annum and is due to mature on January 02, 2025.

15.21 Islamic finance facilties included above are mostly on profit and loss sharing basis and have been invested in general pool by BIPL and are secured against demand promissory notes executed in favor of State Bank of Pakistan (SBP).

15.22 Particulars of borrowings (with respect to currencies)

	2024	2023
	-------- Rupees in '000 --------	
In local currency	113,397,188	84,369,863
In foreign currencies	963,478	549,483
	114,360,666	84,919,346

16. DEPOSITS AND OTHER ACCOUNTS

	2024			2023		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	----------------------	----------------------	Rupees in '000	----------------------	----------------------	
Customers						
Current deposits	356,712,911	19,668,955	376,381,866	301,477,172	19,188,611	320,665,783
Savings deposits	300,536,324	11,461,574	311,997,898	239,067,032	10,197,248	249,264,280
Term deposits	280,672,496	62,827,696	343,500,192	328,171,818	53,754,279	381,926,097
Margin deposits	29,340,744	101,259	29,442,003	32,213,341	677,539	32,890,880
	967,262,475	94,059,484	1,061,321,959	900,929,363	83,817,677	984,747,040
Financial Institutions						
Current deposits	4,235,504	242,644	4,478,148	1,692,578	294,647	1,987,225
Savings deposits	13,791,990	6,375	13,798,365	16,619,049	525	16,619,574
Term deposits	2,227,651	-	2,227,651	4,465,509	-	4,465,509
Margin deposits	146	-	146	146	-	146
	20,255,291	249,019	20,504,310	22,777,282	295,172	23,072,454
	987,517,766	94,308,503	1,081,826,269	923,706,645	84,112,849	1,007,819,494

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

16.1 Composition of deposits	2024	2023
	-------- Rupees in '000 --------	
- Individuals	**404,948,917**	311,214,372
- Government (Federal and Provincial)	**82,454,852**	92,443,660
- Public Sector Entities	**23,717,101**	51,089,647
- Banking Companies	**1,118,235**	2,452,622
- Non-Banking Financial Institutions	**19,386,075**	20,619,832
- Private Sector	**550,201,089**	529,999,361
	1,081,826,269	1,007,819,494

16.2. Deposits include eligible deposits of Rs. 391,670.016 million (2023: Rs. 332,595.277 million) protected under Depositors Protection Mechanism introduced by State Bank of Pakistan.

17 LEASE LIABILITIES	Note	2024	2023
		-------- Rupees in '000 --------	
Outstanding amount as at January 01		**6,686,639**	2,795,197
Additional impact upon acquisition of subsidiary		**-**	2,917,378
Additions during the year		**4,216,562**	2,554,992
Lease payments including interest		**(4,023,522)**	(2,280,921)
Interest expense	26	**1,237,692**	953,739
Terminations		**(303,168)**	(267,772)
Exchange difference		**(208)**	5,516
Others		**31,195**	8,510
Outstanding amount as at December 31		**7,845,190**	6,686,639

17.1 Contractual maturity of lease liabilities

	2024	2023
Short-term lease liabilities - within one year	**525,631**	235,890
Long-term lease liabilities		
- 1 to 5 years	**6,305,860**	2,106,014
- 5 to 10 years	**1,013,699**	4,344,735
- More than 10 years	**-**	-
	7,319,559	6,450,749
Total lease liabilities	**7,845,190**	6,686,639

18. SUBORDINATED DEBT

	Note	2024	2023
Term Finance Certificates - Fifth Issue	18.1	**3,498,833**	3,499,767
Term Finance Certificates - Fourth Issue	18.2	**2,497,000**	2,498,000
Term Finance Certificates - Third Issue	18.3	**2,500,000**	2,500,000
ADT-1 Sukuk Issue I	18.4.1	**1,998,904**	1,998,904
ADT-1 Sukuk Issue II	18.4.2	**997,971**	848,000
		11,492,708	11,344,671

18.1 In 2023, the Holding Company issued Rs. 3.5 billion of rated, privately placed and listed, unsecured and subordinated term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66 of the Companies Act, 2017 and as outlined by State Bank of Pakistan, SBP, under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the issue are:

Purpose:	To contribute towards the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum and Articles of Association.
Issue amount	Rs. 3.5 billion
Issue date	August 30, 2023
Maturity date	August 30, 2033
Rating	AA- (Double A Minus)
Security	The Issue is unsecured
Profit payment frequency	Quarterly
Redemption	The instrument is structured to redeem 0.24% of the Issue amount during the first nine years after the issue date and the remaining Issue amount of 99.76% in four equal quarterly installments of 24.94% each in the last year.
Profit rate:	Floating rate of return at Base Rate + 2 percent per annum; Base rate is defined as the average three months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each three monthly period.
Subordination:	The Issue is subordinated all other indebtedness of the Bank including depositors, however, senior to the claims of investors in instruments eligible for inclusion in Tier I Capital
Call option:	Exercisable in part or in full on or after five years from the issue date, subject to SBP's approval.
Lock-in-clause:	Principal and profit will be payable subject to compliance with MCR or CAR or Leverage Ratio set by SBP.
Loss absorbency clause:	Upon the occurrence of a Point of Non-Viability (PONV) event as defined under SBP BPRD Circular No. 06 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of PONV as declared by SBP, subject to a cap of 924,772,179 shares.

18.2 In 2021, the Holding Company issued Rs. 2.5 billion of rated, privately placed and listed, unsecured and subordinated term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66 of the Companies Act, 2017 and as outlined by State Bank of Pakistan (SBP) under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the issue are:

Purpose:	To contribute towards the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum and Articles of Association.
Issue amount	Rs. 2.5 billion
Issue date	December 28, 2021
Maturity date	December 28, 2028

Notes to the Consolidated Financial Statements
For the year ended December 31, 2024

Rating	AA - (Double A Minus)
Security	The Issue is unsecured
Profit payment	Semi-annual
Redemption	The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
Profit rate	Floating rate of return at Base Rate + 2 percent per annum; Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each six monthly period.
Subordination	The Issue is subordinated all other indebtedness of the Bank including depositors, however, senior to the claims of investors in instruments eligible for inclusion in Tier I Capital
Call option	Exercisable in part or in full on or after the 10th redemption, subject to SBP's approval.
Lock-in-clause	Payment of profit will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set by SBP.
Loss absorbency clause	Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular No. 06 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP, subject to a cap of 400,647,739 shares.

18.3 In 2018, the Holding Company issued Rs. 2.5 billion of rated, privately placed, unsecured, subordinated, perpetual and non-cumulative term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66(1) of the Companies Act, 2017 and as outlined by the State Bank of Pakistan (SBP) under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose:	To contribute towards the Bank's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum and Articles of Association.
Issue amount	Rs. 2.5 billion
Issue date:	December 31, 2018
Maturity date:	Perpetual
Rating:	A + (Single A Plus)
Security:	The Issue is unsecured
Profit payment:	Semi-annually on a non-cumulative basis
Redemption:	Not applicable
Profit rate:	Floating rate of return at Base Rate + 2.25 percent per annum; Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each six monthly period.
Subordination:	The Issue is subordinated as to payment of Principal and profit to all other claims except common shares.
Call option:	Exercisable in part or in full at a par value on or after five years from the issue date, with prior approval of SBP. The Bank shall not exercise the call option unless the called instrument is replaced with capital of same or better quality.

Lock-in-clause:	Payment of profit will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set by SBP.
Loss absorbency clause:	
Pre-Specified Trigger (PST)	Upon the occurrence of a Pre-Specified Trigger as defined under SBP BPRD Circular No. 06 of 2013 dated August 15, 2013 which stipulates that if an issuer's Common Equity Tier 1 (CET 1) ratio falls to or below 6.625% of Risk Weighted Assets (RWA), the Issuer will have full discretion to determine the amount of TFCs to be permanently converted into common shares or written off, subject to SBP regulations / instructions, and the cap specified below. The Bank will be able to exercise this discretion subject to: - If and when Bank's CET 1 reaches the loss absorption trigger point, the aggregate amount of Additional Tier-1 capital to be converted must at least be the amount sufficient to immediately return the CET 1 ratio to above 6.625% of total RWA (if possible); - The converted amount should not exceed the amount needed to bring the CET 1 ratio to 8.5% of RWA (i.e. minimum CET 1 of 6.0% plus capital conservation buffer of 2.5%); and - In case, conversion of Additional Tier-1 capital Instrument is not possible following the trigger event, the amount of the Instrument must be written off in the accounts resulting in increase in CET 1 of the issuer.
Point of Non-Viability (PONV)	Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular No. 06 of 2013 dated August 15, 2013, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the Issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Issuer's common / ordinary share on the date of the PONV trigger event as declared by SBP, subject to the cap specified below: The PONV trigger event is the earlier of: - A decision made by SBP that a conversion or temporary / permanent write-off is necessary without which the Issuer would become non-viable; - The decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by SBP. - The maximum number of shares to be issued to TFC holders at the Pre-Specified Trigger and / or Point of Non Viability (or otherwise as directed by SBP) will be subject to a specified cap of 329,595,476 ordinary shares, or such other number as may be agreed to in consultation with SBP.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

18.4 BIPL has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of sukuks under Section 66 of the Companies Act, 2017 which qualify as Additional Tier I (ADT-1) Capital as outlined by State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

18.4.1 Salient features of the ADT-1 sukuk issue I are as follows:

Amount:	Rs. 2,000 million.
Issue date:	April 21, 2020
Tenure:	Perpetual (i.e. no fixed or final redemption date)
Rating:	PACRA has rated this Sukuk at 'A'
Expected Profit Rate	The Sukuk carries a profit at the rate of 3 Months KIBOR + 2.75%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank inline with SBP's guidelines of pool management.
Profit payment:	Profit shall be payable monthly in arrears, on a non-cumulative basis
Security	The Issue is unsecured
Call option	BIPL may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in-clause:	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause:	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

18.4.2 Salient features of the ADT-1 sukuk issue II are as follows:

Issued Amount	Rs. 1,000 million.
Issue date:	February 21, 2024
Tenure:	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 1 Month KIBOR + 2.5%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank inline with SBP's guidelines of pool management.
Call option	BIPL may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in-clause:	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause:	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

19. DEFERRED TAX LIABILITIES

	Note	At January 01, 2024	Impact of adoption of IFRS 9	Balance after adoption of IFRS 9	Recognised in profit and loss account	Recognised in OCI	At December 31, 2024
		2024					
		Rupees in '000					
Deductible Temporary Differences on:							
Credit loss allowance against investments		(48,192)	69,290	21,098	(29,798)	-	(8,700)
Credit loss allowance against advances		(1,542,762)	(1,050,495)	(2,593,257)	(1,256,209)	-	(3,849,466)
Credit loss allowance - Others		-	(83,998)	(83,998)	(829,690)	-	(913,688)
Fair value adjustment		-	(140,507)	(140,507)	42,222	-	(98,285)
Other assets		(230,253)	(4,508)	(234,761)	(630,679)	(2,834)	(868,274)
Accumulated tax losses		(45,805)	-	(45,805)	(62,055)	-	(107,860)
		(1,867,012)	(1,210,218)	(3,077,230)	(2,766,209)	(2,834)	(5,846,273)
Taxable Temporary Differences on:							
Surplus on revaluation of property and equipments	22	234,884	-	234,884	(153,254)	245,755	327,385
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	23,015	-	23,015	(1,106)	2,170	24,079
Surplus on revaluation of investments classified as measure at FVOCI	22	3,286,120	(251,626)	3,034,494	2,639	4,652,434	7,689,567
Surplus on revaluation of investments classified as measured at FVTPL		17,639	180,600	198,239	(143,530)	-	54,709
Accelerated tax depreciation		1,362,699	-	1,362,699	346,761	-	1,709,460
Goodwill		717,176	-	717,176	43,908	-	761,084
Fair value adjustment on amalgamation		(29,502)	-	(29,502)	(106,521)	-	(136,023)
Fair value adjustment upon acquisition		(3,065,477)	974,740	(2,090,737)	(41,086)	-	(2,131,823)
		2,546,554	903,714	3,450,268	(52,189)	4,900,359	8,298,438
		679,542	(306,504)	373,038	(2,818,398)	4,897,525	2,452,165

	Note	Balance as at January 01, 2023	Additional impact upon acquisition of subsidiary	Recognised in profit and loss account	Recognised in OCI	At December 31, 2023
		2023 (Restated)				
		Rupees in '000				
Deductible Temporary Differences on:						
Provision against investments		(70,212)	-	22,020	-	(48,192)
Provision against advances		(396,175)	-	(1,146,587)	-	(1,542,762)
Provision against other assets		(244,327)	-	46,220	(32,146)	(230,253)
Fair value adjustment upon acquisition		-	(3,339,948)	274,471	-	(3,065,477)
Fair value adjustment on amalgamation		-	-	(29,502)	-	(29,502)
Surplus on revaluation of investments classified as held-for-trading		130,722	-	(155,035)	-	(24,313)
Accumulated tax losses		-	-	(45,805)	-	(45,805)
		(579,992)	(3,339,948)	(1,034,218)	(32,146)	(4,986,304)
Taxable Temporary Differences on:						
Accelerated tax depreciation		182,284	-	1,180,415	-	1,362,699
Goodwill		629,358	-	87,818	-	717,176
Surplus on revaluation of property and equipment	22	327,796	-	(116,802)	23,890	234,884
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	343	-	(77)	22,749	23,015
Surplus on revaluation of investments classified as available-for-sale	22	(347,462)	-	-	3,675,534	3,328,072
		792,319	-	1,151,354	3,722,173	5,665,846
		212,327	(3,339,948)	117,136	3,690,027	679,542

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

20. OTHER LIABILITIES

	Note	2024	2023
		-------- Rupees in '000 --------	
Mark-up / return / interest / profit payable in local currency		**12,964,140**	14,380,731
Mark-up / return / interest / profit payable in foreign currencies		**685,994**	718,389
Unearned income on guarantees		**487,456**	398,300
Accrued expenses		**5,361,419**	3,913,117
Current taxation (payments less provision)		**-**	2,448,848
Acceptances		**5,229,956**	6,589,632
Unclaimed dividends		**12,446**	7,576
Mark to market loss on derivative instruments		**1,489**	16,437
Mark to market loss on forward foreign exchange contracts		**713,428**	1,923,277
Defined benefit obligation - net		**800,305**	562,132
Payable to defined contribution plan		**54,371**	44,798
Withholding taxes payable		**2,312,036**	1,199,621
Donation payable		**238,977**	209,514
Security deposits against leases, lockers and others		**1,989,062**	2,061,856
Workers' Welfare Fund	31	**1,879,900**	1,210,355
Payable in respect of home remittance		**313,579**	35,659
Retention money payable		**176,421**	121,883
Insurance payable		**383,072**	249,979
Payable to vendors against SBS goods		**159,103**	282,322
Debit card settlement		**374,348**	473,999
Clearing and settlement accounts		**-**	539,857
Trade payable from brokerage and advisory business - net		**4,512,756**	2,899,893
Dividend payable		**33,979**	206,472
Deferred Murabahah income financing and IERS		**643,923**	1,111,958
Sundry Creditors		**903,578**	1,595,515
Credit loss allowance against off-balance sheet obligations	20.1	**571,959**	85,975
Others		**1,566,509**	1,158,435
		42,370,206	44,446,530

20.1 Credit loss allowance against off-balance sheet obligations

	Note	2024	2023
Opening balance		**85,975**	85,975
Impact of adoption of IFRS 9		**149,877**	-
Balance as at January 01 after adopting IFRS 9		**235,852**	85,975
Transfer in		**2,371**	-
Exchange rate adjustments		**(28)**	-
Charge for the period / year		**348,495**	-
Reversals for the period / year		**(14,731)**	-
	33	**333,764**	-
Closing balance		**571,959**	85,975

20.1.1 Credit loss allowance against off-balance sheet obligations include ECL in respect of letter of credit, letter of guarantees and acceptances.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

21. SHARE CAPITAL

21.1 Authorised capital

21.1.1 Ordinary shares

2024	2023		2024	2023
----- Number of shares -----			----- Rupees in '000 -----	
3,850,000,000	3,850,000,000	Ordinary shares of Rs.10 each	**38,500,000**	38,500,000

21.1.2 Preference shares

2024	2023		2024	2023
150,000,000	150,000,000	Convertible preference shares of Rs.10 each	**1,500,000**	1,500,000

21.2 Issued, subscribed and paid-up capital

2024	2023		2024	2023
		Ordinary shares		
984,127,890	984,127,890	Fully paid in cash	**9,841,279**	9,841,279
1,066,534,646	1,066,534,646	Issued for consideration other than cash	**10,665,346**	10,665,346
2,050,662,536	2,050,662,536		**20,506,625**	20,506,625
-	-	Less: Discount on issue of shares	**-**	-
2,050,662,536	2,050,662,536		**20,506,625**	20,506,625

21.3 As at December 31, 2024, Jahangir Siddiqui & Co. Ltd. (the parent company) held 1,460,232,712 (2023: 1,460,232,712) ordinary shares of Rs.10 each i.e. 71.21% holding (2023: 71.21%).

21.4 During the year 2023, the Holding Company transferred discount on issue of shares amounting to Rs. 2,855.401 million to share premium account in accordance with section 81 of the Companies Act, 2017.

22. SURPLUS ON REVALUATION OF ASSETS

		2024			2023		
		Attributable to			Attributable to		
	Note	**Equity Holders**	**Non - Controlling Interest**	**Total**	Equity Holders	Non - Controlling Interest	Total
		----- Rupees in '000 -----					
Surplus / (deficit) on revaluation of:							
- Securities measured at FVOCI - debt	8.1	**10,656,704**	**3,025,036**	**13,681,740**	-	-	-
- Securities measured at FVOCI - equity	8.1	**1,199,538**	**(81,917)**	**1,117,621**	-	-	-
- Available-for-sale securities				**-**	5,495,518	1,520,755	7,016,273
- Property and equipment	22.1	**2,344,190**	**(111,840)**	**2,232,350**	1,745,704	(50,081)	1,695,623
- Non-banking assets acquired in satisfaction of claims	22.2	**551,755**	**600**	**552,355**	521,097	193	521,290
		14,752,187	**2,831,879**	**17,584,066**	7,762,319	1,470,867	9,233,186
Deferred tax on surplus / (deficit) on revaluation of:							
- Securities measured at FVOCI - debt		**(5,406,027)**	**(1,528,143)**	**(6,934,170)**	-	-	-
- Securities measured at FVOCI - equity		**(751,586)**	**(3,811)**	**(755,397)**	-	-	-
- Available-for-sale securities				**-**	(2,599,905)	(728,167)	(3,328,072)
- Property and equipment		**(432,206)**	**104,821**	**(327,385)**	(259,424)	24,540	(234,884)
- Non-banking assets acquired in satisfaction of claims		**(27,872)**	**3,793**	**(24,079)**	(22,918)	(97)	(23,015)
		(6,617,691)	**(1,423,340)**	**(8,041,031)**	(2,882,247)	(703,724)	(3,585,971)
		8,134,496	**1,408,539**	**9,543,035**	4,880,072	767,143	5,647,215

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

		Note	2024	2023
			-------- Rupees in '000 --------	
22.1	**Surplus on revaluation of property and equipment**			
	Surplus on revaluation of property and equipment as at January 01		**1,695,623**	2,002,175
	Recognised during the year		**845,494**	-
	Realised on disposal during the year		**-**	(107,428)
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year		**(308,767)**	(199,124)
	Surplus on revaluation of property and equipment as at December 31		**2,232,350**	1,695,623
	Less: related deferred tax liability on:			
	- revaluation as at January 01		**(234,885)**	(327,796)
	- effect of change in tax rate		**(108,967)**	(45,739)
	- revaluation recognised during the year		**(413,939)**	-
	- deferred tax liability derecognised during the year		**277,152**	-
	- surplus realised on disposal during the year		**-**	52,641
	- incremental depreciation charged during the year		**153,254**	86,010
			(327,385)	(234,884)
			1,904,965	1,460,739
22.2	**Surplus on revaluation of non-banking assets acquired in satisfaction of claims**			
	Surplus on revaluation as at January 01		**521,290**	107,426
	Recognised during the year		**33,182**	414,025
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year		**(2,117)**	(161)
	Surplus on revaluation as at December 31		**552,355**	521,290
	Less: Related deferred tax liability on:			
	- revaluation as at January 01		**(23,015)**	(343)
	- revaluation recognised during the year		**(17,292)**	(22,735)
	- deferred tax liability derecognised during the year		**18,505**	(15)
	- Effect of change in tax rate		**(3,383)**	-
	- Incremental depreciation charged during the year		**1,106**	78
			(24,079)	(23,015)
			528,276	498,275

23. CONTINGENCIES AND COMMITMENTS

	Note	2024	2023
Guarantees	23.1	**112,329,055**	78,331,902
Commitments	23.2	**598,559,028**	415,060,508
Other contingent liabilities	23.3	**508,708**	738,018
		711,396,791	494,130,428

23.1 Guarantees:

	2024	2023
Financial guarantees	**10,328,381**	8,025,132
Performance guarantees	**55,460,190**	37,928,885
Other guarantees	**46,540,484**	31,977,885
	112,329,055	77,931,902

		Note	2024	2023
			-------- Rupees in '000 --------	
23.2	**Commitments:**			
	Documentary credits and short-term trade-related transactions			
	- Letters of credit		**63,186,812**	66,757,307
	Commitments in respect of:			
	- Forward foreign exchange contracts	23.2.1	**238,740,942**	221,244,084
	- Derivative instruments	23.2.2	**42,185**	553,782
	- Forward government securities transactions	23.2.3	**14,991,654**	-
	- Forward lending	23.2.4	**280,305,359**	124,976,341
	Commitments for acquisition of:			
	- Property and equipment	23.2.5	**1,162,105**	1,281,398
	- Intangible assets	23.2.5	**129,971**	65,782
			598,559,028	414,878,694

23.2.1 Commitments in respect of forward foreign exchange contracts

	2024	2023
Purchase	**142,022,681**	125,569,086
Sale	**96,718,261**	95,674,998
	238,740,942	221,244,084

23.2.1.1 The Group utilises foreign exchange instruments to meet the needs of its customers and as part of its asset and liability management activity to hedge its own exposure to currency risk. At year ended, all foreign exchange contracts have a remaining maturity of less than one year.

		Note	2024	2023
			----- Rupees in '000 -----	
23.2.2	**Commitments in respect of derivative instruments**			
	Commitments in respect of forward securities			
	Sale		**42,185**	553,782
23.2.3	**Commitments in respect of forward government securities transactions**			
	Purchase		**14,991,654**	-
23.2.4	**Commitments in respect of forward lending**			
	Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.4.1	**280,305,359**	124,976,341

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

23.2.4.1 This represents commitments that are irrevocable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or expense.

This includes commitments to extend shariah compliant islamic financing 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.

23.2.5 This represents commitments related to purchase of leasehold improvements, furniture and fixtures, hardware & network equipments and electrical equipments and computer software.

		Note	2024	2023
			----- Rupees in '000 -----	
23.3	**Other contingent liabilities**	23.3.1	**508,708**	738,018

23.3.1 These mainly represent counter claims filed by borrowers for damages, claims by former employees of the Bank and other claims relating to banking transactions.

Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Group's favour.

23.3.2 Tax related contingencies are disclosed in notes 34.2 to 34.5.

24. DERIVATIVE INSTRUMENTS

Derivative instruments, such as Forward Exchange Contracts, Cross Currency Swaps and Options, are forward transactions that provide market making opportunities / hedge against the adverse movement of interest and exchange rates. Derivatives business also provides risk solutions for the existing and potential customers of the Group.

The Group has entered into a Cross Currency Swap transaction with its customer on back-to-back basis with an Authorized Derivative Dealer (ADD) without carrying any open position in its books. Specific approvals for the transactions have been granted by State Bank of Pakistan (SBP). Policies in line with SBP instructions have been formulated and are operative.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

24.1 Product Analysis

	2024							
	Cross currency swaps		Options and Accumulators		Forward securities		Total	
	Notional principal	Mark to market	Notional principal	Mark to market	Notional principal	Mark to market	Notional principal	Mark to market
	---------- Rupees in '000 ----------							
With Banks for								
Hedging	-	-	-	-	-	-	-	-
Market making	-	-	-	-	42,185	1,489	42,185	1,489
	-	-	-	-	42,185	1,489	42,185	1,489
With FIs other than banks								
Hedging	-	-	-	-	-	-	-	-
Market making	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total								
Hedging	-	-	-	-	-	-	-	-
Market making	-	-	-	-	42,185	1,489	42,185	1,489
	-	-	-	-	42,185	1,489	42,185	1,489

	2023							
	Cross currency swaps		Options and Accumulators		Forward securities		Total	
	Notional principal	Mark to market	Notional principal	Mark to market	Notional principal	Mark to market	Notional principal	Mark to market
	---------- Rupees in '000 ----------							
With Banks for								
Hedging	-	-	-	-	-	-	-	-
Market making	-	-	-	-	553,782	(16,437)	553,782	(16,437)
	-	-	-	-	553,782	(16,437)	553,782	(16,437)
With FIs other than banks								
Hedging	-	-	-	-	-	-	-	-
Market making	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total								
Hedging	-	-	-	-	-	-	-	-
Market making	-	-	-	-	553,782	(16,437)	553,782	(16,437)
	-	-	-	-	553,782	(16,437)	553,782	(16,437)

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

24.2 Maturity Analysis

Remaining maturity of contracts	2024				
	Number of contracts	Notional principal	Mark to market		
			Positive	Negative	Net
	Rupees in '000				
Upto 1 month	**20**	**42,185**	**-**	**1,489**	**1,489**
1 to 3 months	**-**	**-**	**-**	**-**	**-**
3 to 6 months	**-**	**-**	**-**	**-**	**-**
6 months to 1 year	**-**	**-**	**-**	**-**	**-**
1 to 2 years	**-**	**-**	**-**	**-**	**-**
	20	**42,185**	**-**	**1,489**	**1,489**

Remaining maturity of contracts	2023				
	Number of contracts	Notional principal	Mark to market		
			Positive	Negative	Net
	Rupees in '000				
Upto 1 month	35	553,782	-	(16,437)	(16,437)
1 to 3 months	-	-	-	-	-
3 to 6 months	-	-	-	-	-
6 months to 1 year	-	-	-	-	-
1 to 2 years	-	-	-	-	-
	35	553,782	-	(16,437)	(16,437)

25. MARK-UP / RETURN / INTEREST / PROFIT EARNED

	Note	2024	2023
		----- Rupees in '000 -----	
Loans and advances		**76,609,982**	55,043,314
Investments		**137,968,261**	72,233,626
Lendings to financial institutions		**4,748,414**	1,413,772
Balances with banks		**1,744,849**	450,296
Securities purchased under resale agreements		**381,673**	2,868,858
		221,453,179	132,009,866

25.1 Interest income recognised on:

Financial assets measured at amortised cost	**33,488,190**	-
Financial assets measured at FVOCI	**111,311,676**	-
Financial assets measured at FVPL	**2,209,608**	-
Financial assets measured at cost	**74,443,705**	-
	221,453,179	-

26. MARK-UP / RETURN / INTEREST / PROFIT EXPENSED

	Note	2024	2023
Deposits		**114,029,959**	72,022,709
Borrowings		**24,951,126**	15,537,680
Subordinated debt		**2,587,954**	2,049,005
Cost of foreign currency swaps against foreign currency deposits / borrowings		**4,681,554**	1,931,952
Finance charges on leased assets	17	**1,237,692**	953,739
		147,488,285	92,495,085

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

27. FEE AND COMMISSION INCOME

	Note	2024	2023
		----- Rupees in '000 -----	
Branch banking customer fees		**252,248**	152,606
Finance related fees		**623,006**	525,566
Card related fees (debit and credit cards)		**2,512,600**	979,726
Investment banking fees		**166,037**	138,916
Commission on trade		**1,624,910**	1,413,438
Commission on guarantees		**746,407**	683,184
Commission on cash management		**63,514**	48,597
Commission on remittances including home remittances		**383,605**	136,637
Commission on bancassurance		**146,927**	91,953
Commission on distribution of mutual funds		**6,452**	2,214
Commission on online services		**190,264**	242,821
Rebate income		**496,305**	477,226
Brokerage income		**1,235,834**	737,847
Management fee		**534,431**	296,816
		8,982,540	5,927,547

28. GAIN / (LOSS) ON SECURITIES - NET

	Note	2024	2023
Realised	28.1	**1,866,292**	300,448
Unrealised - measured at FVPL		**(370,816)**	84,334
		1,495,476	384,782

28.1 Realised gain / (loss) on:

	2024	2023
Federal government securities	**1,699,870**	188,584
Shares - Listed companies	**268,042**	122,200
Non Government Debt Securities	**52,442**	9,636
Mutual fund units	**4,620**	(23,200)
Foreign securities	**(158,682)**	3,228
	1,866,292	300,448

29. OTHER INCOME

	2024	2023
Rent on property	**36,762**	27,648
Gain on sale of property and equipment - net	**61,525**	86,241
Gain on termination of leases - net	**4,915**	64,479
Gain on termination of islamic financing	**100,897**	72,487
Recoveries against charge off loans	**27,275**	-
Gain on reclassification of AFS equity shares	**-**	332,658
Scrap sales	**2,940**	-
Liabilities no longer required written back	**1,590**	-
Others	**52,933**	21,498
	288,837	605,011

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

30. OPERATING EXPENSES	Note	2024	2023
		----- Rupees in '000 -----	
Total compensation expense	30.1	**20,868,182**	12,034,055
Property expense			
Rent and taxes		**119,657**	97,558
Insurance		**6,924**	1,553
Utilities cost		**2,335,723**	1,230,693
Security (including guards)		**1,490,295**	655,860
Repair and maintenance (including janitorial charges)		**1,132,917**	529,414
Depreciation		**1,120,163**	496,019
Depreciation on right-of-use assets	11	**2,713,926**	1,419,084
Depreciation on non-banking assets	13.1.1	**37,939**	34,074
		8,957,544	4,464,255
Information technology expenses			
Software maintenance		**2,552,146**	1,961,838
Hardware maintenance		**859,806**	417,243
Depreciation		**1,021,639**	608,161
Amortisation	12.1	**626,046**	411,323
Network charges		**718,368**	382,830
		5,778,005	3,781,395
Other operating expenses			
Directors' fees and allowances		**13,300**	13,450
Fees and allowances to Shariah Board		**34,292**	11,148
Legal and professional charges		**610,303**	433,892
Insurance		**889,577**	417,253
Outsourced services costs	30.6	**403,143**	331,337
Travelling and conveyance		**630,364**	388,931
NIFT clearing charges		**129,827**	72,744
Depreciation		**939,146**	508,310
Amortisation	12.1	**177,118**	2,249
Training and development		**118,808**	89,345
Postage and courier charges		**212,664**	127,658
Communication		**992,030**	541,092
Stationery and printing		**942,378**	610,129
Marketing, advertisement and publicity		**2,967,791**	2,526,444
Donations	30.2	**331,875**	180,742
Auditor's remuneration	30.3	**74,565**	49,900
Staff auto fuel and maintenance		**1,223,598**	626,363
Bank charges		**92,370**	93,886
Stamp duty		**97,335**	112,087
Online verification charges		**107,790**	136,242
Brokerage, fee and commission		**90,580**	163,651
Card related fees (debit and credit cards)		**1,722,918**	1,303,495
CDC and other charges		**93,834**	73,301
Consultancy fee		**122,270**	108,589
Deposit protection premium		**205,191**	189,394
Entertainment expenses		**440,373**	247,142
Repair and maintenance		**388,656**	356,548
Cash handling charges		**409,377**	256,090
Fee and subscription		**1,018,408**	500,596
Employees social security		**13,035**	11,601
Generator fuel and maintenance		**216,518**	214,148
Royalty	30.4	**43,000**	35,000
Others		**291,206**	136,107
		16,043,640	10,868,864
		51,647,371	31,148,569
Less: Reimbursement of selling and distribution expenses	30.5	**(297,118)**	(178,914)
		51,350,253	30,969,655

30.1 Total compensation expense

	Note	2024	2023
		----- Rupees in '000 -----	
Fees and Allowances etc.			
Managerial Remuneration:		**226,017**	228,420
i) Fixed			
ii) Variable of which;	38.9.1	**11,293,088**	6,681,462
a) Cash Bonus / Awards etc.			
b) Commission		**1,914,946**	1,710,300
Charge for defined benefit plan - Holding Company		**881,458**	464,941
Charge for defined benefit plan - Others		**157,116**	111,970
Contribution to defined contribution plan		**305,706**	78,037
Rent & house maintenance allowance		**685,788**	418,068
Utilities allowance		**1,443,082**	524,340
Leaving indemnity		**320,679**	116,524
Medical		**14,877**	14,075
Conveyance		**1,018,067**	615,935
Insurance Staff		**1,253,412**	744,556
Contract staff cost		**362,113**	147,702
Fair value adjustment due to IFRS 9		**409,499**	130,317
Others		**543,956**	-
		23,548	35,290
		20,853,352	12,021,937
Sign-on bonus		**7,500**	-
Severance allowance		**7,330**	12,118
		20,868,182	12,034,055

	2024	2023
	No. of Persons	
Sign-on bonus	**1**	-
Severance allowance	**28**	23

30.2 This represents amount set aside as donation out of Group's profits in accordance with the respective approved policies. During the year 2024, the Holding Company paid an amount of Rs. 169.813 million to Future Trust and Rs. 0.5 million to JDC Welfare Foundation of Pakistan, out of the amount set aside for the year 2023.

30.3 Auditor's remuneration

	2024			2023		
	Pakistan	**Bahrain**	**Total**	Pakistan	Bahrain	Total
	----- Rupees in '000 -----					
Audit fee - Pakistan	**22,649**	**3,888**	**26,537**	7,985	3,737	11,722
Half-yearly review	**5,989**	**-**	**5,989**	3,190	-	3,190
Fee for other statutory certifications	**6,433**	**-**	**6,433**	5,079	-	5,079
Special certification and sundry advisory services	**23,074**	**2,259**	**25,333**	21,720	2,213	23,933
Out of pocket expenses and sales tax on services	**9,571**	**702**	**10,273**	5,306	670	5,976
	67,716	**6,849**	**74,565**	43,280	6,620	49,900

30.4 Royalty represents amounts payable to Mr. Jahangir Siddiqui on account of use of name in the subsidiary of the Bank.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

30.5 As per circular 11/2019 dated July 05, 2019 of SECP, that superseded Circular No. 40 of 2016, Circular No. 05, of 2017 and Circular No. 05, of 2018. In this circular, selling and marketing expenses are allowed to be charged on all categories of open ended mutual funds managed by the asset management company except for Fund of Funds.

30.6 The material outsourcing arrangements by the Holding Company along with nature of services are as follows:

Name of Service Provider	Type of services	2024	2023
		----- Rupees in '000 -----	
Mustang HRMs (Private) Ltd.	Human Resource Management Services	**262,607**	192,541
Dagia Innovative Warehousing	Record Management Services	**11,033**	9,101
Constellation Printing Company (Private) Ltd.	Cheque book Printing Services	**55,462**	48,740
Security Organization System (Private) Ltd.	Cash Sorting Services	**30,127**	39,150
		359,229	289,532

31. WORKERS' WELFARE FUND

The Group has made provision for Workers' Welfare Fund (WWF) based on profit for the respective years.

32. OTHER CHARGES

	Note	2024	2023
		----- Rupees in '000 -----	
Penalties imposed by State Bank of Pakistan		**134,606**	81,477

33. CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET

	Note	2024	(Restated) 2023
		----- Rupees in '000 -----	
Credit loss allowance / (reversal of provision) against lending to financial institutions		**(3,260)**	(1,620)
(Reversal of credit loss allowance) / provision for diminution in value of investments	8.4	**(108,028)**	57,133
Credit loss allowance / provision against loans and advances	9.6	**5,451,534**	5,692,740
(Reversal) / credit loss allowance against balances with other banks		**(3,658)**	29
Credit loss allowance against cash and balances with treasury banks		**1,043**	-
Credit loss allowance against off-balance sheet obligations	20.1	**333,764**	-
Modification loss		**85,614**	-
Fair value loss recognised		**1,488,388**	90,988
Other provisions and write offs		**168,843**	180,989
		7,414,240	6,020,259

34. TAXATION

	2024	2023
Current	**18,845,867**	8,262,300
Prior years	**1,291,624**	(77,939)
Deferred	**(2,818,398)**	117,136
	17,319,093	8,301,497

34.1 Relationship between income tax expense and accounting profit

	2024	2023
	----- Rupees in '000 -----	
Profit before taxation	**30,679,165**	18,678,328
Tax at applicable rates in the Group	**17,370,188**	8,353,562
Effect of change in tax rates	**(260,949)**	64,396
Prior year charge	**1,291,624**	-
Deferred tax on disallowances	**(1,215,900)**	-
Effect of permanent differences	**156,105**	(89,190)
Additional charge	**18,238**	-
Others	**(40,213)**	(27,271)
Tax charge for the year	**17,319,093**	8,301,497

34.2 JS Bank Limited (the Bank)

34.2.1 Income Tax

The Bank has filed income tax returns under Section 114 of the Income Tax Ordinance, 2001 for the tax years 2007 through 2024. The returns so filed considered as deemed assessment order under Section 120(1) of the Income Tax Ordinance, 2001 (the Ordinance). Later, the return of income for tax years 2008 to 2024 were amended by the Officers of Inland Revenue (OIR) by taking recourse of tax audit or alternatively through amendment the assessment contending that certain matters in the deemed assessments were allegedly not conforming to the law and prejudiced the interest of revenue.

The Bank contested the disallowances before the Commissioner Inland Revenue Appeals [CIR(A)] and the Appellate Tribunal Inland Revenue [ATIR].

For tax year 2008, both the CIR(A) and ATIR annulled the OIR's action of amending the assessment being barred by time limitation following the judgments of Honorable Supreme Court of Pakistan.

For tax years 2009 to 2017, the appeals were decided by ATIR through combined Appellate Order dated 31-01-2022. Though the AO, except for the levy of surcharge under section 4A, minimum tax under section 113 and deduction of Sindh WWF all of the issues involved in the appeal either decided in Bank's favor (including the issue of goodwill, amortization of which was claimed over the period of 10 years) or set-aside for re-examination by the ATIR.

The Bank as well as the tax department have filed Income Tax Reference Applications before Sindh High Court against above-mentioned order of ATIR, which are pending.

Bank's appeal for tax years 2018 to 2020 and 2022 are pending for adjudication before ATIR.

In respect of WWF, the Supreme Court of Pakistan has held in Judgement, PLD 2017 SC 28, that the amendments made in the WWF Ordinance through Finance Act, 2006 and 2008 were illegal and without lawful authority i.e. the banks do not fall into definition of Industrial Undertaking and thus, not liable to pay WWF. Based on that, the Appellate Tribunal through combined Appellate order dated January 31, 2022 has also annulled the OIR's action of levying WWF on Bank under Worker's Welfare Fund Ordinance, 1971 in tax years 2009, 2012 and 2013.

As a consequence of the 18th amendment to the Constitution, levy for the WWF was introduced by the Government of Sindh, Punjab and Balochistan through the Sindh WWF Act, 2014 (the Act), the Punjab Workers Welfare Fund Act, 2019 and the Balochistan Workers Welfare Fund Act, 2022, respectively. As per these Acts, the Bank is liable to pay WWF in these provinces. However, in this respect:

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

- the Bank has challenged the issue of jurisdiction claimed by Sindh Revenue Board before the Honorable High Court of Sindh (SHC) on grounds that banking companies cannot be considered as industrial establishment and that the Act cannot be applied to trans-provincial entities. The Court has restrained the Sindh Revenue Board to collect / recover Sindh WWF. For TY 2018 to TY 2023 the Court granted stay from recovery of Sindh WWF upon submission of Bank Guarantee to Nazir of Court.

- the Bank has also received notices regarding the recovery of Balochistan WWF for which the Bank is in discussion with legal counsel to challenge in the court of law on same grounds as in case of Sindh WWF.

In 2018, Based on decision of the Supreme Court of Pakistan, the Bank had reassessed the provision of WWF which was previously held on the entire operating results of the Bank (including all provinces, part of Pakistan, AJK and Bahrain Operations) and maintained WWF only to the extent of its operations within Sindh Province till 2019. In 2020 after promulgation of Punjab WWF, the Bank has again decided prudently to maintain provision on the entire results of the Bank.

The Sindh High Court has dismissed the Bank's petitions for tax years 2016 through 2022 wherein the Bank along with other taxpayers challenged the levy of super tax on constitutional grounds. Based on the opinion of legal counsel, the Bank has file appeal before the Supreme Court against the decision of the Sindh High Court. The Supreme Court has allowed interim relief to the taxpayers subject to the payment of 50% of the super tax liability. However, the Bank has adjusted full amount of super tax liability for Tax year 2016 and 2019 against the available tax refunds. Further, the bank has obtained stay from the Sindh High Court on other technical grounds regarding the levy of Super Tax for tax years 2017 and 2018.

Through Finance Act 2023, Super tax on high earning persons was levied under section 4C. The Bank has challenged the levy of Super tax for tax year 2023 through the legal counsel before the Islamabad High Court wherein interim stay was granted.

In pursuance of SRO 1588(I)/2023 dated November 21, 2023 banking companies have been designated to the 'sector' for the purpose of section 99D of the Income Tax Ordinance, 2001, for the years 2022 and 2023. Tax authorities issued a recovery notice to the Bank thereby creating a demand. The Bank through its legal council challenged the levy, and the High Court of Sindh, has decided the case against the Bank. However, the Islamabad High Court and Lahore High Court has suspended the operation of section 99D in other similar petitions. The Bank has decided to file petition against the said levy in the Supreme Court of Pakistan along with the stay application.

34.2.2 Withholding tax monitoring

Withholding tax monitoring was initiated against the Bank for tax years 2014 to 2021. Orders in respect of tax years 2014, 2015, 2016, 2018, 2020 and 2021 have been passed against which appeals have been filed before the CIR(A). CIR(A) has remanded back the matters for rectification in respect of tax years 2014 and 2015 against which rectified orders have been passed and demands have been reduced. The ATIR through order dated February 07, 2022 refused Department's appeal and maintained CIR(A)'s order for tax year 2014. Tax demands for tax years 2016, 2018 and 2020 were also set-aside by CIR(A).

34.2.3 Sales tax

The Bank as a registered person under Sindh Sales Tax on Services Act, 2011 has been issued a Sales Tax Order from the Sindh Revenue Board (SRB) creating a demand of Rs.193.44 million (besides Rs. 7.2 million is charged as penalty) against the Bank for alleged non-payment of Sindh sales tax on certain 'presumed non-taxable services / incomes'(i.e. Bancassurance, Home Remittances under Pakistan Remittance Initiative Scheme, SBP rebates on Government securities, Rebates from foreign correspondent Banks, and FX gain on remittance by Western Union)' for the tax periods July 2011 to December 2013, 2015 to 2017 and 2019 to 2020. Bank has filed appeals before Commissioner (Appeals) Sindh Revenue Board (CA-SRB) against the order of AC-SRB, which is pending.

After year ended December 31, 2023, Punjab Revenue Authority (PRA) passed an Order for tax periods January to December 2017 raising tax demand of Rs. 157.4 million on alleged short withholding of Punjab Sales Tax. Being aggrieved, the Bank has filed an appeal alongwith application for stay against tax demand before Commissioner Appeal, which is pending.

34.2.4 Azad Jammu & Kashmir Operations

The Bank has commenced operations in Azad Jammu and Kashmir from tax year 2009 and has filed returns for the tax years 2009 to 2023 with the tax authorities of AJK region. The amendment proceedings and appeals are at various levels before AJK Tax authorities for the tax year 2011 to 2017 and 2019 to 2023.

The management of the Bank is confident that the appeals filed in respect of the above tax years will be decided in the Bank's favor and accordingly no demand for payment would arise.

34.3 JS Global Capital Limited (JSGCL)

34.3.1 Income tax

Except for tax year 2009, 2014, 2015, 2016, 2017, 2018, 2020 - and 2021 - income tax assessments have been filed and are deemed to have been assessed under the Income Tax Ordinance, 2001 (the Ordinance) unless selected by taxation authorities for audit purposes.

For tax year 2009, an ITRA no. 07/2013 was filed by the Commissioner, Inland Revenue against an order passed by the Learned Appellate Tribunal Inland Revenue (ATIR) in ITA no. 923/KB/2011 dated August 28, 2012, which was related to the apportionment of expenses, allowability of expenses and claiming of tax deducted at source aggregating to Rs. 61.16 million. However, the same is pending for decision before the Sindh High Court (SHC).

For tax year 2015, an order dated November 23, 2016, was passed under section 4B of the Ordinance by the Deputy Commissioner Inland Revenue (DCIR). Through said order, an income of Rs.810.584 million was computed under section 4B of the Ordinance and resultant demand for super tax of Rs. 24.318 million was raised. An appeal was filed against the above order before CIR-A on December 01, 2016, identifying various errors/details not considered. The CIR-A has confirmed DCIR's order vide his order dated May 30, 2017. In pursuance of the order of CIR-A, the Company has filed an appeal before ATIR along with an application for a stay against recovery of demand. The appeal before ATIR has been heard and the order is reserved whilst ATIR vide order dated July 18, 2017, has granted a stay for 60 days and subsequently, the said stay was further extended vide various orders by ATIR. Subsequently, recovery of aforesaid tax demand was previously stayed by the Honorable Sindh High Court (SHC) through C.P No 4915 of 2018 vide order dated June 28, 2018, with direction to the Department not to enforce recovery of tax demand till the decision of ATIR. However, based on its order dated July 21, 2020, the SHC has dismissed the aforementioned C.P and has declared the super tax for TY 2015 to be constitutionally vires. The Company has however filed an Income Tax Reference Application (ITRA) No. 52 of 2020 before SHC which is pending adjudication.

For tax year 2016 and 2017, notices dated December 27, 2016 and January 3, 2018 were issued under section 4B of the Ordinance by the DCIR. In the said notices, the DCIR has contended that the Company is liable to pay Super Tax amounting to Rs. 24.483 million and Rs. 19.490 million on 'income' of Rs. 816.122 million and Rs. 649.676 million for Tax Years 2016 and 2017 respectively. The Company has challenged both notices through writ petition before SHC on constitutional grounds wherein the SHC has, vide its orders dated January 16, 2017 and January 11, 2018 for Tax Years 2016 and 2017 respectively, has stated that no coercive action shall be taken against the Company. The DCIR passed the orders under section 4B vide order dated April 23, 2018 and May 4, 2018 for tax years 2016 and 2017 respectively to levy Super tax of above-mentioned amounts under the view that SHC has not restrained the department from passing the orders. In pursuance of the said orders, the Company filed appeals which CIR-A rejected vide its order dated October 12, 2018 for both years. As a result, the Company has filed appeals before the Appellant Tribunal Inland Revenue (ATIR) against the orders of CIR-A. Meanwhile, the Company paid 50% of tax demand of both tax years to maintain the above suits in light of the judgment of Hon'ble Supreme Court of Pakistan (Civil Appeals No. 1171/2017 and other connected appeals) wherein, the pending suits are declared to be entertained on the condition that a minimum of 50% of tax demand is deposited with tax authorities during the pendency of the appeal. During the year the appeal has been heard before ATIR and is reserved in order. The Company has, however, filed an Income Tax Reference Application (ITRA) No. 53 and 54 of 2020 before SHC which is pending adjudication.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

For tax year 2018, a notice under section 4B of the Ordinance by the DCIR dated December 7, 2018, was issued, contending that the Company is liable to pay Super Tax amounting to Rs. 45.211 million in 'income' of Rs. 1,507.039 million. The Company had challenged the notice on constitutional grounds before SHC through C.P. No. 8670 of 2018. The SHC, vide its order dated December 14, 2018, had stated that no coercive action shall be taken against the Company. However, the SHC based on its order issued in September 2020 has dismissed the aforementioned C.P. The Company is hence awaiting the conclusion of ATIR on the above matter before it files a reference application for TY 2018. To date, no order has been passed by the Department, consequently, no outstanding tax demand exists to date.

For tax year 2016, an amended assessment order has been passed under section 122(5A) of the Ordinance by the Additional Commissioner Inland Revenue (ACIR). Through the said order, the ACIR raised demand amounting to Rs. 241.217 million. Upon appeal filed, CIR-A confirmed the ACIR's order vide its order dated December 12, 2017. In pursuance of the order of CIR-A, the Company had filed an appeal before ATIR. During last year ATIR vide its order dated March 29, 2019, had annulled CIRA's action on confirming disallowances made in the order passed by ACIR dated November 02, 2017, with directions to CIRA to pass speaking and reasoned order after providing due opportunity of being heard. As a result, the likely assessment position after the appeal effect of ATIR's order under section 124 of the Ordinance is that only tax demand on account of undistributed reserves is outstanding, which has also been stayed by SHC vide interim order in CP No. 0-2343 of 2019 dated April 09, 2019. Furthermore, during last year, a rectification application was filed for erroneously considered share premium reserves while computing excess reserves under section 5A of the Ordinance by the ACIR, in its order dated November 2, 2017. As a result, tax demand under section 5A would be reduced to Rs. 7.523 million. The Hon'ble Sindh High Court vide an interim order dated May 21, 2021, granted relief against the said notice.

The Company has been selected for an income tax audit under section 214C. as per the amendment order passed on June 28, 2023, via letter AT 238 dated July 17, 2023 a reduction in the refund amount has been imposed due to certain expense adjustments. However, the organization has duly filed an appeal with CIRA and is currently awaiting a decision.

34.3.2 Sales Tax

In 2013, the Company received a show cause notice from the Sindh Revenue Board (SRB) under section 47 of the Sindh Sales Tax on Services Act, 2011. Subsequently, an order was passed reducing the demand to Rs. 9.86 million along with the default surcharge. The Company filed an appeal before the CIR-A and after being decided against the Company, it subsequently filed an appeal before Appellate Tribunal SRB. During the year 2014, the Company paid an amount of Rs. 7.15 million in respect of the abovementioned liability before June 25, 2014, under the notification SRB 3-4/8/2014 to avail the exemption from application of penalty and 75% of default surcharge. Appellate Tribunal SRB vide order dated November 29, 2017 decided the Sindh Sales Tax (SST) issue in favor of the Company. However, the issue of SST on advisory and consultancy services and commission earned on purchase/sale of mutual funds have been remanded back whilst the issue relating to SST on commission on foreign exchange dealing, services rendered outside Sindh and levy of default surcharge and penalty have been decided against the Company. The Company has filed a reference application before SHC in respect of the issues decided against the Company and remanded back.

During 2014, the Company also received another show cause notice from SRB under section 47 of the Sindh Sales Tax on Services Act, 2011. Subsequently, an order was passed raising a tax demand amounting to Rs. 10.77 million. The Company has filed an appeal against the order with CIR-A which is pending. Further, in respect of the same, a rectification application has also been filed with the department. The Company and other stock brokers have also filed a petition with the SHC and have been granted an interim stay against recovery of demand. However, the Company has paid an amount of Rs. 9.24 million before June 25, 2014, under the notification SRB 3-4/8/2014 to avail the exemption of penalty and 75% of default surcharge.

Furthermore, for fiscal year 2014 and 2015, SRB alleged short payment of SST vide Notice dated February 02, 2017. The Company has submitted all the required details in response to the notice and no order in this respect has been passed.

SRB has also issued an order in another proceeding for tax periods January 2014 to December 2016, which were confronted, vide notice dated August 15, 2017, levying sales tax on certain services and disallowance of input tax of Rs. 35,877,012. In pursuance of the said order, the Company filed an appeal before the Commissioner (Appeals), SRB which has been partly heard. However, the recovery of the aforesaid tax demand has been stayed by the Hon'able SHC in Suit no 767 of 2018 vide order dated April 13, 2018.

34.3.3 Federal Excise Duty (FED)

The tax department issued a show cause notice dated June 08, 2015, confronting (alleged) non-payment of Federal Excise Duty (FED) on the Company's services under the Federal Excise Act, 2005 and subsequently issued an order raising a demand amounting to Rs.78.003 million for the tax year 2010 for the tax year 2013. The Company filed a rectification appeal, in addition, to filing an appeal to the SHC, through the Stockbroker Association (of which the Company is also the member) against the aforementioned order because after the 18th amendment to the Constitution, the services that were previously subjected to FED under the federal laws are now subject to the provincial sales tax and the Company has accordingly discharged its tax obligation. The SHC initially, stayed Federal Board of Revenue from demanding sales tax on services from stockbrokers and subsequently, disposed of the order in the Company's favor. However, CIR-A on the matter of appeal filed by the Company issued an order in favor of the department vide its order dated January 31, 2017. In pursuance of the order of CIR-A the Company had filed an appeal before Appellate Tribunal SRB along with an application for stay of demand, which was granted initially for 30 days and was subsequently extended vide various orders. Appellate Tribunal SRB has decided the matter vide order dated December 20, 2017, received by the Company on April 09, 2018, whereby ATIR decided that the FED is applicable only on the commission earned from trading of shares and no other type of commission comes under the ambit of FED. With this opinion, ATIR has remanded back the issue related to the amendment era. For the amendment era, ATIR has relied upon the decision of SHC (stated above) and declared the charge of FED after July 01, 2011, null and void.

34.4 JS Investments Limited (JSIL)

34.4.1 Income tax

In respect of the appeals filed by the Company before Commissioner Inland Revenue (Appeals) [CIR (Appeals)] against orders passed for tax years 2006 and 2009 against demand of Rs. 162 million and Rs. 66 million respectively, the CIR (Appeals) had not accepted the basis of additions by tax authorities and set aside both the orders in respect of allocation of expenses between various sources of income for fresh proceedings with the directions to apportion the common expenditure according to actual incurrence of expenditure to the various sources of income.

In respect of the above said order of CIR (Appeals) for tax years 2006 and 2009, the Company filed second appeal before the Appellate Tribunal Inland Revenue (ATIR) in respect of apportionment of expenses. The ATIR vide order dated April 20, 2017 deleted the additions on proration of expenses for tax year 2006 however, confirmed the CIR(A)'s order whereby CIR(A) remanded back / set-aside the issue of apportionment of expenses.

The Appellate Tribunal Inland Revenue vide order dated May 21, 2016 deleted the additions of tax amortization of management rights and remanded back the issues of disallowed provisions and advertisement expenses for the tax year 2009.

The tax authorities issued orders giving effect (hereinafter referred collectively as 'appeal effect orders') to the order of CIR (Appeals) for both tax years 2006 and 2009 whereby demands for these tax years were reduced to Rs. 77.33 million and Rs. 59.93 million respectively. As the allocation of expenditure in the said appeal effect orders was not made according to actual incurrence of expenditure to the various sources of income, therefore, the Company again filed appeals before the CIR (Appeals) against the said orders.

In respect of second round of appeal filed by the Company before CIR (Appeals) against appeal effect orders for tax years 2006 and 2009, the CIR (Appeals) for tax year 2006 confirmed apportionment of expenditure made by the tax authorities in appeal effect order, however, adjustment of allowable expenses were set aside. For the tax year 2009, CIR (Appeals) had set aside the appeal effect order in entirety for fresh assessment, which is yet to be made by tax authorities.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

The CIR (Appeals) also rectified the order passed by his predecessor for the tax year 2006, whereby the addition regarding the portion of capital gain included in dividend received from mutual funds was held deleted. Resulted appeal effect order reflects refund of Rs.29 million. The tax authorities have filed an appeal before ATIR against said order of CIR (Appeals) in respect of deletion of addition regarding the portion of capital gain included in dividend. The ATIR vide order dated December 07, 2016 set-aside with the direction that the ACIR should examine the issue in the light of FBR Circular letter dated September 10, 2002.

In respect of tax year 2006, management contends, based on views of its tax advisor, that amendment of assessment for such tax year by tax authorities is time barred. Accordingly, the Company has filed an appeal before the Appellate Tribunal Inland Revenue. The ATIR is of the view that the amendment of assessment is not time bared however, the ATIR deleted the addition of tax amortization of management right vide order dated February 10, 2017.

Order under section 122(1)/(5) dated December 30, 2017 for the tax year 2015 passed by the DCIR created demand of Rs.40 million against which the Company has filed an appeal before the CIR(A). The DCIR considered our request for rectification and passed order under section 221 dated February 27, 2017 as a result of the above order the demand reduced to Rs.36.904 million. The CIR(A) vide order dated May 6, 2019 partly considered our submissions put before him. The DCIR passed appeal effect order dated February 17, 2020 determined refund of Rs 30.66 million. The company submitted appeal before the CIR (Appeal) against the appeal effect order. The Company also submitted appeal before the ATIR against the order of the CIR(A). Based on the tax advisors opinion, the management of the Company is confident that the matter will be decided favourably and hence, no provision has been made.

The DCIR passed order under section 122(1)/(5) of the Income Tax Ordinance, 2001 dated June 23, 2014 and reduced the refund claim of Rs.8.499 million to Rs.3.102 million for the tax year 2012. The learned CIR (Appeal) vide order dated May 06, 2019 confirmed the ACIR's order and held that the appeal was not entertainable being barred by time limitation for the tax year 2012. The Company submitted appeal before the ATIR against the order of the CIR(A). Based on the tax advisors opinion, the management of the Company is confident that the matter will be decided favourably and hence, no provision has been made.

34.4.2 Federal Excise Duty (FED)

This represents amount payable against Federal Excise Duty (FED) on management fees received / receivable from the Funds under management. The amount is being held for payment to Federal Board of Revenue on the basis of stay order of the Honorable High Court of Sindh dated September 04, 2013. The stay order was granted as a result of petition filed by asset management companies on the forum of MUFAP against the amendment in Finance Act, 2013 which levied FED on the fees received by asset management companies from funds under management.

The Honorable Sindh High Court in its decision dated July 16, 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be 'Ultra Vires' the Constitution. On September 23, 2016, the Federal Government has filed an appeal against the said order in the Honorable Supreme Court of Pakistan (SCP) and thus, the previous balance of FED has not been reversed.

Further, the Federal Government vide Finance Act, 2016 has excluded asset management companies and other non-banking finance companies from charge of FED on their services. Accordingly, no provision for FED is made from July 01, 2016 onwards.

In view of promulgation of Sindh Workers Welfare Fund Act, 2014, wherein the financial institutions have also been brought into definition of Industrial establishments, the Company has maintained an aggregated provision against Sindh Workers Welfare Fund as the year end amounting to Rs. 26.13 million (2023: Rs. 16.36 million). The Company is under litigation with Sindh Revenue Board vide Constitution Petition No. 1005 dated February 13, 2019, filed before the Honorable Sindh High Court, which is a pending adjudication.

34.5 BankIslami Pakistan Limited (BIPL)

34.5.1 Income Tax

The income tax returns of the Bank have been filed up to tax year 2023 and 2024 whereas the tax assessments have been made by the tax authorities. The Bank has paid the demand under protest for these years, however appeals before ATIR have been preferred for these years and are pending adjudication.

During the year 2014 (relating to defunct KASB Bank Limited), appellate order passed by the Commissioner Inland Revenue Authority (CIRA) [in respect of Income tax assessments of International Housing Finance Limited, amalgamated into the defunct KASB Bank Limited during the year ended 31 December 2007] for tax year 2005 maintained the order of the Taxation Officer to the extent of disallowances relating to income from carry over transactions and gain on sale of property having an aggregate tax impact of Rs. 12.997 million. The defunct KASB Bank Limited has preferred appeals before the Appellate Tribunal Inland Revenue (ATIR) for tax year 2005 which are pending finalization.

For tax years 2003 (relating to defunct KASB Bank Limited), the CIRA has passed appellate orders on account of certain disallowances in respect of income from carry over transactions, provision against non performing advances, bad debts and certain other items having an aggregate tax impact of Rs. 33.748 million. The defunct KASB Bank Limited had preferred an appeal before the ATIR against the above referred orders of the CIRA where ATIR has decided the case in favour of the Bank. Therefore no demand is payable in this case.

For tax years 2010 (relating to defunct KASB Bank Limited), the ACIR had passed an order under section 122 creating as demand of Rs 51.636 million the order was subsequently upheld by the CIRA .The defunct KASB Bank Limited had preferred an appeal before the ATIR against the above referred order of the CIRA where ATIR has decided the case in favour of the Bank. Therefore no demand is payable in this case.

In respect of various tax periods for the Bank and defunct KASB Bank, Sindh Revenue Board (SRB) has passed various orders and raised demand totaling to Rs. 102.199 million in relation to levy of Sindh sales tax on certain services. The Bank has filed appeals before Commissioner Appeal, SRB which are pending adjudication. Furthermore, the Bank is contesting the issuance of certain showcause notices issued by SRB for the period covering from January 2012 till December 2013 before the Honorable Supreme Court of Pakistan based on the ground that these notices are time barred. The subject matter is also pending adjudication.

In respect of Tax Year 2019 and 2020, the ACIR under section 122(5A) of the Income Tax Ordinance, 2001 amended the return submitted by the Bank by adding / disallowing certain expenses thereby creating a Tax demand of Rs 1.247 billion. The Bank filed appeal against the orders before Commissioner Appeal. The Commissioner Appeal while passing order for Tax Year 2019 and Tax Year 2020 has remanded back / deleted significant amount of disallowances and confirmed disallowance amounting to Rs. 191.420 million. The Bank has filed appeal against the confirmed disallowances before the Appellate Tribunal (ATIR) where the matter is pending adjudication.

In respect of Tax Year 2022 the ACIR under section 122(5A) of the Income Tax Ordinance, 2001 amended the return submitted by the Bank by adding / disallowing certain expenses thereby creating a Tax demand of Rs 522.794 million. The Bank has filed appeal against the orders before Commissioner Appeal which is pending adjudication.

In pursuance of SRO 1588 (1)/ 2023 dated November 21, 2023 banking companies have been designated to be the ‘sector’ for the purpose of section 99D of the Income Tax Ordinance, 2001, for the tax years 2022 and 2023. Tax authorities issued a recovery notice to BIPL thereby creating a demand. The Bank through their legal council challenged the levy, and the High Court of Sindh, has decided the case against the Bank. However, the Islamabad High Court and Lahore High Court have suspended the operation of section 99D in other similar petitions. The Bank have decided to file petition against the said levy in the Supreme Court of Pakistan along with the stay application thereon.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

The defunct KASB Bank has been in receipt of two notices pertaining to tax year 2006 and tax year 2008 from FBR where FBR demanded unpaid tax liabilities on profit on debt paid amounting Rs 121.7 million and Rs 308 million respectively in FY 2013. The Bank challenged the issuance of such notice in High Court of Sindh vide CP D-371 of 2013 where the case was decided on the grounds that the notice has been issued beyond the time limit and therefore stands void. FBR being aggrieved to such decision challenged it in the Supreme Court of Pakistan where the case was remanded back by the Court to the concerned Commissioner for starting denovo proceedings. Subsequently, the notice was re-issued in 2020 again by the department under denovo proceedings which was subsequently challenged before Commissioner Appeals and Appellate Tribunal where the latter remanded back the matter to the FBR. The FBR has re-issued notices in the subject case in October 2024 under denovo proceedings. The Bank in its best interest has submitted records in the subject case on the recommendation of the tax consultant and subsequently received orders against these proceedings for Rs. 6,138,408 for tax year 2006 and Rs. 10,057,474 for tax year 2008 on December 31, 2024.

BankIslami received income tax monitoring notices for the periods from tax year 2017 through tax year 2023, covering a total of seven tax years which were received since 2019. The notices required a reconciliation of tax on financial statement components comprising of administrative expenses, fixed assets and profit on debt paid with the taxes paid with FBR. The Bank has submitted the necessary records to FBR including reconciliation of such expenses with the taxes reported in FBR. Subsequently the Bank received showcause notices and orders for the tax years 2017 to Tax year 2021 for Rs 70,429,491 inclusive of penalty and default surcharge. The Bank has preferred appeals before CIRA for tax year 2019 to tax year 2021.

The management, based on the opinion of its tax advisor, is confident about the favorable outcome of the above matters.

35. BASIC AND DILUTED EARNINGS PER SHARE

	Note	2024	(Restated) 2023
		----- Rupees in '000 -----	
Profit after taxation for the year - attributable to ordinary equity holders of the Bank		**10,309,369**	9,460,636
		----- Numbers -----	
Weighted average number of basic outstanding ordinary shares during the year		**2,050,662,536**	1,577,857,341
		----- Rupees -----	
Basic and diluted earnings per share	35.1	**5.03**	6.00

35.1 There were no convertible / dilutive potential ordinary shares outstanding as at December 31, 2024 and December 31, 2023, therefore, diluted earning per share has not been presented separately.

36. CASH AND CASH EQUIVALENTS

	Note	2024	2023
		----- Rupees in '000 -----	
Cash and balances with treasury banks	5	**84,153,600**	82,182,460
Balances with other banks	6	**5,079,575**	5,302,154
Overdrawn nostro accounts	15	**(963,478)**	(549,483)
		88,269,697	86,935,131

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

36.1 Reconciliation of movement in liabilities and equity to cash flows arising from financing activities

	2024					
	Liabilities		Equity			
	Suboridnated debt	Other liabilities including lease liabilities	Share Capital	Reserves	Unappropriated Profit	Non-controlling interest
	---------- Rupees in '000 ----------					
Balance as at January 01	**11,344,671**	**55,791,201**	**20,506,625**	**7,290,037**	**17,731,217**	**9,360,919**
Changes from financing cash flows						
Proceeds from subordinated debt	150,000	-	-	-	-	-
Repayment of subordinated debt	(1,963)	-	-	-	-	-
Payment of lease liability against right-of-use assets	-	(4,023,523)	-	-	-	-
Dividend paid to NCI	-	-	-	-	-	(689,728)
	148,037	(4,023,523)	-	-	-	(689,728)
Other changes						
Liability related						
Changes in other liabilities						
cash based	-	328,013	-	-	-	-
non-cash based	-	(1,880,295)	-	-	-	-
Transfer of profit to statutory reserve	-	-	-	2,347,466	(2,347,466)	-
Total liability related other changes	-	(1,552,282)	-	2,347,466	(2,347,466)	-
Equity related	-	-	-	(19,253)	10,737,582	3,744,659
Balance as at December 31	11,492,708	50,215,396	20,506,625	9,618,250	26,121,333	12,415,850

	2023					
	Liabilities		Equity			
	Suboridnated debt	Other liabilities including lease liabilities	Share Capital	Reserves	Unappropriated Profit	Non-controlling interest
	---------- Rupees in '000 ----------					
Balance as at January 01,	6,995,000	23,374,566	10,119,242	2,787,201	8,643,962	363,274
Changes from financing cash flows						
Proceeds from subordinated debt	3,500,000	-	-	-	-	-
Repayment of subordinated debt	(2,000,329)	-	-	-	-	-
Payment of lease liability against right-of-use assets	-	(2,280,921)	-	-	-	-
Issuance of share capital (right shares)	-	-	2,205,689	-	-	-
Dividend paid to NCI	-	-	-	-	-	(482,810)
	1,499,671	(2,280,921)	2,205,689	-	-	(482,810)
Other changes						
Liability related						
Changes in other liabilities						
cash based	-	6,500,806	-	-	-	-
non-cash based	2,850,000	28,196,750	-	-	-	-
Transfer of profit to statutory reserve	-	-	-	1,593,778	(1,593,778)	-
Total liability related other changes	2,850,000	34,697,556	-	1,593,778	(1,593,778)	-
Equity related	-	-	8,181,694	2,909,058	10,681,033	9,480,455
Balance as at December 31,	11,344,671	55,791,201	20,506,625	7,290,037	17,731,217	9,360,919

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

		Note	2023	2022
37	**STAFF STRENGTH**		----------- Numbers	----------
	Permanent		**9,119**	7,944
	On Group's contract		**2,442**	2,694
	Outsourced	37.2	**1,211**	454
	Group's own staff strength at the end of the year		**12,772**	11,092

37.1 Geographical segment analysis

	2023	2022
Pakistan	**12,764**	11,085
Bahrain	**8**	7
	12,772	11,092

37.2 This excludes employees of outsourcing services companies assigned to the Group to perform services of security guards and janitorial staff.

38 DEFINED BENEFIT PLAN

38.1 General description

The Holding Company operates a recognised gratuity fund for all employees who opted for this scheme introduced by the management with effect from January 01, 2007.

Permanent employees are eligible for the gratuity fund after 10 years of continuous service. Gratuity is payable at 65% of the last drawn basic salary per completed year of service.

The defined benefit is administered by a separate fund that is legally separate from the Holding Company. The plan is governed by the trust deed dated September 01, 2007. The trustees of the gratuity fund are composed of representatives from employers. The trustees of the gratuity fund are required by the trust deed to act in the interest of the fund and of all relevant stakeholders in the scheme, i.e. active employees, inactive employees, retirees and employers. The trustees of the gratuity fund are responsible for the investment policy with regard to the assets of the fund.

The present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as applied in calculating the defined benefit obligation liability recognised in this consolidated statement of financial position.

38.2 The plan in Pakistan typically exposes the Bank to actuarial risks such as: salary risk, discount rate risk, mortality risk and investment risk defined as follow:

- **Salary increase risk:**
  The risk that the final salary at the time of cessation of services is greater than assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

- **Discount rate risk**
  The discount rate is based on the yield on government bonds. If the market yield of bonds varies, the discount rate would vary in the same manner and would affect the present value of obligation and fair value of assets.

- **Demographic risks**

  Withdrawal risk:
  The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

  Longevity Risk
  The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

- **Investment risk**
  This is the risk that the assets are under-performing and are not sufficient to meet the liabilities.

38.3 Number of employees under the scheme

The number of employees covered under the gratuity scheme are: 4,131 (2023: 4,010).

38.4 Principal actuarial assumptions

The actuarial valuations were carried out as at December 31, 2024, using Projected Unit Credit Method. The following significant assumptions were used for the valuation:

		2024	2023
Discount rate	per annum	**12.25%**	16.00%
Expected rate of return on plan assets	per annum	**16.00%**	14.50%
Expected rate of salary increase	per annum	**12.25%**	16.00%
The average duration of the defined benefit obligation	years	**7**	7

38.5 Reconciliation of payable to defined benefit plans

	Note	2024	2023
		------- Rupees in '000 -------	
Present value of obligations	38.6	**1,109,561**	941,231
Fair value of plan assets	38.7	**(839,407)**	(808,040)
Payable		**270,154**	133,191

38.6 Movement in defined benefit obligations

	2024	2023
Obligations at the beginning of the year	**941,231**	831,155
Current service cost	**147,339**	129,984
Interest cost	**141,220**	114,375
Benefits paid by the bank	**(117,214)**	(84,721)
Re-measurement loss	**(3,015)**	(49,562)
Obligations at the end of the year	**1,109,561**	941,231

38.7 Movement in fair value of plan assets

	2024	2023
Fair value at the beginning of the year	**808,040**	950,678
Interest income on plan assets	**131,443**	132,389
Contribution by the bank - net	**15,977**	(84,721)
Re-measurements loss	**(116,053)**	(190,306)
Fair value at the end of the year	**839,407**	808,040

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

38.8 Movement in (receivable) / payable under defined benefit schemes	Note	2024	2023
		------- Rupees in '000 -------	
Opening balance		**133,191**	(119,523)
Charge for the year	38.9.1	**157,116**	111,970
Contribution by the bank - net		**(133,191)**	-
Re-measurement loss recognised in OCI during the year	38.9.2	**113,038**	140,744
Closing balance		**270,154**	133,191

38.9 Charge for defined benefit plan

38.9.1 Cost recognised in profit and loss

	2024	2023
Current service cost	**147,339**	129,984
Net interest on defined benefit asset / liability	**9,777**	(18,014)
	157,116	111,970

38.9.2 Re-measurements recognised in OCI during the year

	2024	2023
Loss / (gain) on obligation		
Demographic assumptions	**-**	-
Financial assumptions	**(8,624)**	(5,116)
Experience adjustment	**5,609**	(44,446)
Return on plan assets over interest income	**116,053**	190,306
Total re-measurements recognised in OCI	**113,038**	140,744

38.9.3 Components of plan assets

	2024	2023
Cash and cash equivalents - net	**13,761**	46,862
Government securities	**70,788**	-
Ordinary and preference shares	**1,049,827**	1,049,827
	1,134,376	1,096,689

38.10 Investment in term finance certificates are subject to credit risk and interest rate risks, while equity securities and mutual funds are subject to price risk. Cash and cash equivalents include balances maintained with the Bank which are subject to credit risk. These risks are regularly monitored by Trustees of the fund.

38.11 Sensitivity analysis

38.11.1 Significant actuarial assumptions for the determination of the defined obligation are discount rate, and expected rate of salary increase. The sensitivity analysis below has been determined based on reasonably possible changes in one respective assumption occurring at the end of the reporting period, while holding all other assumptions constant:

	2024 Rupees in '000
1% increase in discount rate	**1,032,179**
1% decrease in discount rate	**1,196,757**
1% increase in expected rate of salary increase	**1,198,381**
1% decrease in expected rate of salary increase	**1,029,319**

38.12 Expected contributions to be paid to the funds in the next financial year	**270,154**
38.13 Expected charge for the next financial year	**193,713**

38.14 Maturity profile

The weighted average duration of the obligation (in years): 7

38.15 Funding policy

The Bank endeavors to ensure that liabilities under the funded gratuity scheme is covered by the assets of the fund on any valuation date, based on actuarial assumptions.

38.16 The plan in Pakistan typically exposes the Bank to actuarial risks such as: salary risk, discount rate risk, mortality risk and investment risk defined as follow:

Salary increase risk:

The risk that the final salary at the time of cessation of services is greater than assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Discount rate risk

The discount rate is based on the yield on government bonds. If the market yield of bonds varies, the discount rate would vary in the same manner and would affect the present value of obligation and fair value of assets.

Demographic Risks

Withdrawal risk:

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Longevity Risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Investment risk

This is the risk that the assets are under-performing and are not sufficient to meet the liabilities.

39. DEFINED BENEFIT PLAN OF SUBSIDIARY

39.1 Bank Islami Pakistan Limited (BIPL)

Bank Islami Private Limited (BIPL) operates a gratuity fund for its employees (members of the fund). The fund entitles the members to lump sum payment at the time of retirement, resignation or death. Permanent staff are eligible for such benefits after three years of service.

The number of eligible employees covered under the defined scheme are 4,688 (2023: 3,727).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

40. DEFINED CONTRIBUTION PLAN

The Group operates a contributory provident fund scheme for all permanent employees. The employer and employee both make a contribution of equal amount to the fund as follows:

	Contribution basic salary	Number of employees		Contribution made during the year	
		2024	2023	2024	2023
	Percentages	------- Numbers -------		----- Rupees in '000 -----	
Bank					
- JS Bank Limited	**7.1**	**3,231**	3,231	**366,562**	312,365
Subsidiary companies					
- JS Global Capital Limited	**7.33**	**206**	177	**19,275**	17,061
- JS Investments Limited	**7.33**	**77**	84	**8,640**	11,198
- Bank Islami Pakistan Limited	**6.67**	**4,688**	3,727	**285,907**	208,559

41. COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

41.1 The aggregate amount charged in the financial statements for the year in respect of the remuneration and benefits to the President and Chief Executive Officer, Directors and Executives are as follows:

	2024				
Items	Directors		President / CEO	Key Management Personnel	Other Material Risk Takers / Controllers
	Chairman	Non-Executives			
	---------------------------------- Rupees in '000 ----------------------------------				
Fees and Allowances etc.	1,700	11,600	-	-	-
Managerial Remuneration					
i) Fixed	-	-	58,796	674,168	698,731
ii) Total Variable - Cash Bonus / Awards	-	-	45,000	222,544	151,239
Charge for defined benefit plan	-	-	1,706	14,909	14,746
Contribution to defined contribution plan	-	-	4,283	29,471	37,174
Medical	-	-	5,880	65,520	66,515
Utilities	-	-	-	14,587	11,931
House rent allowance	-	-	-	65,640	53,691
Conveyance	-	-	1,555	66,497	116,167
Car allowance	-	-	-	52,930	110,898
Others	-	-	543	40,312	39,000
Total	1,700	11,600	117,763	1,246,578	1,300,092
Number of persons	1	6	1	55	123

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

Items	Directors		President / CEO	Key Management Personnel	Other Material Risk Takers / Controllers
	2023				
	Chairman	Non-Executives			
	Rupees in '000				
Fees and Allowances etc.	1,950	11,500	-	-	-
Managerial Remuneration					
i) Fixed	-	-	49,706	553,885	719,449
ii) Total Variable - Cash Bonus / Awards	-	-	8,202	170,131	84,824
Charge for defined benefit plan	-	-	1,439	7,916	16,450
Contribution to defined contribution plan	-	-	3,630	19,733	40,768
Medical	-	-	4,971	49,219	68,645
Utilities	-	-	-	11,409	10,619
House rent allowance	-	-	-	21,072	47,787
Conveyance	-	-	1,248	51,922	136,038
Car allowance	-	-	-	41,479	117,403
Others	-	-	243	34,896	18,350
Total	1,950	11,500	69,439	961,662	1,260,333
Number of persons	1	5	1	46	150

41.1.1 The CEO and COO are provided with free use of Bank maintained cars in accordance with their entitlement.

41.1.2 Managerial remuneration includes joining related payments made to certain Executives in line with their terms of employment.

41.1.3 The SBP, vide its BPRD Circular No. 01 dated January 25, 2017, issued Guidelines on Remuneration Practices, where the Bank is required to defer a certain portion of variable compensation of the Material Risk Takers (MRTs) and Material Risk Controllers (MRCs) subject to mandatory deferrals for a defined period. In this respect, deferral amount shall be withheld for a period of three years whereas remaining portion of the variable compensation shall be paid upfront to the MRTs and MRCs. The deferred remuneration shall vest proportionately over the deferral period following the year of variable remuneration award. The deferred portion of the variable remuneration shall be paid to the MRTs and MRCs on vesting, proportionally through yearly instalments, during the deferred period, in case no malus triggers are applicable. Details of MRTs and MRCs are given below:

	2024	2023
	Numbers	
Employees Covered under:		
Marterial Risk Takers (MRTs)	**80**	78
Marterial Risk Controllers (MRCs)	**56**	52
	136	130

	2024	2023
	Rupees '000	
Movement of deferred remuneration		
Opening	**34,158**	35,392
Deferred during the year	**99,147**	21,379
Paid during the year	**(19,535)**	(22,613)
Closing	**113,770**	34,158

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

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

		2024					
		Meeting Fees and Allowances Paid					
			Board Committees				
Sr. No.	**Name of Director**	**For Board Meetings**	**Board Audit Committee (BAC)**	**Board Human Resource, Remuneration & Nomination Committee (BHRRNC)**	**Board Risk Management Committee (BRMC)**	**Board IT Committee (BITC)**	**Total Amount Paid**
		---------- Rupees in '000 ----------					
1	Mr. Adil Matcheswala	1,250	-	450	-	-	1,700
2	Mr. Sadiq Ali	1,250	900	-	600	-	2,750
3	Ms. Nargis Ghaloo	1,250	900	-	-	600	2,750
4	Syed Mumtaz Ali Shah*	500	-	150	300	-	950
5	Mr. Khalilullah Shaikh **	1,250	900	-	450	-	2,600
6	Mr. Saad Ali Bhimjee ***	250	-	-	-	-	250
7	Mr. Usman Yousaf Mobin	1,250	-	450	-	600	2,300
	Total amount paid	7,000	2,700	1,050	1,350	1,200	13,300

* Mr. Syed Mumtaz Ali Shah resigned with effect from June 14, 2024.
** Mr. Khalilullah Shaikh was appointed as Non-Executive Director of the Bank on December 12, 2023.
*** Mr. Saad Ali Bhimjee was appointed as Non-Executive Director of the Bank on August 27, 2024.

		2023					
		Meeting Fees and Allowances Paid					
			Board Committees				
Sr. No.	Name of Director	For Board Meetings	Board Audit Committee (BAC)	Board Human Resource, Remuneration & Nomination Committee (BHRRNC)	Board Risk Management Committee (BRMC)	Board IT Committee (BITC)	Total Amount Paid
		---------- Rupees in '000 ----------					
1	Mr. Adil Matcheswala	1,500	-	450	-	-	1,950
2	Mr. Sadiq Ali	1,500	600	-	600	-	2,700
3	Ms. Nargis Ghaloo	1,500	600	-	-	750	2,850
4	Syed Mumtaz Ali Shah	1,500	-	600	600	-	2,700
5	Mr. Shahnawaz Haider Nawabi	250	-	-	150	-	400
6	Mr. Usman Yousaf Mobin	1,500	-	600	-	750	2,850
	Total amount paid	7,750	1,200	1,650	1,350	1,500	13,450

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

42. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements. Fair value of unquoted debt securities, fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for assets and liabilities and reliable data regarding market rates for similar instruments.

42.1 Fair value of financial assets

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

The table below analyzes financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2024			
	Level 1	Level 2	Level 3	Total
	------------------------ Rupees in '000 ------------------------			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	138,130,448	-	138,130,448
Federal Government Shariah Compliant Securities	-	311,025,501	-	311,025,501
Shares	5,226,656	-	-	5,226,656
Non Government Debt Securities	-	1,525,593	-	1,525,593
Non-Government Shariah Compliant Securities	-	33,180,407	-	33,180,407
Foreign securities	-	16,214,890	-	16,214,890
	5,226,656	500,076,839	-	505,303,495
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	121,590,686	-	121,590,686
	5,226,656	621,667,525	-	626,894,181
Off balance sheet financial instruments				
Forward purchase of foreign exchange	-	142,967,019	-	142,967,019
Forward sale of foreign exchange	-	95,241,980	-	95,241,980
Forward agreements for lending	-	15,018,080	-	15,018,080
Forward sale of securities contract	-	43,674	-	43,674

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

	2023			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	418,294,566	-	418,294,566
Shares	4,728,341	-	-	4,728,341
Non Government Debt Securities	-	37,285,365	-	37,285,365
Foreign Securities	71,367	19,414,147	-	19,485,514
Open end mutual funds	-	464,670	-	464,670
	4,799,708	475,458,748	-	480,258,456
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	100,310,906	-	100,310,906
	4,799,708	575,769,654	-	580,569,362
Off balance sheet financial instruments				
Forward purchase of foreign exchange	-	127,211,243	-	127,211,243
Forward sale of foreign exchange	-	93,751,722	-	93,751,722
Forward sale of securities contract	-	719,159	-	719,159

Valuation techniques used in determination of fair valuation of fair values within level 2

Item	Valuation approach and input used
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Market Treasury Bills (MTB), Pakistan Investment Bonds (PIB) and GoP Sukuks	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV, PKFRV and PKISRV rates.
Debt Securities (TFCs) and Sukuk other than Government	Investments in debt securities (comprising of Term Finance Certificates, Bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP.
Overseas Government Sukuks and Euro Bonds	The fair value of Overseas Government Sukuks, and Overseas Bonds are valued on the basis of price available on Bloomberg.
Forward foreign exchange contracts	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currencies involved, interest rates, yield curves, volatilities, contracts duration, etc.
Property and Equipment - Land and buildings Non-banking assets acquired in satisfaction of claims	Land and buildings and Non-banking assets under satisfaction of claims are carried at revalued amounts determined by professional valuers based on their assessment of the market values as disclosed in note 10 and 13 of these consolidated financial statements. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of State Bank of Pakistan. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties.

Financial instruments - Level 3
Currently, no financial instruments are classified in level 3.

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

43. SEGMENT INFORMATION

43.1 Segment Details with respect to Business Activities:

	2024									
	Retail Banking	Corporate / Commercial Banking	Treasury	Investment, International and Institutional Banking	Zindigi	Islamic Banking	Brokerage	Asset Management	Others	Total
	Rupees in '000									
Profit and loss account										
Net mark-up / return / profit / interest / (expense)	(25,209,470)	(3,829,117)	56,358,032	1,223,352	(98,233)	46,408,758	227,934	2	(1,116,364)	73,964,894
Inter segment revenue - net	43,896,776	8,106,564	(51,070,186)	1,236,421	521,310	-	-	-	(2,690,885)	-
Non mark-up / return / income	2,194,591	1,982,860	3,772,807	1,086,274	335,187	4,589,961	1,501,342	982,138	(162,248)	16,282,912
Total income / (loss)	20,881,897	6,260,307	9,060,653	3,546,047	758,264	50,998,719	1,729,276	982,140	(3,969,497)	90,247,806
Segment direct expenses	12,958,635	741,554	226,182	1,446,439	3,945,674	22,874,218	1,225,307	482,840	8,253,552	52,154,401
Inter segment expense allocation	4,335,714	1,052,214	231,565	257,223	596,484	-	-	-	(6,473,200)	-
Total expenses	17,294,349	1,793,768	457,747	1,703,662	4,542,158	22,874,218	1,225,307	482,840	1,780,352	52,154,401
Credit loss allowances and write offs - net	2,449,410	1,708,071	6,209	487,756	38,869	2,733,556	(12,530)	-	2,899	7,414,240
Profit / (loss) before tax	1,138,138	2,758,468	8,596,697	1,354,629	(3,822,763)	25,390,945	516,499	499,300	(5,752,748)	30,679,165
Balance Sheet										
Cash and bank balances	12,044,528	421,951	32,972,487	1,199,620	36,839	42,076,616	448,996	27,166	-	89,228,203
Lendings to financial institutions	-	-	-	-	-	4,257,928	-	-	-	4,257,928
Investments	-	-	260,209,051	17,803,843	-	345,051,553	174,665	2,689,425	3,537,637	629,466,174
Net inter segment lending	269,135,658	64,452,654	1,999,730	675,328	6,666,406	-	-	-	53,960,991	396,890,767
Advances - performing	66,514,103	100,980,505	-	47,554,387	12,584	292,763,117	1,532,724	8,800	3,537,451	512,903,671
Advances - non-performing	2,943,758	3,218,190	-	630	25,914	2,020,246	-	-	55,777	8,264,515
Others	-	-	-	464,920	-	50,276,290	4,508,931	649,670	59,022,826	114,922,637
Total Assets	350,638,047	169,073,300	295,181,268	67,698,728	6,741,743	736,445,750	6,665,316	3,375,061	120,114,682	1,755,933,895
Borrowings	10,160,671	17,074,664	1,463,170	-	-	85,662,161	-	-	-	114,360,666
Deposits and other accounts	328,859,641	151,596,312	-	35,454,361	6,741,743	559,174,212	-	-	-	1,081,826,269
Subordinated debt	-	-	-	-	-	2,996,875	-	-	8,495,833	11,492,708
Net inter segment borrowing	2,482,319	-	293,718,098	30,133,918	-	49,721,240	1,474,989	2,957,503	16,402,700	396,890,767
Others	9,135,416	402,324	-	2,110,449	-	38,891,262	5,190,327	417,558	18,419,595	74,566,931
Total Liabilities	350,638,047	169,073,300	295,181,268	67,698,728	6,741,743	736,445,750	6,665,316	3,375,061	43,318,128	1,679,137,341
Equity	-	-	-	-	-	-	-	-	64,380,704	64,380,704
Non-controlling interest	-	-	-	-	-	-	-	-	12,415,850	12,415,850
Total Equity and Liabilities	350,638,047	169,073,300	295,181,268	67,698,728	6,741,743	736,445,750	6,665,316	3,375,061	120,114,682	1,755,933,895
Contingencies and Commitments	21,531,623	104,827,389	78,520,444	9,970,239	-	495,441,474	42,185	-	1,063,437	711,396,791

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

	2023									
	Retail Banking	Corporate / Commercial Banking	Treasury	Investment, International and Institutional Banking	Zindigi	Islamic Banking	Brokerage	Asset Management	Others	Total
	Rupees in '000									
Profit and loss account										
Net mark-up / return / profit / interest / (expense)	(18,105,926)	1,366,455	40,772,877	40,981	(41,042)	16,885,221	176,928	1,551	(1,582,264)	39,514,781
Inter segment revenue - net	39,060,261	5,351,630	(43,356,182)	2,239,041	370,085	-	-	-	(3,664,835)	-
Non mark-up / return / income	2,157,752	1,768,975	5,031,291	1,204,117	221,674	1,182,216	981,537	352,396	301,909	13,201,867
Total income / (loss)	23,112,087	8,487,060	2,447,986	3,484,139	550,717	18,067,437	1,158,465	353,947	(4,945,190)	52,716,648
Segment direct expenses	10,773,253	707,134	204,588	1,210,569	3,844,032	6,748,322	912,274	371,894	6,609,800	31,381,866
Inter segment expense allocation	4,366,111	748,367	216,912	168,461	527,087	-	-	-	(6,026,938)	-
Total expenses	15,139,364	1,455,501	421,500	1,379,030	4,371,119	6,748,322	912,274	371,894	582,862	31,381,866
Provisions / (reversals) and write offs - net	586,806	2,088,308	-	98,690	-	3,249,637	(13,793)	-	10,611	6,020,259
Extraordinary / unusual items	-	-	-	-	-	-	-	-	3,363,805	3,363,805
Profit / (loss) before tax	7,385,917	4,943,251	2,026,486	2,006,419	(3,820,402)	8,069,478	259,984	(17,947)	(2,174,858)	18,678,328
Balance Sheet										
Cash and bank balances	6,601,476	3,633	29,255,325	1,673,716	1,072,267	42,661,045	143,038	57,936	6,016,104	87,484,540
Lendings to financial institutions	-	-	-	-	-	16,502,138	-	-	-	16,502,138
Investments	-	-	241,547,053	22,083,318	-	314,083,872	590,962	1,361,628	3,456,441	583,123,274
Net inter segment lending	237,203,038	41,050,823	-	7,114,783	2,745,472	-	-	-	40,532,368	328,646,484
Advances - performing	73,418,793	112,007,279	-	7,246,085	-	221,480,404	-	-	5,233,978	419,386,539
Advances - non-performing	4,093,704	2,461,476	-	27,685	-	3,382,517	-	-	-	9,965,382
Others	-	-	-	-	-	49,959,733	3,610,904	516,263	55,910,217	109,997,117
Total Assets	321,317,011	155,523,211	270,802,378	38,145,587	3,817,739	648,069,709	4,344,904	1,935,827	111,149,108	1,555,105,474
Borrowings	7,749,336	17,572,794	1,900,349	-	-	57,546,868	149,999	-	-	84,919,346
Deposits and other accounts	304,975,970	137,568,824	-	38,098,734	3,817,739	522,540,925	-	-	817,302	1,007,819,494
Subordinated debt	-	-	-	-	-	2,846,904	-	-	8,497,767	11,344,671
Net inter segment borrowing	1,004,209	-	268,423,883	-	-	36,299,104	1,616,726	1,612,329	19,690,233	328,646,484
Others	6,825,477	381,593	-	46,771	-	31,061,608	3,272,636	326,670	20,691,854	62,606,609
Total Liabilities	320,554,992	155,523,211	270,324,232	38,145,505	3,817,739	650,295,409	5,039,361	1,938,999	49,697,156	1,495,336,604
Equity	-	-	-	-	-	-	-	-	50,407,951	50,407,951
Non-controlling interest	-	-	-	-	-	-	-	-	9,360,919	9,360,919
Total Equity and Liabilities	320,554,992	155,523,211	270,324,232	38,145,505	3,817,739	650,295,409	5,039,361	1,938,999	109,466,026	1,555,105,474
Contingencies and Commitments	77,650,720	37,673,689	120,272,393	-	-	256,886,392	735,596	-	911,638	494,130,428

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

43.2 Segment details with respect to geographical locations

Geographical segment analysis	2024		
	Pakistan	Bahrain	Total
Profit and Loss	---------- Rupees in '000 ----------		
Net mark-up / return / profit / interest / (expense)	73,112,629	852,265	73,964,894
Inter segment revenue - net	(676,776)	676,776	-
Non mark-up / return / income	16,173,193	109,719	16,282,912
Total Income	88,609,046	1,638,760	90,247,806
Segment direct expenses	51,722,473	431,928	52,154,401
Inter segment expense allocation	(59,428)	59,428	-
Total expenses	51,663,045	491,356	52,154,401
Credit loss allowance and write offs	7,343,872	70,368	7,414,240
Profit before tax	29,602,129	1,077,036	30,679,165
Balance Sheet			
Cash and bank balances	88,279,530	948,673	89,228,203
Lendings to financial institutions	(12,220,180)	16,478,108	4,257,928
Investments	629,466,174	-	629,466,174
Net inter segment lending	-	-	-
Advances - performing	508,861,870	4,041,801	512,903,671
Advances - non-performing	8,264,515	-	8,264,515
Others	114,675,734	246,903	114,922,637
Total Assets	1,337,327,643	21,715,485	1,359,043,128
Borrowings	114,360,666	-	114,360,666
Deposits and other accounts	1,081,826,269	-	1,081,826,269
Subordinated debt	(7,597,082)	19,089,790	11,492,708
Net inter segment borrowing	-	-	-
Others	74,406,280	160,651	74,566,931
Total Liabilities	1,262,996,133	19,250,441	1,282,246,574
Equity	61,915,660	2,465,044	64,380,704
Non-controlling interest	12,415,850	-	12,415,850
Total Equity and Liabilities	1,337,327,643	21,715,485	1,359,043,128
Contingencies and Commitments	702,348,766	9,048,025	711,396,791

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

	2023		
	Pakistan	Bahrain	Total
Profit and Loss	---------- Rupees in '000 ----------		
Net mark-up / return / profit / interest / (expense)	38,789,704	725,077	39,514,781
Inter segment revenue - net	(272,747)	272,747	-
Non mark-up / return / income	12,949,974	251,893	13,201,867
Total Income	51,466,931	1,249,717	52,716,648
Segment direct expenses	31,026,795	355,071	31,381,866
Inter segment expense allocation	(55,701)	55,701	-
Total expenses	30,971,094	410,772	31,381,866
Provisions / (reversals) and write offs	5,920,498	99,761	6,020,259
Bargain purchase gain on acquisition of subsidiary	3,363,805	-	3,363,805
Profit before tax	17,939,144	739,184	18,678,328
Balance Sheet			
Cash and bank balances	85,939,231	1,545,309	87,484,540
Lendings to financial institutions	16,502,138	-	16,502,138
Investments	562,903,334	20,219,940	583,123,274
Net inter segment lending	328,646,484	-	328,646,484
Advances - performing	416,098,134	3,288,405	419,386,539
Advances - non-performing	9,965,382	-	9,965,382
Others	109,987,971	9,146	109,997,117
Total Assets	1,530,042,674	25,062,800	1,555,105,474
Borrowings	84,919,346	-	84,919,346
Deposits and other accounts	984,817,174	23,002,320	1,007,819,494
Subordinated debt	11,344,671	-	11,344,671
Net inter segment borrowing	328,646,484	-	328,646,484
Others	62,436,041	170,568	62,606,609
Total Liabilities	1,472,163,716	23,172,888	1,495,336,604
Equity	48,518,039	1,889,912	50,407,951
Non-controlling interest	9,360,919	-	9,360,919
Total Equity and Liabilities	1,530,042,674	25,062,800	1,555,105,474
Contingencies and Commitments	481,761,044	12,369,384	494,130,428

44. TRUST ACTIVITIES

The Group undertakes Trustee and other fiduciary activities that result in the holding or placing of assets on behalf of individuals and other organisations.These are not assets of the Group and, therefore, are not included as such in these consolidated financial statements. Assets held under trust are shown in the table below:

	2024					
		Securities Held (Face Value)				
Category	**No. of IPS Accounts**	**Market Treasury Bills**	**Pakistan Investment Bonds**	**Naya Pakistan Certificates**	**Government Ijara Sukuk**	**Total**
		---------- (Rupees in '000) ----------				
Charitable Institutions	**4**	**445,000**	**-**	**-**	**-**	**445,000**
Assets Management Companies	**35**	**6,000,000**	**17,387,500**	**-**	**1,954,630**	**25,342,130**
Companies	**20**	**25,602,935**	**32,730,400**	**-**	**-**	**58,333,335**
Employees Funds / NGOs	**44**	**19,625,515**	**36,803,900**	**-**	**1,649,840**	**58,079,255**
Individuals	**204**	**14,750,755**	**299,600**	**2,315,229**	**94,970**	**17,460,554**
Insurance Companies	**12**	**131,316,925**	**79,524,700**	**-**	**27,112,600**	**237,954,225**
Others	**29**	**8,926,885**	**123,682,000**	**-**	**1,483,000**	**134,091,885**
Total	**348**	**206,668,015**	**290,428,100**	**2,315,229**	**32,295,040**	**531,706,384**

	2023					
		Securities Held (Face Value)				
Category	No. of IPS Accounts	Market Treasury Bills	Pakistan Investment Bonds	Naya Pakistan Certificates	Government Ijara Sukuk	Total
		---------- (Rupees in '000) ----------				
Charitable Institutions	4	445,000	-	-	-	445,000
Asset Management Companies	35	6,000,000	17,387,500	-	1,954,630	25,342,130
Companies	20	25,602,935	32,730,400	-	-	58,333,335
Employees Funds / NGOs	44	19,625,515	36,803,900	-	1,649,840	58,079,255
Individuals	204	14,750,755	299,600	2,315,229	94,970	17,460,554
Insurance Companies	12	131,316,925	79,524,700	-	27,112,600	237,954,225
Others	29	8,926,885	123,682,000	-	1,483,000	134,091,885
Total	348	206,668,015	290,428,100	2,315,229	32,295,040	531,706,384

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

45. RELATED PARTY TRANSACTIONS

The Group has related party transactions with its parent, directors, key management personnel, associates and other related parties.

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

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

	2024				
	Parent	Directors	Key management personnel	Associates	Other related parties
Statement of financial position	Rupees in '000				
Lendings to financial institutions					
Opening balance	-	-	-	-	-
Addition during the period	-	-	-	-	-
Repaid during the period	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	-
Investments					
Opening balance	7,595	-	-	1,371,911	6,508,867
Investment made during the period	-	-	-	-	8,305,942
Investment redeemed / disposed off during the period	-	-	-	-	(14,388,834)
Deficit on investments	-	-	-	-	(450,131)
Transfer in / (out) - net	(7,595)	-	-	-	-
Closing balance	-	-	-	1,371,911	(24,156)
Credit loss allowance for diminution in value of investments	-	-	-	1,191,911	-
Advances					
Opening balance	-	247	919,926	665,920	2,006,365
Addition during the period	-	2,204	448,993	618,721	13,077,017
Repaid during the period	-	(1,885)	(178,653)	(618,721)	(10,785,517)
Transfer in / (out) - net	-	(566)	(554,807)	-	175,416
Closing balance	-	-	635,459	665,920	4,473,281
Credit Loss Allowance held against advances	-	-	138	665,920	4,060
Other assets					
Mark-up / return / interest accrued	-	-	670	-	46,915
Receivable against bancassurance / bancatakaful	-	-	-	-	9,430
Prepaid insurance	-	-	-	-	-
Trade receivable	1,615	-	-	-	31,691
Rent receivable	-	-	-	-	2,961
Advance against investment in securities	-	-	-	-	792,000
Other receivable	-	-	-	-	-
Credit Loss Allowance against other assets	-	-	-	-	-

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

	2024				
	Parent	Directors	Key management personnel	Associates	Other related parties
	Rupees in '000				
Borrowings					
Opening balance	-	-	-	-	-
Borrowings during the period	-	-	-	-	-
Settled during the period	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	-
Deposits and other accounts					
Opening balance	80,689	369	41,934	46,398	12,110,023
Received during the period	11,025,819	20,298	871,091	2,565,724	271,222,852
Withdrawn during the period	(10,993,672)	(11,221)	(844,243)	(2,590,447)	(276,503,188)
Transfer in / (out) - net	-	-	(12,534)	-	35,984
Closing balance	112,836	9,446	56,248	21,675	6,865,671
Subordinated debt					
Opening balance	2,500	-	485	-	21,119
Issued during the period	-	-	-	-	233,585
Redeemed during the period	(2,500)	-	-	-	(1,264)
Transfer in / (out) - net	-	-	(485)	-	485
Closing balance	-	-	-	-	253,925
Other liabilities					
Mark-up / return / interest payable on deposits	-	-	-	2	15,576
Mark-up / return / interest payable on borrowings	-	-	-	-	-
Mark-up / return / interest payable on subordinated debt	-	-	-	-	1,173
Dividend payable	-	-	-	-	-
Trade payable	-	-	-	-	13,779
Donation payable	-	-	-	-	-
Defined benefit obligation - net	-	-	-	-	800,305
Others payable	-	-	-	-	33,588
Contingencies and commitments					
Letter of guarantee	-	-	-	-	15,369
Letter of credit	-	-	-	-	79,352
Forward lending	-	-	-	-	-

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

	2023				
	Parent	Directors	Key management personnel	Associates	Other related parties
Statement of financial position	------------------------------------ Rupees in '000 ------------------------------------				
Lendings to financial institutions					
Opening balance	-	-	-	-	-
Addition during the year	-	-	-	-	116,405,200
Repaid during the year	-	-	-	-	(116,405,200)
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	-
Investments					
Opening balance	7,595	-	-	269,800	11,290,639
Investment made during the period	-	-	-	-	1,290,203
Investment redeemed / disposed off during the year	-	-	-	-	(4,141,720)
Deficit on investments	-	-	-	-	(777,060)
Transfer in / (out) - net	-	-	-	1,102,111	(1,153,195)
Closing balance	7,595	-	-	1,371,911	6,508,867
Provision for diminution in value of investments	-	-	-	1,102,111	388,607
Advances					
Opening balance	-	-	524,061	232,166	1,340,315
Addition during the year	-	1,997	414,637	903,910	13,272,798
Repaid during the year	-	(2,240)	(238,056)	(950,343)	(12,232,769)
Transfer in / (out) - net	-	490	219,284	480,187	(373,979)
Closing balance	-	247	919,926	665,920	2,006,365
Other assets					
Mark-up / return / interest accrued	-	-	869	20,758	33,338
Receivable against bancassurance / bancatakaful	-	-	-	-	15,358
Prepaid insurance	-	-	-	-	587
Net defined benefit plan	-	-	511	-	169,423
Trade receivable	-	-	-	-	16,338
Rent receivable	-	-	-	-	3,650
Other receivable					
Provision against other assets	-	-	-	-	-
Borrowings					
Opening balance	-	-	-	-	320,785
Borrowings during the year	-	-	-	-	-
Settled during the year	-	-	-	-	(320,785)
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	-

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

	2023				
	Parent	Directors	Key management personnel	Associates	Other related parties
	------------	------------	Rupees in '000	------------	------------
Deposits and other accounts					
Opening balance	130,430	174,485	47,853	2,621	12,626,532
Received during the year	20,697,001	2,406	946,674	4,325,135	215,915,800
Withdrawn during the year	(20,746,742)	(2,327)	(946,477)	(4,298,767)	(221,231,979)
Transfer in / (out) - net	-	(174,195)	(6,116)	17,409	4,799,670
Closing balance	80,689	369	41,934	46,398	12,110,023
Subordinated debt					
Opening balance	2,500	-	-	-	124,714
Issued during the year	-	-	-	-	20,000
Redeemed during the year	-	-	-	-	(124,715)
Transfer in / (out) - net	-	-	485	-	1,120
Closing balance	2,500	-	485	-	21,119
Other liabilities					
Mark-up / return / interest payable on deposits	-	-	333	13	82,686
Mark-up / return / interest payable on borrowings	-	-	-	-	-
Mark-up / return / interest payable on subordinated debt	-	-	-	-	13
Dividend payable	-	-	-	-	169,317
Trade payable	5,989	-	1,154	-	21,868
Donation payable	-	-	-	-	209,514
Defined benefit obligation - net	-	-	-	-	562,132
Others payable	400	-	10	-	4,950
Contingencies and commitments					
Letter of guarantee	-	-	-	-	15,141
Letter of credit	-	-	-	-	516,329
Forward lending	-	-	-	-	-

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

	2024				
	Parent	Directors	Key management personnel	Associates	Other related parties
Profit and loss account	Rupees in '000				
Income					
Mark-up / return / interest earned	-	93	24,943	35,619	787,432
Fee, commission and brokerage income	2,300	173	2,827	-	131,882
Dividend income	-	-	-	-	86,975
Gain on sale of securities - net	-	-	16	-	306,450
Gain / (loss) on sale of fixed assets	-	-	(239)	-	-
Rental income	-	-	-	-	14,225
Other income	-	-	-	22	589
Credit loss allowance on:					
Investments - net	-	-	-	18,922	-
Advances	-	-	93	-	3,434
Expense					
Mark-up / return / interest paid	23,254	-	2,940	3,706	1,611,411
Commission / charges paid	-	-	-	-	-
Remuneration paid	-	-	1,246,578	-	961,273
Non-executive directors' fee	-	13,300	-	-	36,110
Net charge for defined contribution plans	-	-	-	-	685,788
Net charge for defined benefit plans	-	-	-	-	462,822
Insurance expense	-	-	-	-	11,288
Rent	4,243	-	-	-	6,032
Advisory fee	20,500	-	-	-	-
Consultancy charges	-	-	-	-	61,077
Training & Development	-	-	19,071	-	-
Marketing, Advertisement & Publicity	-	-	-	-	21,142
Royalty	-	-	-	-	22,500
Other expenses	3,053	-	-	-	386,880
Payments made during the period					
Insurance premium paid	-	-	-	-	259,062
Insurance claims settled	-	-	-	-	126,134
Donation Paid	-	-	-	-	174,559
Dividend paid	-	-	-	-	528,136
Other Transactions					
Sale of Government Securities	-	-	13,425	-	182,570,938
Purchase of Government Securities	-	-	3,148	-	133,385,331
	-	-	-	-	-

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

	2023				
	Parent	Directors	Key management personnel	Associates	Other related parties
Profit and loss account	------------------------------------- Rupees in '000 -------------------------------------				
Income					
Mark-up / return / interest earned	431	-	41,536	107,624	479,860
Fee, commission and brokerage income	1,908	106	5,152	10	365,972
Dividend income	-	-	-	-	173,843
Gain on sale of securities - net	-	-	-	-	23,126
Rental income	-	-	-	-	-
Reversals / (provisions) and write offs - net					
Reversal for diminution in value of Investments - net	-	-	-	-	-
Expense					
Mark-up / return / interest paid	52,143	-	5,375	6,053	1,361,144
Commission / charges paid	-	-	-	-	-
Remuneration paid	-	-	961,662	-	978,185
Non-executive directors' fee	-	13,450	-	-	31,590
Net charge for defined contribution plans	-	-	-	-	418,068
Net charge for defined benefit plans	-	-	-	-	190,007
Insurance expense	-	-	-	-	164,437
Rent	1,787	-	-	-	14,375
Advisory fee	15,000	-	-	-	10,917
Consultancy charges	-	-	-	-	56,922
Royalty	-	-	-	-	26,250
Other expenses	1,200	-	25,626	261	104,394
Payments made during the period					
Insurance premium paid	-	-	-	-	96,440
Insurance claims settled	-	-	-	-	7,874
Other transactions					
Sale of Government Securities	-	-	175,594	-	222,995,909
Purchase of Government Securities	-	-	309,485	-	22,146,983
Purchase of Shares of Subsidiary	5,444,290	-	-	-	5,482,227
Purchase of non-Government Securities	-	-	-	-	2,351,720
Sale of non-Government Securities	-	-	-	-	50,456
Sale of Foreign Currencies	-	-	-	-	36,568,435
Purchase of Foreign Currencies	-	-	-	-	25,422,778

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

46. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	2024	2023
	-------- Rupees in '000 --------	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	**20,506,625**	20,506,625
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	**54,060,081**	41,113,992
Eligible Additional Tier 1 (ADT 1) Capital	**5,506,643**	5,357,195
Total Eligible Tier 1 Capital	**59,566,724**	46,471,187
Eligible Tier 2 Capital	**19,780,113**	14,766,497
Total Eligible Capital (Tier 1 + Tier 2)	**79,346,837**	61,237,684
Risk Weighted Assets (RWAs):		
Credit Risk	**299,924,033**	276,360,614
Market Risk	**6,122,020**	6,158,394
Operational Risk	**133,141,179**	95,774,177
Total	**439,187,232**	378,293,185
Common Equity Tier 1 Capital Adequacy ratio	**12.31%**	10.87%
Tier 1 Capital Adequacy Ratio	**13.56%**	12.28%
Total Capital Adequacy Ratio	**18.07%**	16.19%

The SBP through its BSD Circular No. 07 dated April 15, 2009 has prescribed the minimum paid-up capital (net of accumulated losses) for banks to be raised to Rs.10,000 million by the year ending December 31, 2013. The paid-up capital of the Bank as at December 31, 2024 stood at Rs. 20,506.525 million (2023: Rs. 20,506,525 million) and is in compliance with SBP requirements.

The Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10.0% plus capital conservation buffer of 1.5% of the risk weighted exposures. Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 7.5% and 9.0%, respectively (inclusive of Capital Conservation Buffer). As at December 31, 2024 the Group is fully compliant with prescribed ratios, as the Group's CAR is 18.07% whereas CET 1 and Tier 1 ratios stood at 12.31% and 13.56% respectively on Consolidated Basis. The Group has complied with all capital requirements throughout the year.

Under the current capital adequacy regulations, credit risk and market risk exposures are measured using the Standardized Approach and operational risk is measured using the Basic Indicator Approach. Credit risk mitigants are also applied against the Group's exposures based on eligible collateral under comprehensive approach.

	2024	2023
	-------- Rupees in '000 --------	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	**59,566,724**	46,471,187
Total Exposures	**1,607,832,690**	1,358,329,687
Leverage Ratio	**3.70%**	3.42%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**517,736,180**	518,459,296
Total Net Cash Outflow	**201,355,659**	182,046,259
Liquidity Coverage Ratio	**257.13%**	284.80%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**1,060,751,693**	954,593,181
Total Required Stable Funding	**528,102,996**	455,000,724
Net Stable Funding Ratio	**200.86%**	209.80%

45.1 The link to the full disclosure is available at https://jsbl.com/knowledge-centre/investor-information/

47. RISK MANAGEMENT

Risk Management is a discipline at the core of every financial institution and encompasses all the activities that affect its risk profile. At the Bank, it involves identification, measurement, monitoring and controlling risks to ensure that:

a) The individuals who take or manage risks clearly understand it;
b) The Bank's Risk exposure is within the limits established by Board of Directors (BoD);
c) Risk taking decisions are in line with the business strategy and objectives set by BoD;
d) The expected payoffs compensate for the risks taken;
e) Risk taking decisions are explicit and clear;
f) Sufficient capital as a buffer is available to take risk; and
g) Risk management function is independent of risk taking unit.

The Bank has a comprehensive set of Risk Management Policies, practices and procedures which enables the Bank to take into consideration, in an appropriate manner, all major kinds of risks mainly credit, market, liquidity, operational and IT security risks. Keeping in view the dynamics of internal and external environment, we regularly review and update our Risk Management policies and procedures in accordance with regulatory environment and international standards.

Risk Management activities remain at the forefront of all activities of the Bank which places the highest priority on conducting its business in a prudent manner in line with the relevant laws and regulatory requirements.

Risk management framework of the Bank includes:

a) Clearly defined risk management policies and procedures covering risk identification, acceptance, measurement, monitoring, reporting and control;

b) Well constituted organizational structure, defining clearly roles and responsibilities of individuals involved in risk taking as well as managing it. The Bank, in addition to risk management functions for various risk categories, has instituted an Integrated Risk Management Committee (IRMC), Portfolio Management Committee (PMC), Operational Risk Management Committee (ORMC), Remedial Management Committee (RMC) as well as Central Credit Committee (CCC). IRMC oversees the overall risk management at the Bank and provides guidance in setting strategic targets as well as concentration limits and monitor progress related to earnings growth, keeping in view the capital constraints and also adheres to the concentration limits. The IRMC monitors the strategic target and aggregate limits at the Business Group level and concentration limits (by industry, geography, size, tenor) so that one category of assets or dimension of risk cannot materially harm the performance of the Bank. PMC monitors the advances portfolio, concentrations limits, aggregate limits at business level and various house keeping elements under Credit Administration. ORMC oversees the effectiveness of operational risk management for maintenance and implementation of operational risk management framework. It also monitors the Business Continuity Planning and reviews findings of any other management or board's sub committee. Remedial Management Committee (RMC) oversees the progress of non performing loans and cases under litigation along with the recommendation of transferring of any NPL to Corporate Restructuring Company (CRC). Whereas, Central Credit Committee (CCC) is entrusted with the responsibility of monitoring lending risk profile of the Bank. CCC meets regularly to actively supervise credit risk across its lending portfolio;

c) An effective management information system that ensures flow of information from operational level to top management and a system to address any exceptions observed; and

d) A mechanism to ensure an ongoing review of systems, policies and procedures for risk management and procedures to adopt changes.

While the overall responsibility of risk management rests with the BoD, it is the duty of Senior Management to devise risk management strategy by setting up well defined policies and procedures for mitigating / controlling risks, duly approved by the Board.

Giving due consideration to the above, the Bank has put in place the following hierarchy of Risk Management:

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

- Board Risk Management Committee (BRMC);
- Integrated Risk Management Committee (IRMC) comprises of the President / Chief Executive Officer (CEO), Chief Risk Officer, Chief Operating Officer, Chief Credit Officer, Chief Financial Officer, Chief Compliance Officer, Group Head Corporate & Public Sector Government, Group Head Operations, Chief of Staff, Group Head Retail Banking, Head of Human Resources, and Chief Product & Marketing Officer.
- Asset - Liability Committee (ALCO) comprises of the President / Chief Executive Officer (CEO), Treasurer, Chief Risk Officer, Chief Credit Officer, Group Head Investment Banking, Chief Financial Officer and attended by Other Business Heads.
- Central Credit Committee (CCC) comprising of the President / CEO, Chief Operating Officer, Chief Credit Officer, Group Head Corporate & Public Sector Government, Group Head Emerging Corporate (South), Group Head Emerging Corporate (Central & North) and Head of Environmental Risk (for environmental risk only).
- Portfolio Management Committee (PMC) comprises of President / CEO, Chief Risk Officer, Chief Credit Officer, Group Head Corporate & Public Sector Government, Group Head Retail Banking, Heads of Credit Risk, Head CAD, Head of Consumer Risk, and Head Enterprise Risk Management.
- Operational Risk Management Committee (ORMC) comprises of the Chief of Staff, Chief Risk Officer, Chief Compliance Officer, Chief Information Officer, Group Head Operations, Head of Human Resources, Chief Product & Marketing Officer, Group Head Retail Banking, Group Head Customer Experience and Head Enterprise Risk Management .
- Remedial Management Committee (RMC) comprises of President / CEO, Chief Risk Officer, Chief Credit Officer, Chief of Staff, Chief Operating Officer, Chief Financial Officer, Head of SAM, CAD Head, Credit Risk Heads and Head of Legal.
- IT Steering Committee (ITSC) comprises of President / CEO, Deputy CEO, Chief Risk Officer, Chief Financial Officer, Group Head Operations & Technology, Chief Information Officer, Chief Information Security Officer, Chief of Staff, Group Head Investment Banking & Emerging Business, Chief Digital Officer, Country Head Branch Banking Operations and Head Product Development & Consumer Business.
- Risk Management Group (RMG), a dedicated and independent set-up headed by Chief Risk Officer (CRO) and comprises of Heads of Market & Liquidity Risks, Operational Risk and Treasury Middle Office, Consumer & Program Lending Risk, Information Security, Agricultural Credit Risk, Strategic Projects & Quantitative Analysis and Enterprise Risk Management.
- Credit Risk Group (CRG) is also an independent function to business and is headed by Chief Credit Officer (CCO). Credit Risk Heads dealing in corporate, emerging corporate, middle market, small & medium enterprises, financial institutions and international operations are reporting into CCO. Special Assets Management (SAM) and Credit Administration (CAD) also report into CCO.

Risk Matrix / Categories

The Bank, in common with other banks, generates its revenues by accepting Country, Credit, Liquidity, Interest Rate Risk in the Banking Book, Market, Operational and other risks. Effective management of these risks is the decisive factor in the Bank's profitability.

Risk Appetite

The Group's risk appetite is reflected in its endeavours to maintain a favourable credit rating and encompasses the following:

- The business strategy;
- The expectations of stakeholders at different time horizons;
- The characteristics of the risk-bearing entities;
- The nature and characteristics of the risks undertaken; and
- The possible spread of risk situations across organizational units, assets-at-risk, and future time horizons.

Risk appetite drives business activity. It combines anticipations in risk and profitability with management preferences to control capital and resource allocation, as well as the distribution of exposure across activities and portfolios.

The holding company hedging strategy is embedded in its risk management practices for addressing material categories of risk.

47.1 Credit Risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Credit risk is managed in terms of credit policies, approved by the BoD and regulations issued by the SBP. The Group is exposed to credit risk on loans and advances, fund placements with financial institutions and certain investments.

Credit risk management is an ongoing process. The overall credit policy and the credit risk instructions are issued by the Board of Directors. In this regards, a Central Credit Committee (CCC) is entrusted with the responsibility of monitoring lending risk profile of the holding company. In order to maintain healthy growth of the credit portfolio, the Bank's Credit Risk Management processes are consistently upgraded and improved to meet future challenges.

The holding company strategy is to minimize credit risk through product, geography, industry and customer diversification. Credit limits are established for all counter-parties after a careful assessment of their credit worthiness. An effective credit granting procedure, which requires pre-sanction evaluation of credit proposal, adequacy of security and pre-disbursement examination of charge documents is in place and managed by Credit Risk Group (CRG), Risk Management Group (RMG) and Credit Administration Department (CAD). The holding company maintains a sound portfolio diversified in nature to counter the risk of credit concentration and further confines risk through diversification of its assets by geographical and industrial sector. For managing impaired assets in the portfolio, the holding company and BIPL follows the Prudential Regulations and Risk Management guidelines issued by SBP and the Remedial Management Policy approved by the Board.

47.1.1 Credit risk: Standardised Approach

The holding company has adopted the Standardised Approach of Basel II for risk weighing its Credit Risk Exposures.

The following table illustrates the approved External Credit Assessment Institutions (ECAIs) whose ratings are being utilised by the Bank with respect to material categories of exposures:

Exposures	VIS	PACRA	MOODY'S	FITCH	S&P
Corporate	✓	✓	-	-	-
Banks	✓	✓	✓	✓	✓
SME's (retail exposures)	✓	✓	-	-	-
Sovereigns	✓	✓	✓	✓	✓
Securitisations	N/A	N/A	N/A	N/A	N/A

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

The holding company has used Issue Specific Ratings for rating / risk weighing Issue Specific Exposures and Entity Ratings for rating / risk weighing claims against specific counterparties. Both short and long term ratings have been used to rate corresponding short and long term exposures. For this purpose, Mapping Grid has been provided by SBP as given below:

Long - Term Ratings Grades Mapping

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

Short - Term Ratings Grades Mapping

SBP Rating Grade	PACRA	VIS	Fitch	Moody's	S&P
S1	A-1	A-1	F1	P-1	A-1+, A-1
S2	A-2	A-2	F2	P-2	A-2
S3	A-3	A-3	F3	P-3	A-3
S4	Others	Others	Others	Others	Others

47.1.2 Policies and processes for collateral valuation and management as regards Basel II

For Credit Risk Mitigation purposes the holding company uses only the eligible collaterals under Comprehensive Approach of Credit Risk Mitigation under Standardised Approach as prescribed by SBP under Circular No. 08 dated June 27, 2006, which includes Cash and Cash Equivalent Securities including Government Securities like Cash Margins, Lien on Bank Accounts, Foreign Deposit Receipts, Term Deposit Receipts, Pledge of Defense Saving Certificates, Regular Income Certificates, Special Saving Certificates, Market Treasury Bills and Pakistan Investment Bonds etc. and Shares, Term Finance Certificates (TFCs) and Mutual Funds Listed on the Main Index.

Under the Bank's policy all collaterals are subject to periodic valuations to monitor the adequacy of margins held. Shares / Marketable securities are valued by the Bank on daily basis to calculate the Drawing Power (DP). In case of any shortfall in the requisite margins, the DP is adjusted to the appropriate level and the business units are informed to take appropriate action as per the agreement with the customer.

Particulars of bank's significant on-balance sheet and off-balance sheet credit risk in various sectors are analysed as follows:

47.1.3 Lendings to financial institutions

Credit risk by public / private sector

	Gross lendings		Non-performing lendings		Credit loss allowance / provision held			
	2024	2023	2024	2023	2024 Stage 1	2024 Stage 2	2024 Stage 3	2023
	Rupees in '000							
Public / Government	-	-	-	-	-	-	-	-
Private	4,272,508	16,519,958	14,580	17,820	-	-	17,820	17,820
	4,272,508	16,519,958	14,580	17,820	-	-	17,820	17,820

47.1.4 Investment in debt securities

Credit risk by industry sector

	Gross Investments		Non-performing Investments		Credit loss allowance / provision held			
	2024	2023	2024	2023	2024 Stage 1	2024 Stage 2	2024 Stage 3	2023
	Rupees in '000							
Chemical and pharmaceuticals	1,093,980	99,998	-	-	-	-	-	-
Financial	274,485,206	262,940,873	21,072	21,072	250	203,415	21,072	334,872
Transport, storage and communication	143,446	593,446	143,446	143,446	-	-	143,446	143,446
Power (electricity), Gas, Water, Sanitary	32,277,326	33,174,101	-	-	-	-	-	-
Services	56,616	986,996	56,615	56,615	-	-	56,615	56,615
Textile	510,082	803,256	221,251	764,618	-	-	288,831	543,367
Production and transmission of energy	33,333	110,674	-	-	-	-	-	-
Construction	32,800	81,800	32,800	32,800	-	-	32,800	32,800
Electronics and electrical appliances	55,000	55,000	55,000	55,000	-	-	-	-
Federal Government Shariah Compliant Securities	299,226,475	272,355,928	-	-	-	-	-	-
Others	1,579,078	1,443,813	890,408	159,661	3	-	415,937	159,661
	609,493,342	572,645,885	1,420,592	1,233,212	253	203,415	958,701	1,270,761

Credit risk by public / private sector

Public / Government	591,852,497	546,731,162	-	-	-	-	-	124,556
Private	17,640,845	25,914,723	1,420,592	1,233,212	253	203,415	958,701	1,146,205
	609,493,342	572,645,885	1,420,592	1,233,212	253	203,415	958,701	1,270,761

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

47.1.5 Advances

Credit risk by industry sector

	Gross Advances		Non-performing Advances		Credit loss allowance / provision held			
	2024	2023	2024	2023	2024 Stage 1	2024 Stage 2	2024 Stage 3	2023
	----------------------	----------------------	----------------------	Rupees in '000	----------------------	----------------------	----------------------	----------------------
Agriculture, forestry, hunting and fishing	16,169,960	15,323,448	1,541,835	1,506,306	570,333	5,712	1,185,210	1,839,487
Air transport	21,906,163	18,570,899	-	-	-	-	-	746,854
Chemical and pharmaceuticals	19,912,578	13,677,794	1,234,623	2,106,599	106,621	6,616	1,159,938	605,803
Construction	26,067,052	18,353,432	2,647,172	1,006,775	62,943	210,383	1,684,353	1,918,444
Education and medical	3,528,095	4,402,499	122,208	118,256	28,539	6,724	80,180	-
Electronics and electrical appliances	5,194,236	5,577,786	2,386,032	1,416,018	15,491	4,349	1,561,372	1,334,884
Financial	128,178,704	8,332,818	240,400	241,890	32,904	2,432	240,189	1,316,577
Food, tobacco and beverages	33,455,746	68,673,288	5,896,021	4,385,449	110,031	48,836	5,103,030	1,883,800
Hotel and tourism	416,988	343,313	11,022	14,307	771	271	4,400	351,022
Individuals	70,445,398	75,521,106	5,969,358	5,660,821	656,967	350,841	4,461,916	3,700,677
Information and communication	18,648,052	21,361,145	1,000,335	1,149,548	11,778	2,477	866,295	50,418
Leather and related products	3,872,901	2,153,538	3,622	2,459	39,867	1,937	3,097	2,075,166
Metal and allied industries	15,732,756	15,616,020	6,520,266	3,098,689	35,783	5,369	5,136,355	684,741
Mining and quarrying	828,844	1,049,026	27,835	18,500	22	1,111	27,835	-
Plastic and Non Metallic Prodcuts	2,318,850	3,024,596	719,941	722,543	540	16,158	665,612	15,667
Power (electricity), gas, water, sanitary	17,080,749	17,973,316	1,192,397	1,198,739	91,125	1,753	1,006,555	588,146
Printing and Publication activities	6,156,125	6,502,241	119,400	126,004	62,795	8,121	32,887	232,040
Services	27,834,006	42,011,288	90,334	1,393,158	370,358	16,709	61,755	72,861
Textile	84,845,056	67,184,026	7,309,228	6,520,332	345,305	30,251	7,016,407	6,001,980
Transport, storage and communication	14,182,415	10,801,644	1,354,224	1,313,563	63,232	86,668	1,328,240	982,682
Wholesale and retail trade	23,007,105	23,223,899	3,321,327	2,702,948	86,716	9,386	2,144,139	430,295
Cement	2,074,411	3,355,526	500,000	500,000	20,346	-	500,000	500,000
Exports / Imports	340,578	765,651	319,148	67,318	581	-	68,848	63,070
Sugar	15,948,083	9,563,556	584,108	1,023,108	113,237	113,238	584,108	815,608
Private Trusts & Non-profit Organization	26,970	9,764	-	-	1,178	-	-	-
Others	16,358,442	14,982,268	2,483,911	2,781,762	215,229	31,470	2,407,511	2,899,488
	574,530,263	468,353,887	45,594,747	39,075,092	3,042,692	960,812	37,330,232	29,109,710

Credit risk by public / private sector

	Gross Advances 2024	Gross Advances 2023	Non-performing Advances 2024	Non-performing Advances 2023	2024 Stage 1	2024 Stage 2	2024 Stage 3	2023
Public / Government	38,128,356	102,967,101	-	-	-	-	-	-
Private	536,401,907	365,386,786	45,594,747	39,075,092	3,042,692	960,812	37,330,232	29,109,710
	574,530,263	468,353,887	45,594,747	39,075,092	3,042,692	960,812	37,330,232	29,109,710

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

47.1.6 Contingencies and commitments

	2024	2023
	-------- Rupees in '000 --------	
Credit risk by industry sector		
Agriculture, forestry, hunting and fishing	**21,986,941**	13,847,685
Chemical and pharmaceuticals	**10,733,131**	17,672,916
Construction	**72,445,947**	41,615,778
Education and medical	**212,729**	1,365,528
Electronics and electrical appliances	**3,625,297**	5,481,008
Financial	**236,100,781**	232,212,096
Food, tobacco and beverages	**20,943,368**	11,032,746
Hotel and tourism	**6,673**	551,246
Individuals	**3,594,299**	2,979,200
Information and communication	**6,845,273**	6,494,377
Leather and related products	**970,443**	151,348
Metal and allied industries	**5,690,568**	2,129,149
Oil and Allied	**2,470,440**	3,431,455
Paper and allied	**4,157,439**	1,581,666
Power (electricity), gas, water, sanitary	**6,536,887**	23,863,629
Real estate activities	**3,473,370**	4,551,937
Textile	**108,378,410**	55,247,198
Transport, storage and communication	**13,703,631**	8,197,783
Wholesale and retail trade	**18,440,502**	22,683,968
Mining and Quarrying	**4,452**	956,771
Cement	**1,026,046**	396,935
Sugar	**40,339,390**	3,647,371
Production and transmission of energy	**1,503,641**	1,301,308
Exports / Imports	**77,630,302**	1,152,892
Services	**16,085,211**	7,583,989
Manufacturing	**17,796,055**	10,765,092
Others	**16,695,565**	13,235,357
	711,396,791	494,130,428

Credit risk by public / private sector

	2024	2023
Public / Government	**92,578,734**	112,332,834
Private	**618,818,057**	381,797,594
	711,396,791	494,130,428

47.1.7 Concentration of Advances

The Bank's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 111,459.037 million (2023: Rs. 68,633.79 million) are as following:

	Note	2024	2023
		----- Rupees in '000 -----	
Funded	47.1.7.1	**75,066,413**	36,721,558
Non Funded	47.1.7.2	**36,392,624**	31,912,228
Total Exposure		**111,459,037**	68,633,786

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

47.1.7.1 None of the exposure against these are classified.

47.1.7.2 The sanctioned limits against these top 10 exposures aggregated to Rs. 71,999.525 million (2023: Rs. 70,850.560 million).

47.1.8 Advances - Province / Region-wise Disbursement & Utilisation

	2024							
		Utilisation						
	Disburs-ements	Punjab	Sindh	KPK & FATA	Balochistan	Islamabad	AJK & Gilgit - Baltistan	Bahrain
	---------- Rupees in '000 ----------							
Province / Region								
Punjab	114,528,579	114,528,579	-	-	-	-	-	-
Sindh	245,344,881	-	245,344,881	-	-	-	-	-
KPK including FATA	1,597,473	-	-	1,597,473	-	-	-	-
Balochistan	78,383	-	-	-	78,383	-	-	-
Islamabad	69,979,624	-	-	-	-	69,979,624	-	-
AJK including Gilgit-Baltistan	203,116	-	-	-	-	-	203,116	-
Bahrain	26,862,279	-	-	-	-	-	-	26,862,279
Total	458,594,335	114,528,579	245,344,881	1,597,473	78,383	69,979,624	203,116	26,862,279

	2023							
		Utilisation						
	Disburs-ements	Punjab	Sindh	KPK & FATA	Balochistan	Islamabad	AJK & Gilgit - Baltistan	Bahrain
	---------- Rupees in '000 ----------							
Province / Region								
Punjab	161,912,121	161,912,121	-	-	-	-	-	-
Sindh	279,761,868	-	279,761,868	-	-	-	-	-
KPK including FATA	3,961,331	-	-	3,961,331	-	-	-	-
Balochistan	1,019,746	-	-	-	1,019,746	-	-	-
Islamabad	52,787,279	-	-	-	-	52,787,279	-	-
AJK including Gilgit-Baltistan	920,752	-	-	-	-	-	920,752	-
Bahrain	13,859,548	-	-	-	-	-	-	13,859,548
Total	514,222,645	161,912,121	279,761,868	3,961,331	1,019,746	52,787,279	920,752	13,859,548

47.1.9 Sensitivity of ECL to Future Economic Conditions

The ECL are sensitive to judgements and assumption made regarding formulation of forward-looking scenarios and how much such scenarios are incorporated into calculations. The Bank performs sensitivity analysis on the ECL recognised on each of its segments.

The table below shows the loss allowance on each segment assuming each forward-looking scenario (e.g. improved, base and worst) were weighted 100 percent instead of applying scenario probability across the three scenarios.

	Total ECL as per FS	Improved		Base		Worst	
		As per sensitivity	Increase / decrease in %	As per sensitivity	Increase / decrease in %	As per sensitivity	Increase / decrease in %
	---------------------------------- Rupees in '000 ----------------------------------						
Corporate and commercial	**30,566,899**	**30,608,982**	**0.14%**	**30,537,426**	**-0.10%**	**30,812,625**	**0.80%**
Medium enterprise	**5,167,553**	**5,381,041**	**4.13%**	**5,313,628**	**2.83%**	**5,497,228**	**6.38%**
Small enterprise	**1,088,465**	**1,085,888**	**-0.24%**	**1,088,322**	**-0.01%**	**1,091,709**	**0.30%**
Muskun	**1,447,371**	**1,546,178**	**6.83%**	**1,116,377**	**-22.87%**	**1,460,530**	**0.91%**
Consumer	**1,848,088**	**1,857,421**	**0.51%**	**1,711,103**	**-7.41%**	**1,893,190**	**2.44%**
Agriculture	**728,211**	**776,158**	**6.58%**	**556,060**	**-23.64%**	**744,030**	**2.17%**
Credit Card	**222,419**	**191,339**	**-13.97%**	**221,620**	**-0.36%**	**257,228**	**15.65%**
Staff	**166,046**	**166,048**	**0.00%**	**166,048**	**0.00%**	**166,048**	**0.00%**
Overseas Operations	**192,503**	**155,396**	**-19.28%**	**191,847**	**-0.34%**	**232,674**	**20.87%**

47.2 Market Risk

Market risk is the risk of loss due to adverse changes in interest rates, foreign exchange rates, equity prices and market conditions. From the perspective of the Group, market risk comprises of interest rate risk, foreign exchange risk and equity position risk, which the Group is exposed to in its trading book.

The Group has an approved market risk policy wherein the governance structure for managing market risk, measurement tools used and the market risk exposure limits have been addressed. The Group's strategy for managing market risk is to relate the level of risk exposures to their risk appetite and the capital at hand.

The Board of Directors (BoD) and the Asset and Liability Committee (ALCO) are responsible for addressing market risk from a strategic perspective and are assisted by the market risk function in meeting these objectives.

The Market Risk Unit reports directly to Head ERM and is responsible for ensuring the implementation of market risk policy in line with the Group's strategy.

Risk reporting undertaken by the market risk function includes:

a) Portfolio Reports;
b) Limit monitoring reports;
c) Sensitivity analysis; and
d) Stress testing of the portfolio.

Currently, the Group is using the market risk standardised approach for the purpose of computing regulatory capital, the details of which are set out above.

47.2.1 Balance sheet split by trading and banking books

	2024			2023		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	-------------------------------- Rupees in '000 --------------------------					
Cash and balances with treasury banks	**84,152,368**	**-**	**84,152,368**	82,182,460	-	82,182,460
Balances with other banks	**5,075,835**	**-**	**5,075,835**	5,302,080	-	5,302,080
Lendings to financial institutions	**4,257,928**	**-**	**4,257,928**	16,502,138	-	16,502,138
Investments	**620,249,132**	**9,217,042**	**629,466,174**	581,609,921	1,513,353	583,123,274
Advances	**521,168,186**	**-**	**521,168,186**	429,351,921	-	429,351,921
Property and equipment	**28,175,404**	**-**	**28,175,404**	22,241,601	-	22,241,601
Right-of-use assets	**7,078,577**	**-**	**7,078,577**	5,848,280		5,848,280
Intangible assets	**12,259,952**	**-**	**12,259,952**	10,060,410	-	10,060,410
Deferred tax assets	**-**	**-**	**-**	-	-	-
Other assets	**67,408,704**	**-**	**67,408,704**	71,846,826	-	71,846,826
	1,349,826,086	**9,217,042**	**1,359,043,128**	1,224,945,637	1,513,353	1,226,458,990

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

47.2.2 Foreign Exchange Risk

Main objective of foreign exchange risk management is to ensure that the foreign exchange exposure of the Group lies within the defined appetite of the Group.

Daily reports are generated to monitor the internal and regulatory limits with respect to the overall foreign currency exposures. The overall net open position, whether short or long has the potential to negatively impact the profit and loss depending upon the direction of movement in foreign exchange rates.

Foreign exchange open and mismatched positions are marked to market on a daily basis.

Currency risk arises where the value of financial instruments changes due to changes in foreign exchange rates. In order to manage currency risk exposure the bank enters into ready / spot, forward and swap transactions with the State Bank of Pakistan (SBP) and in the interbank market. The Group's foreign exchange exposure comprises of forward contracts, foreign currencies cash in hand, balances with banks abroad, foreign placement with SBP and foreign currencies assets and liabilities. The net open position is managed within the statutory limits, as fixed by SBP. Counter parties limit are also fixed to limit risk concentration. Appropriate segregation of duties exists between the front and back office functions while compliance with the net open position limit is independently monitored on an ongoing basis.

	2024				2023			
	Foreign currency assets	**Foreign currency liabilities**	**Off-balance sheet items**	**Net foreign currency exposure**	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure
	---- Rupees in '000 ----							
United States Dollar	**42,065,577**	**88,405,418**	**37,049,717**	**(9,290,124)**	46,164,754	79,134,003	23,194,925	(9,774,324)
Great Britain Pound	**666,744**	**5,965,705**	**5,340,701**	**41,740**	833,163	5,320,209	3,950,482	(536,564)
Euro	**1,747,083**	**2,535,419**	**715,003**	**(73,333)**	2,101,929	2,160,752	(855,979)	(914,802)
Other currencies	**680,213**	**716,696**	**-**	**(36,483)**	614,280	872,673	92,264	(166,129)
	45,159,617	**97,623,238**	**43,105,421**	**(9,358,200)**	49,714,126	87,487,637	26,381,692	(11,391,819)

	2024		2023	
	Banking book	**Trading book**	Banking book	Trading book
	---- Rupees in '000 ----			
Impact of 1% change in foreign exchange rate on				
- Profit and loss account	**94,129**	**547**	116,435	7,143
- Other comprehensive income	**-**	**-**	-	-

47.2.3 Equity position Risk

Equity positions in the banking book include Investment in equities that are available-for-sale or held for strategic investment purposes. These investments are generally regarded as riskier relative to fixed income securities owing to the inherent volatility of stock market prices. The Group mitigates these risks through diversification and capping maximum exposures in a single company, compliance with regulatory requirement, and following the guidelines laid down in the Group's Investment Policy as set by the Board of Directors (BoD). The Bank follows a delivery versus payment settlement system thereby minimizing risk available in relation to settlement risk.

Equity price risk is managed by applying Portfolio level limits and scrip-wise stop loss monitoring.

	2024		2023	
	Banking	**Trading**	Banking	Trading
	------------------ Rupees in '000 ------------------			
Impact of 5% change in equity prices on				
- Profit and loss account	**-**	**14,830**	-	-
- Other comprehensive income	**238,807**	**-**	211,099	-

47.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB)-Basel II Specific

Yield/ Interest rate sensitivity position for on-balance sheet instruments is based on the earlier of contractual re-pricing or maturity date and for off-balance sheet instruments is based on settlement date. This also refers to the non-trading market risk. The gap analysis between the market rate sensitive assets and liabilities is given below:

	2024		2023	
	Banking book	**Trading book**	Banking book	Trading book
	------------------ Rupees in '000 ------------------			
Impact of 1% change in interest rates on				
- Profit and loss account	**772,881**	**-**	576,800	-
- Other comprehensive income	**(284,818)**	**(72,650)**	(548,320)	(2)

Notes to the Consolidated Financial Statements
For the year ended December 31, 2024

47.3 Mismatch of interest rate sensitive assets and liabilities

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. The Group is exposed to interest / mark-up rate risk as a result of mismatches or gaps in the amount of interest / mark up based assets and liabilities that mature or re-price in a given period. The Group manages this risk by matching / re-pricing of assets and liabilities. The assets and liabilities committee (ALCO) of the Bank monitors and manages the interest rate risk with the objective of limiting the potential adverse effects on the profitability of the Group.

	2024											
			Exposed to yield / interest rate risk									
	Effective yield / interest / profit rate	Total	Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years	Non-interest / profit bearing financial instrument
		Rupees in '000										
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	-	84,152,368	4,965,343	-	-	-	-	-	-	-	-	79,187,025
Balances with other banks	4.06%	5,075,835	791,151	-	-	-	-	-	-	-	-	4,284,684
Lendings to financial institutions	22.36%	4,257,928	4,257,928	-	-	-	-	-	-	-	-	-
Investments	18.26%	629,466,174	101,289,720	92,535,776	376,692,962	44,325,152	518,583	2,331,173	3,632,882	1,368,073	184,569	6,587,284
Advances	17.68%	521,168,186	140,113,709	64,451,182	130,164,080	96,268,126	6,703,711	10,420,752	11,592,461	11,065,965	9,981,692	40,406,508
Other assets	-	47,441,522	-	-	-	-	-	-	-	-	-	47,441,522
		1,291,562,013	251,417,851	156,986,958	506,857,042	140,593,278	7,222,294	12,751,925	15,225,343	12,434,038	10,166,261	177,907,023
Liabilities												
Bills payable	-	21,899,370	-	-	-	-	-	-	-	-	-	21,899,370
Borrowings	14.52%	114,360,666	66,834,165	6,600,151	10,627,097	3,381,654	6,686,446	6,040,415	3,765,468	10,368,396	56,874	-
Deposits and other accounts	9.26%	1,081,826,269	566,866,213	19,993,163	36,288,921	47,203,824	810,278	139,573	225,827	-	-	410,298,470
Lease liabilities	15.73%	7,845,190	2,580	18,182	56,675	85,483	532,789	564,386	5,571,396	1,013,699	-	-
Subordinated debt	20.65%	11,492,708	-	6,495,708	4,997,000	-	-	-	-	-	-	-
Other liabilities	-	35,190,855	-	-	-	-	-	-	-	-	-	35,190,855
		1,272,615,058	633,702,958	33,107,204	51,969,693	50,670,961	8,029,513	6,744,374	9,562,691	11,382,095	56,874	467,388,695
On-balance sheet gap		18,946,955	(382,285,107)	123,879,754	454,887,349	89,922,317	(807,219)	6,007,551	5,662,652	1,051,943	10,109,387	(289,481,672)
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions		39,937,618	39,937,618	-	-	-	-	-	-	-	-	-
Commitments in respect of:												
- forward foreign exchange contracts		204,175,608	108,812,849	51,778,905	42,467,288	1,116,566	-	-	-	-	-	-
- forward government securities transactions		14,991,654	14,991,654	-	-	-	-	-	-	-	-	-
- derivatives		-										
- forward lending		51,495	-	-	51,495	-	-	-	-	-	-	
- Other Commitments		281,040,900	281,040,900	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		540,197,275	444,783,021	51,778,905	42,518,783	1,116,566	-	-	-	-	-	-
Total yield / interest risk sensitivity gap			62,497,914	175,658,659	497,406,132	91,038,883	(807,219)	6,007,551	5,662,652	1,051,943	10,109,387	(289,481,672)
Cumulative yield / interest risk sensitivity gap			62,497,914	238,156,573	735,562,705	826,601,588	825,794,369	831,801,920	837,464,572	838,516,515	848,625,902	

	Effective yield / interest rate	Total	2023 Exposed to yield / interest rate risk: Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	Non-interest / profit bearing financial instrument
		Rupees in '000										
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	-	82,182,460	4,614,459	-	-	-	-	-	-	-	-	77,568,001
Balances with other banks	-	5,302,080	187,063	-	-	-	-	-	-	-	-	5,115,017
Lendings to financial institutions	11.70%	16,502,138	7,957,069	-	8,545,069	-	-	-	-	-	-	-
Investments	12.21%	583,123,274	162,402,206	32,814,871	239,531,154	54,510,248	12,733,082	202,851	58,595,713	17,887,292	-	4,445,857
Advances	12.85%	429,351,921	167,436,994	25,168,437	31,851,882	150,371,872	8,428,469	13,215,115	5,730,070	2,485,033	3,462,179	21,201,870
Other assets	-	58,586,311	-	-	-	-	-	-	-	-	-	58,586,311
		1,175,048,184	342,597,791	57,983,308	279,928,105	204,882,120	21,161,551	13,417,966	64,325,783	20,372,325	3,462,179	166,917,056
Liabilities												
Bills payable	-	10,793,898	-	-	-	-	-	-	-	-	-	10,793,898
Borrowings	10.86%	84,919,346	36,051,210	15,909,758	7,377,416	673,587	1,332,245	6,306,335	3,978,933	13,082,383	207,479	-
Deposits and other accounts		1,007,819,494	522,379,552	18,380,943	35,290,009	75,096,979	385,844	671,683	70,450	-	-	355,544,034
Lease liabilities	9.13%	6,686,639	2,036,021	53,556	21,898	203,631	1,897,089	582,844	878,259	1,013,341	-	-
Subordinated debt	15.21%	11,344,671	5,848,000	5,496,671	-	-	-	-	-	-	-	-
Other liabilities	-	39,071,913	-	-	-	-	-	-	-	-	-	39,071,913
		1,160,635,961	566,314,783	39,840,928	42,689,323	75,974,197	3,615,178	7,560,862	4,927,642	14,095,724	207,479	405,409,845
On-balance sheet gap		14,412,223	(223,716,992)	18,142,380	237,238,782	128,907,923	17,546,373	5,857,104	59,398,141	6,276,601	3,254,700	(238,492,789)
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions		29,774,800	29,774,800	-	-	-	-	-	-	-	-	-
Commitments in respect of:												
- forward foreign exchange contracts												
- forward government securities transactions		123,131,336	52,845,568	23,639,253	34,498,530	12,147,985	-					
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		-	-	-	-	-	-	-	-	-	-	-
- Other Commitments		10,000	-	-	-	10,000	-	-	-	-	-	-
		126,138,097	124,966,341	-	-	-	-	-	-	-	-	1,171,756
Off-balance sheet gap		279,054,233	207,586,709	23,639,253	34,498,530	12,157,985	-	-	-	-	-	1,171,756
Total yield / interest risk sensitivity gap			(16,130,283)	41,781,633	271,737,312	141,065,908	17,546,373	5,857,104	59,398,141	6,276,601	3,254,700	(237,321,033)
Cumulative yield / interest risk sensitivity gap			(16,130,283)	25,651,350	297,388,662	438,454,570	456,000,943	461,858,047	521,256,188	527,532,789	530,787,489	

47.3.1 Reconciliation of Assets and Liabilities exposed to yield / interest rate risk with Total Assets and Liabilities

	2024	2023
	------- Rupees in '000 -------	
Total financial assets as per note 47.3	**1,291,562,013**	1,175,048,184
Add: Non financial assets		
Property and Equipment	**28,175,404**	22,241,601
Right-of-use assets	**7,078,577**	5,848,280
Intangible assets	**12,259,952**	10,060,410
Other assets	**19,967,182**	13,260,515
Total assets as per statement of financial position	**1,359,043,128**	1,226,458,990

	2024	2023
	------- Rupees in '000 -------	
Total financial liabilities as per note 47.3	**1,272,615,058**	1,160,635,961
Add: Non financial liabilities		
Deferred tax liabilities - net	**2,452,165**	679,542
Other liabilities	**7,179,351**	5,374,617
	1,282,246,574	1,166,690,120

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

47.3.2 OPERATIONAL RISK

The Bank currently uses Basic Indicator Approach to Operational Risk for regulatory capital calculations. A comprehensive ORM Framework approved by the Board of Directors is in place which addresses all significant aspects of ORM. Operational Risk identification and assessment tools used by the Bank include Risk and Control Self Assessments (RCSAs), Key Risk Indicators (KRIs) and Incident Management and Data Collection. Operational Risk Champions have been nominated from all departments of the Bank and are responsible for implementation of the Framework in coordination with the ORM department. An Operational Risk Management Committee (ORMC) monitors and oversees operational risk issues.

To inculcate the operational risk management culture at the Bank, Operational Risk Management function imparts operational risk awareness to all the new employees of the Bank as part of the induction training along with the mandatory training for all employees of the Bank via the Bank's online learning portal.

The Business Continuity Management (BCM) framework is in place and the plans are regularly tested to provide assurance that key functions of the Bank are able to continue their operations from alternate processing site(s) in case the primary site(s) are not accessible or available.

47.4 Liquidity risk

Liquidity risk is the risk that the Group will not be able to raise funds to meet its commitments. The Bank's Asset and Liability Committee (ALCO) manages the liquidity position on a continuous basis.

The Group's policy for liquidity management is to maintain adequate liquidity at all times and in all currencies under both normal and stress conditions, to meet its contractual and potential payment obligations without incurring additional and unacceptable cost to the business.

Treasury is responsible for the managing liquidity risk under the guidance of Asset-Liability Committee of the Group. The Group's liquidity risk management approach starts at the intraday level (operational liquidity) managing the daily payments queue and factoring in our access to the qualifying securities of State Bank of Pakistan. It then covers tactical liquidity risk management dealing with the access to unsecured funding sources and the liquidity characteristics of our asset inventory (asset liquidity). Finally, the strategic perspective comprises the maturity profile of all assets and liabilities on our statement of financial position.

For monitoring and controlling liquidity risk, the Group generates a scenario sensitive maturity statement of financial position, and run controlled mismatches that are monitored and discussed by ALCO members regularly. The Group prepares various types of reports and analysis for assisting ALCO in taking necessary strategic actions for managing liquidity risk in the Group. These include liquidity ratios, Concentration analysis, Gap reports, Stress testing, Liquidity Coverage ratio & Net Stable Funding Ratio analysis etc.

Based on December 31, 2024 numbers LCR is 257.13%. against SBP minimum requirement of 100%, with Total Stock of High-Quality Liquid Assets (HQLA) of Rs. 517,736.2 million and Net Cash Outflows of Rs. 201,355 million.

Furthermore, Based on December 31, 2024 numbers the NSFR is 200.86% against SBP minimum requirement of 100%, with Total Available Stable Funding of Rs. 1,060,751 million and Total Required Stable Funding of Rs. 528,103 million.

The Group strategically emphasizes diversification and stability in its funding approach. Its funding base is varied, encompassing stable sources like equity, subordinated loans, retail and small business deposits, and less stable forms such as deposits from larger entities. It is fully compliant with Basel III Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), ensuring an ample supply of high-quality liquidity assets relative to liabilities.

The Group employs stress testing to assess its balance sheet's vulnerability to hypothetical stress events. Liquidity risk factors undergo significant shocks, and their impact on the balance sheet is quantified. Stress testing encompasses scenarios defined by both regulatory standards and internally identified risks. Results are communicated to senior management, the Board of Directors, and regulators.

A Contingency Funding Plan (CFP) is in place to address liquidity challenges during crises. CFP identifying stress scenarios and corresponding funding plans, incorporating early warning indicators. Three Contingency Levels are defined in CFP with varying action Plans for each.

The Liquidity Coverage Ratio's (LCR) key drivers include High-Quality Liquid Assets (HQLA) and Net Cash Outflow, determined by asset liquidity quality and liability profile volatility. The composition of HQLA as of December 31, 2024, is detailed as below:

Level 1 Assets: Rs. 518,128 billion
Level 2 Assets: Rs. 2,410 billion

47.4.1 **Assets and Liabilities - based on contractual maturities**

	2024													
	Total	Upto 1 day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
	Rupees in '000													
Assets														
Cash and balances with treasury banks	84,152,368	84,152,368	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	5,075,835	5,075,835	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	4,257,928	-	-	-	4,257,928	-	-	-	-	-	-	-	-	-
Investments	629,466,174	883,150	12,111,639	107,131	2,842,825	426,968	778,402	101,400,084	71,792,293	20,586,160	43,349,566	69,406,515	298,477,890	7,303,551
Advances	521,168,186	69,314,463	8,599,208	13,015,278	65,405,254	23,851,927	21,758,985	121,340,619	11,304,531	32,153,074	23,569,248	26,618,077	33,886,129	70,351,393
Property and equipment	28,175,404	-	-	-	276,039	147,642	1,322,932	1,986,473	422,758	1,104,611	3,762,630	2,237,003	3,325,314	13,590,002
Right-of-use assets	7,078,577	-	-	-	27,645	-	152,685	107,929	5,766	153,637	449,769	220,033	4,606,998	1,354,115
Intangible assets	12,259,952	53,427	534,265	106,853	240,436	506,899	773,976	345,051	612,031	878,693	1,368,332	411,176	609,227	5,819,586
Deferred tax assets - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	67,408,704	406,939	2,170,525	1,178,131	5,937,550	4,449,278	2,712,990	19,931,254	1,357,900	5,607,641	2,029,967	3,129,240	11,878,397	6,618,892
	1,359,043,128	159,886,182	23,415,637	14,407,393	78,987,677	29,382,714	27,499,970	245,111,410	85,495,279	60,483,816	74,529,512	102,022,044	352,783,955	105,037,539
Liabilities														
Bills payable	21,899,370	21,899,370	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	114,360,666	1,286,145	61,157,517	668,071	3,722,434	2,075,377	4,524,774	10,627,097	440,850	2,940,804	6,686,446	6,040,415	3,765,466	10,425,270
Deposits and other accounts	1,081,826,269	369,518,776	35,682,915	63,511,289	73,781,461	28,324,861	31,454,719	75,106,413	38,811,975	60,470,860	24,010,462	34,662,760	57,513,076	188,976,702
Lease liabilities	7,845,190	-	-	-	29,534	-	163,117	108,881	4,045	158,401	525,645	235,067	5,173,864	1,446,636
Subordinated debt	11,492,708	-	-	-	-	233	-	733	233	733	1,933	1,933	2,492,717	8,994,193
Deferred tax liabilities - net	2,452,165	-	-	-	-	-	-	-	1,420,046	335,569	696,550	-	-	-
Other liabilities	42,370,206	670,499	2,024,097	1,385,599	1,981,234	1,217,258	8,515,092	6,209,040	569,236	6,035,414	1,096,582	1,536,520	2,515,199	8,614,436
	1,282,246,574	393,374,790	98,864,529	65,564,959	79,514,663	31,617,729	44,657,702	92,052,164	41,246,385	69,941,781	33,017,618	42,476,695	71,460,322	218,457,237
Net assets	76,796,554	(233,488,608)	(75,448,892)	(51,157,566)	(526,986)	(2,235,015)	(17,157,732)	153,059,246	44,248,894	(9,457,965)	41,511,894	59,545,349	281,323,633	(113,419,698)
Share capital - net	20,506,625													
Reserves	9,618,250													
Surplus on revaluation of assets - net of tax	8,134,496													
Unappropriated profit	26,121,333													
Non-controlling interest	12,415,850													
	76,796,554													

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

	2023													
	Total	Upto 1 day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
	Rupees in '000													
Assets														
Cash and balances with treasury banks	82,182,460	82,182,460	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	5,302,080	5,302,080	-	-	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	16,502,138	-	2,005,752	5,951,317	-	-	-	8,545,069	-	-	-	-	-	-
Investments	583,123,274	287,182	17,460,462	-	616,124	302,104	211,570	2,588,860	38,008,244	29,900,102	93,709,037	68,961,155	241,683,217	89,395,217
Advances	429,351,921	177,507,990	4,515,531	17,906,214	35,096,608	13,735,305	8,997,318	11,058,873	2,248,603	1,809,578	14,435,867	40,142,422	39,663,002	62,234,610
Property and equipment	22,241,601	(175,358)	38,608	44,993	209,616	304,200	460,200	2,169,129	1,035,137	526,946	1,911,415	1,484,344	4,102,134	10,130,237
Right-of-use assets	5,848,280	213,522	-	-	28,170	330	157,745	82,721	40,238	205,273	633,065	481,531	1,857,403	2,148,282
Intangible assets	10,060,410	834	5,006	5,840	29,690	38,840	40,782	1,284,291	120,514	119,692	459,320	441,819	697,934	6,815,848
Deferred tax assets - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	71,846,826	19,105,693	2,390,826	2,240,257	6,610,940	1,551,293	753,166	8,379,438	240,657	1,458,125	935,177	2,817,052	10,488,329	14,875,873
	1,226,458,990	284,424,403	26,416,185	26,148,621	42,591,148	15,932,072	10,620,781	34,108,381	41,693,393	34,019,716	112,083,881	114,328,323	298,492,019	185,600,067
Liabilities														
Bills payable	10,793,898	10,793,898	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	84,919,346	549,504	23,010,842	12,830,726	1,721,520	7,903,950	5,796,748	5,972,394	612,312	2,765,181	5,557,312	1,126,141	4,415,177	12,657,539
Deposits and other accounts	1,007,819,494	306,746,760	25,779,042	52,168,179	92,313,240	27,136,469	41,395,808	71,550,171	64,879,650	56,481,943	25,553,622	30,792,786	50,024,102	162,997,722
Lease liabilities	6,686,639	241,434	-	-	15,267	-	6,184	21,616	29,153	356,092	731,145	1,127,888	2,004,032	2,153,827
Subordinated debt	11,344,671	-	-	-	-	233	-	733	233	733	1,933	1,933	3,867	11,335,004
Deferred tax liabilities - net	679,542	-	-	-	2,004	(50,696)	(27,194)	(44,350)	(44,350)	53,978	(257,236)	35,054	93,412	918,920
Other liabilities	44,446,530	1,651,144	3,812,952	2,469,861	3,083,165	3,186,452	18,366,239	782,332	891,673	4,394,993	1,844,831	268,631	301,223	3,393,035
	1,166,690,120	319,982,740	52,602,836	67,468,766	97,135,196	38,176,408	65,537,785	78,282,896	66,368,671	64,052,920	33,431,607	33,352,433	56,841,813	193,456,047
Net assets	59,768,870	(35,558,337)	(26,186,651)	(41,320,145)	(54,544,048)	(22,244,336)	(54,917,004)	(44,174,515)	(24,675,278)	(30,033,204)	78,652,274	80,975,890	241,650,206	(7,855,980)
Share capital - net	20,506,625													
Reserves	7,290,037													
Surplus on revaluation of assets - net of tax	4,880,072													
Unappropriated profit	17,731,217													
Non-controlling interest	9,360,919													
	59,768,870													

47.4.2 Assets and Liabilities - Based on expected maturities

For assets and liabilities that have a contractual maturity, the expected maturity is considered to be the same as contractual maturity. Assets and liabilities that do not have a contractual maturity have been categorised on the basis of expected maturities as determined by ALCO.

	2024									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years
	Rupees in '000									
Assets										
Cash and balances with treasury banks	84,152,368	84,152,368	-	-	-	-	-	-	-	-
Balances with other banks	5,075,835	5,075,835	-	-	-	-	-	-	-	-
Lendings to financial institutions	4,257,928	4,257,928	-	-	-	-	-	-	-	-
Investments	629,466,174	16,116,585	1,069,232	101,526,771	92,378,454	43,349,566	69,406,515	298,477,890	6,065,840	1,075,321
Advances	521,168,186	104,176,248	48,272,033	125,504,736	88,696,647	23,662,925	26,618,077	33,886,129	59,346,717	11,004,674
Property and equipment	28,175,404	276,038	1,470,574	1,986,474	2,512,964	2,777,035	2,237,003	3,325,314	9,219,665	4,370,337
Right-of-use assets	7,078,577	27,645	152,685	107,929	313,352	295,820	220,033	4,606,998	1,354,115	-
Intangible assets	12,259,952	80,157	2,402,831	184,771	375,636	773,772	678,308	983,211	5,324,811	1,456,455
Deferred tax assets - net	-	-	-	-	-	-	-	-	-	-
Other assets	67,408,704	9,693,142	7,162,269	19,959,120	6,965,541	2,029,967	3,129,239	11,850,531	6,618,895	-
	1,359,043,128	223,855,946	60,529,624	249,269,801	191,242,594	72,889,085	102,289,175	353,130,073	87,930,043	17,906,787
Liabilities										
Bills payable	21,899,370	21,899,370	-	-	-	-	-	-	-	-
Borrowings	114,360,666	66,834,167	6,600,151	10,627,097	3,381,654	6,686,446	6,040,415	3,765,466	10,425,270	-
Deposits and other accounts	1,081,826,269	176,686,698	68,688,304	108,157,406	114,433,041	41,379,915	57,693,904	87,962,868	426,824,133	-
Lease liabilities	7,845,190	29,534	163,117	108,881	379,460	308,631	235,067	5,173,864	1,446,636	-
Subordinated debt	11,492,708	-	233	733	967	1,933	1,933	2,495,867	6,491,042	2,500,000
Deferred tax liabilities - net	2,452,165	-	-	1,058,026	349,500	1,044,639	-	-	-	-
Other liabilities	42,370,206	5,967,805	9,732,352	6,209,040	6,604,650	1,190,204	1,536,520	2,515,199	8,614,436	-
	1,282,246,574	271,417,574	85,184,157	126,161,183	125,149,272	50,611,768	65,507,839	101,913,264	453,801,517	2,500,000
Net assets	76,796,554	(47,561,628)	(24,654,533)	123,108,618	66,093,322	22,277,317	36,781,336	251,216,809	(365,871,474)	15,406,787
Share capital - net	20,506,625									
Reserves	9,618,250									
Surplus on revaluation of assets - net of tax	8,134,496									
Unappropriated profit	26,121,333									
Non-controlling interest	12,415,850									
	76,796,554									

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

	2023									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years
	---- Rupees in '000 ----									
Assets										
Cash and balances with treasury banks	82,182,460	82,182,460	-	-	-	-	-	-	-	-
Balances with other banks	5,302,080	5,302,080	-	-	-	-	-	-	-	-
Lendings to financial institutions	16,502,138	7,957,069	-	8,545,069	-	-	-	-	-	-
Investments	583,123,274	18,363,768	513,674	2,588,860	67,908,346	93,709,037	68,773,195	241,871,176	61,072,673	28,322,545
Advances	429,351,921	160,373,007	29,165,417	21,063,579	65,614,038	21,217,014	34,996,344	37,806,665	23,765,003	35,350,854
Property and equipment	22,241,601	130,572	908,534	2,210,577	1,372,537	1,882,132	806,317	4,233,979	1,500,425	9,196,528
Right-of-use assets	5,848,280	228,979	13,941	41,273	435,057	662,348	1,159,558	1,725,558	1,581,566	-
Intangible assets	10,060,410	41,370	79,622	1,284,291	240,206	459,320	441,819	697,934	5,359,394	1,456,454
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets	71,846,826	31,085,612	2,304,460	8,857,585	1,220,635	935,178	2,817,052	9,750,499	9,134,538	5,741,267
	1,226,458,990	305,664,917	32,985,648	44,591,234	136,790,819	118,865,029	108,994,285	296,085,811	102,413,599	80,067,648
Liabilities										
Bills payable	10,793,898	10,793,898	-	-	-	-	-	-	-	-
Borrowings	84,919,346	38,112,591	13,700,698	7,283,567	1,252,144	1,595,720	5,901,909	4,415,177	12,450,061	207,479
Deposits and other accounts	1,007,819,494	186,479,831	77,456,713	80,474,607	130,286,029	43,402,496	54,591,284	85,721,849	349,406,685	-
Lease liabilities	6,686,639	256,700	6,184	21,616	185,016	731,145	1,328,117	2,004,033	2,153,828	-
Subordinated debt	11,344,671	-	233	733	967	1,933	1,933	3,867	5,988,100	5,346,904
Deferred tax liabilities	679,542	2,004	(77,890)	(44,350)	9,628	(257,236)	35,054	93,412	918,920	-
Other liabilities	44,446,530	11,017,121	21,578,230	782,332	5,461,358	1,844,831	68,402	301,223	3,393,033	-
	1,166,690,120	246,662,145	112,664,168	88,518,505	137,195,142	47,318,889	61,926,699	92,539,561	374,310,627	5,554,383
Net assets	59,768,870	59,002,772	(79,678,520)	(43,927,271)	(404,323)	71,546,140	47,067,586	203,546,250	(271,897,028)	74,513,265
Share capital - net	20,506,625									
Reserves	7,290,037									
Surplus on revaluation of assets - net of tax	4,880,072									
Unappropriated profit	17,731,217									
Non-controlling interest	9,360,919									
	59,768,870									

48. DERIVATIVE RISK

The policy guidelines for taking derivative exposures are approved by the Board of Directors (BOD). The Bank's Asset & Liability Committee (ALCO) is responsible for reviewing and managing associated risks of the transactions.

The nature, scope and purpose of derivatives business, for trading purposes or hedging purpose and the types of derivative in which they deal.

The overall responsibility for offering derivative products and sustaining profitability lies with the Treasurer and in his absence with his delegate. The Market Risk / Treasury Middle Office of the Bank is responsible for measurement & monitoring of the market risk exposures, analysis of present and potential risk factors.

The Market Risk Unit also monitors associated Credit, Market and Liquidity Risk in line with Board of Directors approved limit framework. The unit coordinates with the business regarding approvals for derivatives risk limits and produces various reports / analysis for ALCO / BRMC on periodic basis. These reports provide details of outstanding un-hedged positions, profitability and status of compliance with limits. Treasury Operations records derivatives activity in the Bank's books and is responsible for reporting to the SBP.

The derivative transaction such as Cross Currency Swaps carries credit risk which is the risk that a party to a derivative contract will fail to perform its obligation. There are two types of credit risk associated with derivative transactions; 1) settlement, and 2) pre-settlement risk. The Bank's Central Credit Committee is responsible for reviewing and managing associated Counterparty Credit Risks of the transaction.

The Bank has also entered into Foreign Currency & Commodity Options from its Wholesale Banking Branch Bahrain for market making activities. The Bank can hedge its risk by taking on & off-balance sheet position in interbank market, where available.

49. GENERAL

49.1 Corresponding figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are no material re-arrangements / re-classifications to report.

49.2 The figures in these consolidated financial statements have been rounded off to the nearest thousand unless otherwise stated.

50. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue by the Board of Directors of the Bank in their meeting held on February 28, 2025.

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

Annexure - I

Statement showing written-off loans or any other financial relief of Rupees Five Hundred Thousand or above provided during the year ended December 31, 2024

S. No.	Name and address of the borrower	Name of individuals/ partners/ directors (with CNIC No.)	Father's/ Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest/ Mark-up written-off/ waived	Other financial Other than Interest/ Mark-up	Total
				Principal	Interest/ Mark-up	Other than Interest/ Mark-up	Total				
				---------- Rupees in '000 ----------							
1	GHULAM SARWAR HOUSE NO 115 STREET NO 1 MOHMADINA BLOCK PIRMAHAL TEHSIL KAMALIA DISTT TOBA TEK SINGH	GHULAM SARWAR 33302-5108821-7	KHUSHI MUHAMMAD KHAN	725	20	1	746	725	20	1	746
2	BILAL AHMED ALI RANJHA HOUSE 209 BLOCK U PHASE 2 DHA LAHORE	BILAL AHMED ALI RANJHA 38401-4928568-9	CHAUDHARY SAIF ULLAH RANJHA	650	1,355	-	2,005	230	1,355	-	1,585
3	AKRAM AND BROTHERS SHOP NO 63 B GHALLA MANDI VEHARI	HAFIZ MUHAMMAD WASEEM AKRAM 36603-2964551-5	MUHAMMAD AKRAM	2,224	1,971	-	4,195	-	513	140	653
4	IMTIAZ ALI NOONARI HOUSE NO D4 42 NASEEM NAGAR PHASE 3 QASIMABAD HYDERABAD	IMTIAZ ALI NOONARI 41306-6122213-1	KAMAL KHAN NOONARI	1,000	729	13	1,742	-	697	13	710
5	IRFAN MEHMOOD DERA AHMAD NAWAZ PEER ASHAB PO RAZAI SHAH SHUMALI TEHSIL AND BHAKKAR	IRFAN MEHMOOD 38101-9329113-7	MEHMOOD	698	489	-	1,187	-	517	16	533
6	HASSAN MAHMOOD H NO 15 MOHALLA AHMAD BLOCK GARDEN TOWN LAHORE	HASSAN MAHMOOD 35202-0523859-1	SABIR MEHMMOD	1,500	931	-	2,431	-	780	30	810
7	GUL HASSAN VILLAGE NASURULLAH DUNB SHAKH USTA MUHAMMAD PO USTA MUHAMMAD	GUL HASSAN 53202-5418173-3	HYDER KHAN	-	712	-	712	-	477	28	505
8	MUHAMMAD SAEED SHAKKIR HOUSE 1126 AZIZABAD FB AREA BLOCK 8 KARACHI	MUHAMMAD SAEED SHAKKIR 42101-9639987-7	MOHAMMAD SHARIF SHAKKIR	6,068	957	-	7,025	-	953	-	953
9	GUL MUNIR GOTH QABOOL KHAN MAN GSI PO BULRI SHAH KARIM TEHSIL BULRI SHAH KARIM DISTT TANDO MUHAMMAD KHAN	GUL MUNIR 41602-0623661-7	GHULAM HUSSAIN MAGSI	5,000	3,360	-	8,360	-	2,295	100	2,395
10	MOHAMMAD IBRAHIM KHAN HOUSE NO3704 70 HASSAN PARWANA COLONY POST OFFICE GPO MULTAN	MOHAMMAD IBRAHIM KHAN 36302-9148629-3	MUHAMMAD HUSSAIN KHAN	-	2,017	-	2,017	-	2,017	173	2,190
11	MUHAMMAD AMJAD KHAN MOH GULSHAN E DILAWAR GT ROAD NEAR GRID STATION KAMOKE DISTT GUJRANWALA	MUHAMMAD AMJAD KHAN 34102-4106239-1	ABDUL MAJEED KHAN	2,992	986	-	3,978	-	605	22	627
12	SALMAN KHAN BLOCK A 4 HOUSE NO 8 65 ADAM TOWN COMPOUND WALL MIR PURKHAS	SALMAN KHAN 44109-0353469-7	ABDUL SALAM	900	590	-	1,490	-	670	20	690
13	MOHAMMAD IBRAHIM FLAT NO 402 THE PATEL SUPARI WALA ST GARDEN EAST KARACHI	MOHAMMAD IBRAHIM 42301-8566182-3	ABDUL SATTAR	8,895	1,868	-	10,763	-	549	15	564

JS

Annexure - I

S. No.	Name and address of the borrower	Name of individuals/ partners/ directors (with CNIC No.)	Father's/ Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest/ Mark-up written-off/ waived	Other financial Other than Interest/ Mark-up	Total
				Principal	Interest/ Mark-up	Other than Interest/ Mark-up	Total				
				-- Rupees in '000 --							
14	MUHAMMAD ISHAQ HOUSE NO 1653 MANSOOR NAGAR RAIS AMROHI COLONY SEC TOR 11 1 2 ORANGI TOWN KARACHI	MUHAMMAD ISHAQ 34201-0566819-5	MUHAMMAD ASGHAR	-	-	-	-	505	-	-	505
15	SHAH NAWAZ MARI DEH HOOT WASSAN TALU KA JAM NAWAZ ALI DISTT SANGHAR	SHAH NAWAZ MARI 44103-0187586-1	ABDUL GHANI MAREE	1,399	792	0	2,191	-	674	41	715
16	ASGHAR ALI YOUNAS NAGAR DHANT PURA POST OFFICE CHAK DHANT PURATEHSIL SHEIKHUPURA	ASGHAR ALI 35404-1636181-9	MUHAMMAD AKRAM	1,765	839	-	2,604	-	839	-	839
17	ABDUL HAMEED VILLAGE QABOOL KHAN MAGSI PO BULRI SHAH KARIM TALUKA BULRI SHAH KARIM TANDO MUHAMMAD KHAN	ABDUL HAMEED 41602-0646711-1	MUHAMMAD SULEMAN	1,844	1,029	45	2,918	-	1,256	-	1,256
18	GONDAL CRUSHING PLANT HOUSE NO 1752 BLOCK A SATELLITE TOWN SARGODHA	ASIF NASEER 38403-2154694-1	NASEER AHMED	8,001	1,102	-	9,103	-	1,100	-	1,100
19	MUHAMMAD AHMAD MORA QALAN DAKHANA MORE KHUNDA NANKANA SAHIB	MUHAMMAD AHMAD 35501-0351066-3	MEHR FALAK SHER	600	482	-	1,082	-	570	6	576
20	ZAHOOR AHMAD GALI KHAJOOR WALI MO HALLAH ALI TOWN HAFIZABAD	ZAHOOR AHMAD 34301-2129995-7	MUHAMMAD MANZOOR	2,615	2,013	1	4,629	-	1,399	1	1,400
21	FARMERS EQUITY (PVT) LTD. 1ST FLOOR MALL PLAZA MALL ROAD MULTAN CANTT MULTAN	ABDUL REHMAN KHAN MALAZAI (36302-9016207-5) MUHAMMAD IBRAHIM KHAN (36302-9148629-3) MUHAMMAD SAAD (36302-3726445-5)	MUHAMMAD HUSSAIN KHAN MUHAMMAD HUSSAIN KHAN ABDUR REHMAN	-	1,757	2	1,759	-	296	1,652	1,948
22	Taimoor u ddin, HOUSE-14-D GULBERG ROAD LAHORE	Taimoor ud din 35202-3696784-7	ABDUL REHMAN	15,659	6,423	312	22,394	-	10,654	-	10,654
23	MUHAMMAD KASHIF & MARYAM KASHIF, H NO 300 37/B LANDHI NO 1 KARACHI	Muhammad Kashif 42000-0421089-3	MUHAMMAD HANIF SIDDIQUI	3,184	10,753	33	13,969	-	9,787	-	9,787
24	Telecard Limited, World Trade Centre, 10 Khayaban-e Roomi, Block - 5, Clifton, Karachi	Syed Muhammad Pervez Sadiq 42000-6405000-7	S.Abdul Sadiq	145,614	30,465	-	176,079	-	8,965	-	8,965
25	NAVEED HAMEED & SANA NAVEED	Naveed Hameed 42201-6151584-9	ABDUL HAMEED	25,000	15,857	20	40,877	-	8,071	-	8,071
26	SALMA MAJID & MAJID SHAH, H NO 97 ST 28 KHAY AAN-E-SEHAR PH 6 DH KARACHI	Salma Majid 42201-9277255-4	KHALID SHAFI	67,784	9,693	421	77,898	-	6,693	-	6,693

Annexure - I

S. No.	Name and address of the borrower	Name of individuals/ partners/ directors (with CNIC No.)	Father's/ Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest/ Mark-up written-off/ waived	Other financial Other than Interest/ Mark-up	Total
				Principal	Interest/ Mark-up	Other than Interest/ Mark-up	Total				
				---------- Rupees in '000 ----------							
27	MUHAMMAD MOHIUDDIN & NASEEM, HOUSE R 21/1 KHAYABAN E SADI PH 7 KARACHI	Muhammad Mohiuddin 44103-2919826-4	MOHI UDDIN KHAN	27,508	8,810	-	36,317	-	6,317	-	6,317
28	Margalla Textile, MONNOO HOUSE 3-MONTGOMERY ROAD LAHORE	Mr. Jahangir A. Monnoo s/o Mian Nazir Hussain 35202-2479512-7	NAZIR HUSSAIN MONNO MIAN NAZEER HUSSAIN KASIAR AHMED MONNOO SHAHZAD ALAM MONNO	103,576	5,237	-	108,813	-	5,237	-	5,237
29	Mr. Shaukat Ali – House No.1, Al-Karim Park, Sunny Road, Daroghawala, G.T. Road, Lahore.	Mr. Shaukat Ali (Late) - CNIC NO. 35201-5910931-9	MAIRAJ DIN	1,816	5,132	51	6,999	-	4,479	-	4,479
30	Shakil Ahmed – House No.128-F, Sector No.11-B, situated at North Karachi Township, Karachi.	Shakil Ahmed 42201-6554466-9	JAMEEL AHMED	4,946	4,287	-	9,233	-	4,287	-	4,287
31	Mr. Imdad Hussain Gondal - Miana Gondal, HOUSE KHEWAT 146 KHATOONI 497 TO 512 QITA 128 MANDI BAHAUDDIN.	Mr. Imdad Hussain Gondal - 34401-0599972-3	ABDUL RAZZAQE	2,227	3,704	-	5,931	-	3,530	-	3,530
32	Syed Sabeen Fatima - House No.121, New Labour Colony, SITE Area, Kotri. Hyderabad	Syed Sabeen Fatima 41204-4014275-2	SYED NAWAZISH ALI	1,626	1,914	66	3,606	-	1,910	-	1,910
33	Faizan Saleem, H 116 ST 15 BLK Q PH 2 DHA LAHORE	Faizan Saleem 35202-8295378-3	SHEIKH SALEEM AHMED	21,325	1,919	57	23,302	-	1,734	-	1,734
34	SYED KHALID HUSSSAIN & SHABANA KAUSAR, BANGLOW NO A 146 C, BLOCK 13 C, GULSHAN E IQBAL UNIVERSITY RD KARACHI	Syed Khalid 42201-2708885-5	SYED ILYAS HUSSAIN	7,316	2,783	467	10,565	-	1,599	-	1,599
35	NIAZ AHMED & SANA NAWAZ, FLAT NO 203 FALAKNAZ HEIGHTS MAIN SHAHRAH E FAISAL KARACHI	Niaz Ahmed 42201-3689657-0	MUHAMMAD RAFIQ BHUTTA	2,537	1,365	45	3,947	-	906	-	906
36	Hiborn International, Suite # 205, Gul Plaza, 15 Civic Centre, New Garden Town, Lahore.	Humayun Kabir 45504-8538259-1	"MUHAMMAD ASHFAQ MIAN RIAZ AHMED"	9,815	977	-	10,791	-	732	-	732
			TOTAL:	**46,876**	**23,999**	**62**	**70,937**	**1,460**	**17,582**	**2,258**	**21,300**

Annexure - II

Details of disposal of property and equipment to related parties for the year ended December 31, 2024

Particulars	Cost	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of Buyer
	------- Rupees in '000 -------					
Electrical, office and computer equipment						
Mobile phone	50	-	5	5	Buyback	Hasan Shahid
Mobile phone	40	20	21	1	Buyback	Soofi Saif
Mobile phone	98	-	10	10	Buyback	Tauqeer Haider
Laptop	175	-	-	-	Buyback	Imran Haleem Shaikh
Laptop	428	-	-	-	Buyback	Imran Haleem Shaikh
Laptop	418	255	-	(255)	Buyback	Imran Haleem Shaikh
Total	**1,209**	**275**	**36**	**(239)**		

Branch Network

S.NO	Branch Name	City	Contact Number
1	Abbottabad Branch	Abbottabad	0992-4161112-3
2	Adda Bagho Bahar	Adda Bagho Bahar	0300-6702693
3	Chishtian Branch	Agrow Chishtian	063- 2500161
4	Arifwala Branch	Arifwala	0457-835479
5	Attock Branch	Attock	057-2610480 / 057-2610780 / 057-2610500
6	Badin Branch	Badin	0297-861304
7	Bagh Branch	Bagh	0582-3445340
8	Bahawalpur II	Bahawalpur	062-2302550
9	Bannu Branch	Bannu	0928-6601673
10	Bhakkar Branch	Bhakkar	0453-3510415
11	Bahawalnagar Branch	Bhawalnagar	063-2279432
12	Bahawalpur Branch	Bhawalpur	062 2889176-78
13	Burewala Branch	Burewala	067-3770358
14	Ludden Road vehari, Formerly Ludden road Burewala Branch	Burewala	067-3201174
15	Hassan Abdal branch	Burhan	0318-3249399 / 0318-3249406 / 0318-3249409
16	Chakdara Branch	Chakdara	094-5703337
17	Chaksawari Branch	Chakswari	05827-454793
18	Chakwal Branch	Chakwal	0543-665636
19	Chambar Branch	Chamber	022-3897015
20	Charroi Branch	Charohi	05826-415473
21	Charsadda Branch	Charsadda	091-6512051 - 55

S.NO	Branch Name	City	Contact Number
22	Chichawatni Branch	Chichawatni	040-5481797 / 040-5481793-95
23	Chiniot Branch	Chiniot	047-6332591-92-93
24	Dahranwala Branch	Chishtian	063-2441147
25	Chitral Branch	Chitral	0943-414261/414267
26	Dera Ghazi Khan Branch	D. G. Khan	064-2470952
27	Dera Ismail Khan Branch	D.I. Khan	0966-730914/915
28	Dadyal Branch	Dadyal	05828-465668
29	Daharki Branch	Daharki	0723-641287
30	Dara Adam Khel Branch	Dara Adam Khel	0927-2810187
31	Daska Branch	Daska	052-6610463-62
32	Dipalpur Branch	Depalpur	044-4542245
33	Digri Branch	Digri	023-3870043
34	Dinga Branch	Dinga	0537-704071 / 0537-401370
35	Grain Market Branch	Faisalabad	041-2633382-84
36	Gulistan Colony Branch	Faisalabad	041-8785789,92,93
37	Karkhana Bazar Branch	Faisalabad	041-2624501-03
38	Liaqat Road Branch	Faisalabad	041-8777115
39	Susan Road Formerly Ghullam Muham-madabad Br.	Faisalabad	041-2692192
40	Gawadar Branch	Gawadar	086-4210246
41	Ghakkar Mandi Branch	Ghakkar Mandi	055-3882556-57-59-60-61
42	Ghallanai Branch	Ghallanai	092-4290360

S.NO	Branch Name	City	Contact Number
43	Ghotki Branch	Ghotki	0723-600485
44	Gilgit Branch	Gilgit	0588-11450611
45	Jutial Branch	Gilgit	0346-5466327
46	Gojra Branch	Gojra	046-3513658
47	Gujar Khan	Gujar Khan	051-3517742
48	Qila Didar Singh Gujranwala	Gujranwala	0321-7460106
49	Wapda Town Gujranwala Branch	Gujranwala	055-4285571-5
50	Bank Square Gujranwala Branch	Gujranwala	055-4234401
51	GT Road Gujranwala Branch	Gujranwala	055-3257363
52	GT Road Gujrat Branch	Gujrat	053-3729480-81
53	Kacheri Chowk Gujrat Branch	Gujrat	053-3600584-6
54	Hafizabad Branch	Hafizabad	0547-583252
55	Hala	Hala	0318-3249384
56	Halani Branch	Halani	024-2460182
57	Haripur Branch	Haripur	0995-627366
58	Haroonabad Branch	Haroonabad	063-2250617 / 063-2250615
59	Hasilpur Branch	Hasilpur	062-2441307 / 062-2441308 / 062-2441302
60	Hunza	Hunza	0581-3455564
61	Anaj Mandi Branch	Hyderabad	022-2638802
62	Autobahn Hyderabad formerly Kohsar branch	Hyderabad	022-3400917
63	Citizen Colony Branch	Hyderabad	022-2100898

S.NO	Branch Name	City	Contact Number
64	Cloth Market Hyderabad Branch	Hyderabad	022-2618270
65	DHA Hyderabad Branch	Hyderabad	022-2108078
66	Latifabad Branch	Hyderabad	022-3817972
67	Qasimabad Branch	Hyderabad	022-2652190 / 022-2652191
68	Qasimabad No II Formerly Latifabad No 6 Branch	Hyderabad	022-2672954
69	Saddar Hyderabad Branch	Hyderabad	022-2730925
70	SITE Hyderabad Branch	Hyderabad	022-3885193/104
71	Bahria Enclave Islamabad	Islamabad	051-8492012
72	Barakahu Branch Islamabad	Islamabad	051-2165032
73	Blue Area Islamabad	Islamabad	051-2810121
74	DHA Phase II Islamabad	Islamabad	051-5161521
75	F-10 Markaz Islamabad	Islamabad	051-2112957
76	F-11, Islamabad Branch	Islamabad	051-2103404
77	F-7 Markaz Islamabad	Islamabad	051-2608402
78	F-8 Markaz Islamabad	Islamabad	051-2287462
79	G-11 Markaz Islamabad	Islamabad	051-2363480
80	G-15 Markaz Islamabad	Islamabad	051-2160240 \ 051-2160244
81	G-8, Markaz Islamabad Branch	Islamabad	051-23405378
82	Gulberg Geen Islamabad Branch	Islamabad	051-5912920
83	I-8 Markaz Islamabad	Islamabad	051-4862484
84	I-9 Markaz Islamabad	Islamabad	051-4431296-8

S.NO	Branch Name	City	Contact Number
85	ISE Branch	Islamabad	051-2894408
86	NPF O-9 PWD Road Islamabad	Islamabad	051-5170584
87	Serena Hotel Branch	Islamabad	051-2600269, 051-2600270
88	Tarlai Branch Islamabad	Islamabad	051-2241861
89	Top City Islamabad	Islamabad	021-111-654-321
90	Jacobabad	Jacobabad	0722-2692133
91	Jamshoro Branch	Jamshoro	022-3878109
92	Jaranwala Branch	Jaranwala	041-4313037 , 041-4313036
93	Jatlan Branch	Jatlan	0582-7404388
94	Jehlum Banch	Jehlum	0544-611840
95	Kamoki Branch	Kamoki	055-6810285
96	Kandhkot Branch	Kandhkot	0722-573048
97	26th Street DHA Phase V Branch	Karachi	021-35304868
98	Bahadarabad Branch	Karachi	021-34922802
99	Bahria Town Karachi.	Karachi	021-111-654-321
100	Boat Basin Branch	Karachi	021-35177900
101	Clifton Block II	Karachi	021-34166216
102	Cloth Market Branch	Karachi	021-32464043-44-45
103	Dehli Mercantile formerly Chase Sha-heed-e-Millat Branch	Karachi	021-34370270
104	DHA Ittehad Branch	Karachi	021-35396988
105	DHA Phase IV, Karachi	Karachi	021-35171649

S.NO	Branch Name	City	Contact Number
106	DHA Phase VIII Branch	Karachi	021-35171736
107	Electronic Market Branch	Karachi	021-32700431
108	Fisheries Branch	Karachi	021-32384010, 11, 12, 13,14, 15
109	Garden East Branch	Karachi	021-32244285
110	Gulistan-e-Jauhar Branch	Karachi	021-34662002
111	Gulshan Chowrangi Branch	Karachi	021-34833297 EXT 13
112	Gulshan-e-Hadeed Branch	Karachi	021-34715202
113	Gulshan-e-Iqbal Branch	Karachi	021-34829060
114	Hawksbay Road Branch	Karachi	021-32373030
115	Ibrahim Hyderi Branch	Karachi	021-34610122-82
116	Jheel Park Branch	Karachi	021-34544831
117	Jodia Bazar Branch	Karachi	021-32463456;57;60
118	Khadda Market DHA Phase V Branch	Karachi	021-35242401
119	Kh-e-Shahbaz DHA Phase VI Branch	Karachi	021-35243418
120	Kh-e-Shujat Phase VI, Karachi	Karachi	021-35160541
121	Korangi Industrial Area Branch	Karachi	021-35052416
122	Korangi Road DHA Phase I Branch	Karachi	021-35803547
123	Lucky Star Branch	Karachi	021-35622441
124	Malir Cantt Branch	Karachi	021-34516735 , 021-34504294
125	Nazimabad Branch	Karachi	021-36612325
126	New Challi Branch	Karachi	021-32602101, 32602102,32602103,32602106,32602107

S.NO	Branch Name	City	Contact Number
127	New Sabzi Mandi Branch	Karachi	021-36870124
128	North Karachi Industrial Area Branch	Karachi	021-36829844 -45
129	North Napier Road Branch	Karachi	021-32467790
130	North Nazimabad Branch	Karachi	021-36721010
131	Ocean Tower (Private Banking) Branch	Karachi	021-35166601-06
132	Orangi Town Branch	Karachi	021-36697926
133	Pakistan Stock Exchange Branch	Karachi	021-32462851
134	Progressive Centre Shahra-e-Faisal Branch	Karachi	021-34324681-87
135	S.I.T.E Branch	Karachi	021-32550080-88
136	Saba Avenue Formerly Park Towers Branch	Karachi	021-35833874
137	Safoora Goth Branch	Karachi	021-34661813
138	Shah Faisal Colony Branch	Karachi	021-34686200
139	Shaheen Complex Branch	Karachi	021-38907258/ 021-38907566
140	Shahrah-e-Faisal Branch	Karachi	021-343732240
141	Soldier Bazar Branch	Karachi	021-32244532
142	Teen Talwar Branch	Karachi	021-35837724
143	Timber Market Branch	Karachi	021-32760820
144	Zamzama Branch	Karachi	021-35295226
145	Kashmore Branch	Kashmore	072-2577701
146	Kasur Branch	Kasur	049-2721596 / 049-2761581 & 82
147	Gambat	Khairpur	0243-640134

S.NO	Branch Name	City	Contact Number
148	Khairpur Branch	Khairpur	0243-715318
149	Mouza Kachi Jamal Khanpur Branch	Khan Pur	068-5577191
150	Khanewal Branch	Khanewal	065-2557497
151	Gulyana Branch	Kharian	053-7588459
152	Kharian Branch	Kharian	053-7602781-84
153	Khui Ratta Branch	Khui Ratta	0582-6414975
154	Khuzdar Branch	Khuzdar	0848-550334
155	Kot Ghullam Muhammad Branch	Kot Ghullam Muham-mad	0233-866242
156	Mouza Parhar Sharqi Kot Addu Branch	Kotaddu	0662-240150
157	Kotli Branch	Kotli	05826-448227
158	Seri AJK Branch	Kotli	05826-432729 -05826-432731
159	Kunri Branch	Kunri	023-8558190
160	Allama Iqbal Town Branch	Lahore	042-37803161
161	Azam Cloth Market Branch	Lahore	042-37671195
162	Badamibagh Branch	Lahore	042-37946851
163	Baghbanpura Branch	Lahore	042-36858874
164	Bahria Town Lahore Branch	Lahore	042-35976215
165	Brandreth road Branch	Lahore	042-36301908
166	Canal Road, Lahore	Lahore	021-111-654-321
167	Cantt Branch Formerly Zarar Shaheed Road Branch	Lahore	042-36639905
168	Cavalery Road Branch	Lahore	042-36610282-4

S.NO	Branch Name	City	Contact Number
169	Choubergy Branch	Lahore	042-37362985
170	Circular Road Branch	Lahore	042-37667921-22
171	College Road Township Branch.	Lahore	042-35117491
172	Daroghawala, Branch	Lahore	042-36530612
173	Devine Mega, Airport Road Lahore Branch	Lahore	042-35700081
174	DHA Phae II Lahore	Lahore	042-37199973
175	DHA Phase VI Lahore Branch	Lahore	042-37254803
176	DHA Phase VIII Lahore	Lahore	042-35740303-4
177	DHA T Block Branch	Lahore	042-37182205
178	DHA Y Block Branch	Lahore	042-35898012-13
179	Ferozepur Road Branch	Lahore	042-35402151-53
180	Gulberg, Lahore (Private Banking) Branch	Lahore	042-35771036,
181	Jail Road Gulberg Lahore	Lahore	042-35771036-38
182	Johar Town Branch	Lahore	042-3524189
183	M.M. Alam Road Branch	Lahore	042-35778722 / 24 / 26
184	Macleod Road Branch	Lahore	042-36311175
185	Model Town Branch	Lahore	042 35915615 7
186	Mughalpura Branch	Lahore	042-36553811
187	New Garden Town Branch	Lahore	042-35940461-62
188	PECO Road Branch	Lahore	042-35203014
189	Raiwind road Branch	Lahore	042-35291248

S.NO	Branch Name	City	Contact Number
190	Shadbagh Branch	Lahore	042-37604544
191	Shadman Town Branch	Lahore	042-37503702
192	Shah Alam Market Branch	Lahore	042-37375734-35
193	Shahdara Branch	Lahore	042-37931906
194	Sunder Industrial Estate Branch	Lahore	0311-0013425 / 0311-0013426
195	The Mall Branch	Lahore	042-34500600, 042-34500487
196	Upper Mall Branch	Lahore	042-34500422
197	Urdu Bazar Lahore Branch	Lahore	042-37115917
198	Valancia Society Branch	Lahore	042-35226047
199	Wapda Town Branch	Lahore	042-35182877
200	Gulshan-e-Ravi Branch	Lahore	042-35464541-43
201	Lala Musa Branch	Lala Musa	053-7519559
202	Larkana Branch	Larkana	074-4058603
203	Sachal Colony Larkana	Larkana	074-4750741
204	Layyah Branch	Layyah	0606-415043
205	Lodhran Branch	LODHRAN	0608-361891
206	Loralai, Branch	Loralai	0824-410103
207	Maatli Branch	Maatli	029-7841513
208	Mailsi City	Mailsi	021-111-654-321
209	Mandi Bahauddin Branch	Mandi Bahauddin	054-6509451
210	Mansehra Branch	Manshera	0997-301886

S.NO	Branch Name	City	Contact Number
211	Mardan Branch	Mardan	0937-873452
212	Mehar Branch	Mehar	025-4730182
213	Mian Channu Branch	Mian Chunnu	065-2661232
214	Mianwali	Mianwali	0459-230744
215	Mingora Branch	Mingora	0946 711740-43
216	Mirpur Branch	Mirpur	0582-7448867/71
217	Mirpur Mathelo Branch	Mirpur Mathelo	072-3663312
218	Mirpur Khas Branch	Mirpurkhas	0233-823360-63
219	Mithi Branch	Mithi	0232-261653
220	Moro Branch	Moro	0242-413204
221	Gulbahar City Sialkot	Mouza Jhai Gulbahar	021-111-654-321
222	Abdali Road Branch	Multan	061-4574447
223	Bosan Road Branch	Multan	061-6223414
224	Vehari Road Branch	Multan	061-6241109
225	Wapda Town Phase 1 Branch	Multan	061-6524734-735
226	Muridk Branch	Muridke	042-37981052
227	Muslim Bagh Branch	Muslim Bagh	0823-669335
228	Muzaffarabad Branch	Muzaffarabad	05822-923251
229	Muzaffargarh Branch	Muzaffargarh	066-2424689
230	Naarr Branch	Naar	05826-420784
231	Naushehro Feroz Branch	Naushehro Feroz	0242-448414-15

S.NO	Branch Name	City	Contact Number
232	Nawabshah Branch	Nawabshah	0244-330568
233	Nowshera Branch	Nowshera	092-3612003
234	Okara Branch	Okara	044-2552732
235	Ormara Branch	Ormara	086-3310143
236	Pakpattan Branch	Pak Pattan	0457 352590-94
237	Pano Aqil Branch	Panoo Aqil	071-5690406
238	Parachinar Branch	Parachinar	0926-311777
239	Pasni Branch	Pasni	0312-6869884
240	Pattoki Branch	Pattoki	049-4424055
241	Fakhar e Alam Road Branch	Peshawar	091-58279981-84
242	Hayatabad Branch Peshawar	Peshawar	091-5839147 / 091-5839142
243	Namak Mandi Branch	Peshawar	091-2591425-26
244	Naz Cinema, Peshawar Branch	Peshawar	091-2211023
245	Ring Road, Peshawar Branch	Peshawar	0310-5998903
246	University Road Branch	Peshawar	091-5711578
247	Qaboola Branch	Qaboola	0457-352548
248	Qazi Ahmed	Qazi Ahmed	0244-321006
249	Choharmal, Quetta	Quetta	081-2825813
250	MA Jinnah Road Branch	Quetta	081-2865502
251	Mission Road Formerly Zarghoon Road Branch	Quetta	081-2820281
252	Rabwa Branch	Rabwa	0476-214042-44

S.NO	Branch Name	City	Contact Number
253	Chak 72 NP Rahim Yar Khan Branch	Rahim Yar Khan	0685-708072 / 0685-708074
254	Rahimyar Khan Branch	Rahim Yar Khan	068-5879511-19
255	AECHS Branch	Rawalpindi	051-5497017
256	Bahria Town Phase IV Rawalpindi Branch	Rawalpindi	051-5737357
257	Bank Road Branch	Rawalpindi	051-5120733
258	Chaklala Scheme III, Branch	Rawalpindi	051-5766278
259	Chakri Road Branch	Rawalpindi	051-5129025
260	DHA Phase 1 Rawaplindi Formerly Bahria Town Phase VII Branch	Rawalpindi	051-5157891-93
261	GHQ Rawalpindi Branch	Rawalpindi	051-5202355
262	Jinnah Road Branch	Rawalpindi	051-5778565
263	Peshawar Road Rawalpindi Branch	Rawalpindi	051-5492871
264	Range Road Branch	Rawalpindi	051-5128874
265	Satellite Town Branch	Rawalpindi	051-4264192
266	Satellite Town RWL, Formerly Saidpur Road Branch	Rawalpindi	051-4570682
267	Rohri	Rohri	071-5813221 & 5813225
268	Sadiqabad Branch	Sadiqabad	068-5803934-35
269	Chak 89 Sahiwal Branch	Sahiwal	040-4550410
270	Sahiwal Branch	Sahiwal	040-4222734
271	Saleh Khana Branch	Saleh Khanna	0923-651117
272	Sambrial Branch	Sambrial	052-6524104
273	Samundri	Samundri	041-342668

S.NO	Branch Name	City	Contact Number
274	Sanghar Branch	Sanghar	0235-543733
275	Sargodha Branch	Sargodha	048-3768123
276	Sehensa Branch	Sehensa	05826-422779
277	Sehwan Shareef Branch	Sehwan Sharif	025-4620305
278	Qambar	Shahdadkot	0300-3779988
279	Shahdadkot Branch	ShahdadKot	074-4013178
280	Shahdadpur Branch	Shahdadpur	0235-843174-75
281	Shaidu Branch	Shaidu	0923-510114-16
282	Shakas Branch	Shakas	091-5602382
283	Sheikh Bhirkio Branch	Sheikh Bhirkio	0345-8211923
284	Sheikhupura Branch	Sheikhupura	056-3810273-75
285	Shikarpur Branch	Shikarpur	0726-540478
286	Aziz Shaheed Road Branch	Sialkot	052-4272351
287	Daska Road Formerly Gohadpur Branch	Sialkot	052-6610461
288	Kashmir Road Sialkot Branch	Sialkot	052-4272703 , EXT 105
289	Nekapura Branch Sialkot	Sialkot	052-3543586
290	Paris Road Sialkot Branch	Sialkot	052-4269530
291	Ugoki Branch	Sialkot	052-3513951-54
292	Shahabpura Branch	Sialkot	052-3242681-82
293	Skardu Branch	Skardu	0581-5457403
294	Military Road Sukkur	Sukkur	071-5630827 / 071-5630828

S.NO	Branch Name	City	Contact Number
295	Queens Road Sukkur	Sukkur	0300-2012863 & 0314-8865050
296	Society Branch Sukkur	Sukkur	071-5815209
297	Sultanabad Branch	Tando Allah Yaar	0223-404105
298	Tando Allah Yaar Branch	Tando Allah Yaar	0223-892001-4
299	Tando Jam Branch	Tando Jam	022-2765616
300	Tando Mohammad Khan Branch	Tando Mohammad Khan	022-3340623
301	Digh Mori Branch	Tando Muhammad Khan	0301-3585234
302	Tatta Pani AJK	Tatta Pani	05826-451560
303	Thatta Branch	Thatta	0298-550934
304	Timergara Branch	Timergarah	0945-821925
305	Toba Tek Singh Branch	Toba Tek Singh	046-2512052-57
306	Topi Branch	Topi	0938-272005
307	Tounsa Sharif Branch	Tounsa	064-2601155-1147
308	Turbat Branch	Turbat	0852-414204 / 0852-414203
309	Umer Kot Branch	Umerkot	0238-570194
310	Tibba Sultan Pur	Vehari	067-3692228
311	Vehari Branch	Vehari	067-3360715-18
312	Wah Cantt Branch	Wah Cantt	051-4624015
313	Wazirabad Branch	Wazirabad	055-66058401-03
314	Zhob Branch	Zhob	0822-412028
315	Manama, Bahrain	Manama	00973-17104603

PATTERN OF SHAREHOLDING

As on December 31, 2024

S. No.	No. of Shareholders	Shareholdings From	Total Shares Held
1	718	Shareholding From 1 To 100	11,131
2	507	Shareholding From 101 To 500	194,659
3	469	Shareholding From 501 To 1000	431,455
4	960	Shareholding From 1001 To 5000	2,691,535
5	312	Shareholding From 5001 To 10000	2,461,983
6	455	Shareholding From 10001 To 50000	10,564,189
7	76	Shareholding From 50001 To 100000	5,709,978
8	111	Shareholding From 100001 To 5000000	81,103,715
9	4	Shareholding From 5000001 To 10000000	33,236,583
10	9	Shareholidng From 10000001 To 2050662536	1,914,257,308
Total	**3621**	**Percentage: 100%**	**2,050,662,536**

PATTERN OF SHAREHOLDING

As on December 31, 2024

Categories of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse(s) and minor children		
Mr. Adil Matcheswala	264,000	0.01
Mr. Khalilullah Shaikh	500	0.00
Mr. Usman Yousaf Mobin	1	0.00
Mr. Sadiq Ali	1	0.00
Mr. Saad Ali Bhimjee	5,000	0.00
Ms. Nargis Ali Akbar Ghaloo	1	0.00
Mr. Basir Shamsie	1	0.00
Mrs. Hafsa Shamsie	1,132,320	0.06
Associated companies, undertakings and related parties		
Jahangir Siddiqui & Co. Limited	1,460,232,712	71.21
Mr. Shabir Ahmed Randeree	144,831,051	7.06
Mr. Ahmed Goolam Mahomed Randeree	99,559,050	4.85
Mr. Jahangir Siddiqui	2,248,519	0.11
NIT & ICP	972	0.00
Banks, development finance institutions, non-banking finance companies	172,451	0.01
Insurance Companies	5,000	0.00
Modarabas and Mutual Funds	11,638,332	0.57
General Public		
a. Local	268,669,215	13.10
b. Foreign	6,229,310	0.30
Foreign Companies	5,104	0.00
Others	55,668,996	2.71
Totals	**2,050,662,536**	**100.00**

JS BANK LIMITED

NOTICE OF 19th ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting ("**AGM**") of the shareholders of JS Bank Limited (the "**Bank**") will be held on Friday, March 28, 2025, at 11:00 a.m. at the 15th Floor, The Centre, Saddar, Karachi as well as through video conference facility to transact the following business:

ORDINARY BUSINESS:

i. To receive, consider, and adopt the Annual Audited Standalone and Consolidated Financial Statements of the Bank for the year ended December 31, 2024, together with the Directors' and Auditors' Reports thereon.

ii. To appoint the Bank's Auditors for the year ending December 31, 2025, and fix their remuneration. The Audit Committee and the Board of Directors have recommended the appointment of the retiring auditors, Messrs KPMG Taseer Hadi & Co., Chartered Accountants, who being eligible have offered themselves for re-appointment.

iii. To elect seven (7) directors as fixed by the Board of the Bank under section 159(1) of the Companies Act, 2017 for three years commencing from March 28, 2025. The names of retiring directors, who are eligible to offer themselves for re-election, are as follows:

Mr. Adil Matcheswala	Lt. Gen (Retd.) Sadiq Ali
Mr. Khalilullah Shaikh	Mr. Usman Yousaf Mobin
Ms. Nargis Ali Akber Ghaloo	Mr. Basir Shamsie
Mr. Saad Ali Bhimjee	

SPECIAL BUSINESS:

iv. To consider, and if deemed appropriate, to pass the following resolutions as Special Resolutions as envisaged under Sections 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 with or without modifications for an investment of up to PKR 606 million (PKR 467 million in the form of transfer of Bank owned properties and PKR 138 million through cash contribution) in the Real Estate Investment Trust (REIT) to be managed by JS Investments Limited a subsidiary of the Bank.

The resolutions to be passed by the members as Special Resolutions are as under:

"***RESOLVED THAT*** *an investment of PKR 606 million (PKR 467 million in the form of transfer of Bank owned properties and PKR 138 million through cash contribution) in the Real Estate Investment Trust (REIT) to be managed by JS Investments Limited, as recommended by the Board of Directors be and is hereby approved.*"

"***FURTHER RESOLVED*** *that any two of the President & CEO, Chief Operating Officer, Chief Financial Officer and Company Secretary of the Bank be and are hereby authorized to take all steps necessary, ancillary, and incidental to the above-mentioned resolution, as and when required, and are further authorized to sign, execute, and deliver all necessary documents, agreements, and letters on behalf of the Bank, as may be deemed appropriate and as may be required for the purposes above-mentioned.*"

(Attached to this Notice is a Statement of Material Facts covering the above-mentioned special business, as required under Section 134(3) of the Companies Act, 2017).

Karachi: March 7, 2025,

By Order of the Board
Syed Muhammad Talib Raza
Company Secretary

Notes:

a) Share transfer books of the Bank will remain closed from March 22, 2025, to March 28, 2025 (both days inclusive). Transfers received in order at Bank's Independent Share Registrar, CDC Share Registrar Services Limited, CDC House, Shahra-e-Faisal, Karachi at the close of business on March 21, 2025, will be treated in time to attend and vote at the Meeting.

b) A member of the Bank entitled to attend, and vote may appoint another member as his/her proxy to attend and vote instead of him/her.

c) Proxies must be received at the Registered Office of the Bank not later than 48 hours before the time of the Meeting.

d) Beneficial owners of the shares registered in the name of CDC Share Registrar Services Limited (CDCSRSL) and/or their proxies will have to follow the following guidelines as laid down by the Securities and Exchange Commission of Pakistan.

e) Shareholders having physical shareholding are requested to notify immediately of any change in their address to the Bank's share registrar. Whereas, CDC accountholder can contact their respective CDC Participant / broker / Investor Account Service.

For Attending the Meeting

- In light of the clarification issued by the Securities and Exchange Commission of Pakistan for ensuring participation of members in general meeting through electronic means as a regular feature, the Bank has also provided the facility for attending the meeting via video-link to its shareholders. The members are encouraged to participate in the meeting online by following the below guidelines.
- The members who wish to attend the Annual General Meeting through video link are requested to get themselves registered by sending the particulars prescribed in the table below at the following email address AGM@jsbl.com by the close of business hours (5:00 pm) on March 27, 2025.

Name of member	Authorized Representative (in case of corporate member)	CNIC No. /NTN No.	CDC Participant ID / Folio No.	Cellphone #	Email Address

- The Video Conference Link will be emailed to the registered members or their proxies who have provided all the requested information.
- In the case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with Participant ID number and the account number at the time of attending the Meeting.
- In the case of a corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

For Appointing Proxies

- In the case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations shall submit the proxy form as per the above requirements.
- The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his original CNIC or original passport at the time of the Meeting.

- In the case of the corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with a proxy form to the Bank.

Election of Directors

- The Board of Directors of the Bank has fixed the number of directors to be elected as seven (07) for the term of three years with effect from March 28, 2025.

- As per provisions of Regulation No. 7A of the Listed Companies (Code of Corporate Governance), Regulation, 2019 ("CCG-2019"), it is mandatory that voting for the election of directors of the Bank shall be held separately for the following three categories:

S. No.	Category	Seats
1	Female Director	1
2	Independent Director	2
3	Other Director	4
	Total	7

- Any person/member, whether a major shareholder or a minority shareholder, who seeks to contest the election to the office of the director ("the Candidate"), whether he/she is a retiring director or otherwise, is encouraged to file, a notice of intention with the Bank at its registered office, not later than fourteen days before the date of the meeting at which elections are to be held.

- Any person/member who seeks to contest for election in the category of independent director or a female director should mention only one category (either female or independent) in which he/she intends to contest for the election of director.

- The following documents are required to be submitted along with notice of intention to contest election of directors:

  a. Notice of his/her intention to offer himself/herself for election as director in terms of Section 159(3) of the Act and Regulation 7A of CCG-2019. The Candidate should also confirm that:
     - He/she is not ineligible to become a director of the Bank under any applicable laws and regulations (including but not limited to the Act and SBP's Regulations)
     - Neither he/she nor his/her spouse is engaged in the business of brokerage or is a sponsor, director, or officer of a corporate brokerage house
     - He/she is not serving as a director in more than seven listed companies simultaneously.
     - A person contesting for the position of Independent Director must also submit a declaration confirming that he/she meets the eligibility and independence criteria outlined in the CGRF, the Companies Act of 2017, and the associated rules and regulations.

  b. Consent to act as director on Appendix to the Form-9 (of the Companies Regulations, 2024) under Section 167 of the Act.
  c. A detailed profile of the Candidate including his office address (the same will be placed on the Bank's website as per requirements of SECP's notification S.R.O. 1196 (I)/2019 dated 3rd October 2019).
  d. Proforma – Fit & Proper Test, Affidavit on Non-Judicial Stamp Paper, and duly completed Questionnaire for accessing "Fit & Proper Test" attached to the Corporate Governance Regulatory Framework ("CGRF") issued by the State Bank of Pakistan ("SBP") vide BPRD Circular No. 5 dated November 22, 2021.
  e. National Tax Number (NTN), attested copy of CNIC/Passport, degrees/certificates and experience certificates from previous employers/institutions etc. (Please note that the Bank

reserves the right to obtain confirmation/verification of degrees/certificates/documents etc. in compliance with law/regulations. The Candidates are required to provide written authorization(s) to their concerned educational institution(s) to provide required verification (s) directly to the Bank, in order to assist the Bank in this regard).

f. Details of family members (spouse, lineal ascendants and descendants and siblings including stepfather, stepmother, stepson, stepdaughter, stepbrother or stepsister, if any) along with a copy of their CNIC/Passport. Attested copy of Income Tax Clearance Certificate, (where applicable)

- As per provisions of Regulation No. 4(1) (A) of Companies (Postal Ballot) Regulations, 2018, the right to vote through the electronic voting facility and voting by post shall be provided to the members, if the number of persons who offer themselves to be elected is more than the number of directors fixed i.e. seven (7).

- As per Section 153(i) of the Act, a director is required to be a member of the Bank. The candidate is required to advise his/her Folio/CDC subaccount and Participant ID number.

- In terms of the CGRF, prior clearance in writing from SBP is required for the appointments of Directors. The Candidates are requested to read the same and other relevant provisions/requirements relating to the appointment/election of directors, as mentioned in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, and SECP S.R.O. 906 (I)/2023 dated July 7, 2023 (amendments in CCG-2019) and ensure compliance with the same in letter and spirit.

STATEMENT OF MATERIAL FACTS UNDER SECTION 166(3) OF THE COMPANIES ACT, 2017:

This statement sets out the material facts pertaining to the justification for choosing the appointee for appointment as an independent director to be elected at the Annual General Meeting of JS Bank Limited ("the Bank") to be held on March 28, 2025. The Board of Directors of the Bank has fixed the number of directors to be elected as seven (07) for the term of three years with effect from March 28, 2025. In terms of the provisions of clause G-6(1)(b) of the CGRF and the sub-clause 6(1) of CCG-2019, the Bank shall have at least two (2) independent directors, which is one-third of the total number fixed by the Board. The independent directors will also be elected through the process of election of directors in terms of Sections 159 and 166(1) of the Act and they shall meet the criteria laid down under Section 166(2) of the Act and the Companies (Manner and Selection of Independent Directors) Regulations, 2018. It will be ensured that the name of the independent director is available in the databank of independent directors being maintained by the Pakistan Institute of Corporate Governance ("PICG"). The present Directors of the Bank have no interest in the above business except their eligibility for re-election as directors of the Bank.

Procedure For E-Voting & Voting Through Postal Ballot

In accordance with the Companies (Postal Ballot) Regulations, 2018, Section 143 and 144 of the Companies Act 2017 and under Postal Ballot Regulation, 2018, latest amendments notified through SRO dated December 05, 2022, SECP has directed all listed companies to arrange for postal ballot/e-voting for the purpose of polling on Special Business/election of directors, if the number of persons who offer themselves to be elected is more than the number of directors fixed under Section 159 (1) of the Companies Act, 2017. Accordingly, shareholders will be allowed to exercise their right to vote through postal ballot i.e. by post or e-voting, in the manner and subject to the conditions contained in the aforesaid regulations. Details will be circulated in due course.

Appointment of Scrutinizer

Under Regulation 11 of the Regulations, the Board of the Bank has appointed M/s PKF F.R.A.N.T.S., Chartered Accountants, (a QCR-rated audit firm) to act as the Scrutinizer of the Company for the election of directors/special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

Notice to Shareholders who have not provided CNIC:

The Companies (Distribution of Dividends) Regulations, 2017 requires that the dividend warrants should bear the Identification Number which includes: (i) in the case of a registered shareholder or an authorized person, the Computerized National Identity Card Numbers (CNIC); (ii) in the case of a minor, child registration number or juvenile card number; and (iii) in the case of corporate shareholders registration number or national tax number. The Identification Number of the shareholders is, therefore, mandatory for the issuance of dividend warrants, and in the absence of such information, payment of dividends may be withheld in terms of the Companies (Distribution of Dividends) Regulations, 2017. Therefore, the shareholders who have not yet provided their Identification Numbers are advised to provide their Identification Numbers (if not already provided) directly to our Independent Share Registrar at the address given herein above without any further delay.

Placement and Electronic Transmission of Financial Statements & Notices

The Bank has placed the annual Audited Financial Statements for the year ended December 31, 2024, along with the Auditors and Directors' Reports on its website: https://jsbl.com/knowledge-center/financial-reports/ as required under Section 223(7) of the Companies At, 2017.

Further, the Bank's Annual Report for the year ended December 31, 2024, is transmitted to the shareholders at their email address registered with the Share Registrar.

Under Section 223(6) of the Companies Act, 2017, listed companies are allowed to send the Audited Financial Statements, etc. through an electronic mail system (e-mail). The members are hereby requested to convey their consent via email on a standard request form which is available at the Bank's website i.e. https://www.jsbl.com/knowledge-center/investor-information/ Please ensure that your email account has sufficient rights and space available to receive such an email that may be greater than 1 MB in size. Members can request a hard copy of Audited Financial Statements which shall be provided free of cost within seven days from the date of requisition. Further, it is the responsibility of the member(s) to timely update the Share Registrar of any change in his (her/its/their) registered email address at the address of the Bank's Share Registrar mentioned above.

Mandate for E-DIVIDENDS for shareholders

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividends to its shareholders only through electronic mode directly into the bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders are requested to fill in the Electronic Credit Mandate Form available on Bank's website and send it duly signed along with a copy of CNIC to the Registrar of the Bank M/s. CDC Share Registrar Services Limited, CDC House, Shahra-e-Faisal, Karachi in case of physical shares. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to the shareholder's broker/participant/CDC account services.

Deduction of Income Tax from Dividend at Revised Rates

Pursuant to the provisions of the Finance Act deduction of income tax from dividend payments shall be made on the basis of filers and non-filers as follows:

S.No	Nature of Shareholders	Rate of deduction
1	Filers of Income Tax Return	15%
2	Non-Filers of Income Tax Return	35%

Income Tax will be deducted based on the Active Tax Payers List posted on the Federal Board of Revenue website.

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence, as the case may be.

Conversion of Physical Shares into Book Entry Form Shares

The attention of the shareholders, having shares in physical scrips of the Bank, is invited towards Sub Section (2) of Section 72 of the Act. As per provisions of the above Section, every existing company is required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 31, 2017. Given the above and as per the instructions issued by SECP vide its Letter No. CSD/ED/Misc./2016-639-640 date March 26, 2021, such shareholders are requested to arrange to convert their shares held in physical form into book-entry-form. For this purpose, the shareholder shall be required to open an account with either the Central Depository Company (CDC) or any Trading Rights Entitlement Certificate holder (Securities Broker) of the Pakistan Stock Exchange. The benefits associated with the Book-Entry-Form shares include "readily available for trading, whereas trading of physical scrips is currently not permitted", "no risk of damaged, lost, forged or duplicate certificates", "reduced stamp duty on physical to book-entry-form transfers", "Instantaneous transfer of ownership", "Instant receipt/credit of dividends and other corporate entitlements (i.e. bonus, rights and new issues, etc.)" and convenient pledging of securities, etc.

**STATEMENT OF SPECIAL BUSINESS UNDER SECTION 134(3)
OF THE COMPANIES ACT, 2017**

This statement sets out the material facts about the special business to be transacted at the Annual General Meeting of JS Bank Limited (the "**Bank**") to be held on March 28, 2025.

Investment of up to PKR 606 million in a Real Estate Investment Trust Fund

JS Bank intends to invest by transferring 5 properties currently parked in the non-banking assets to the Real Estate Investment Trust (REIT) Fund which will be managed by JS Investments Limited (JSIL), a subsidiary of the Bank.

Out of the total investment of PKR 606 million, PKR 467 million will be in the form of property contribution while PKR 138 million will be contributed as cash to cover initial REIT expenses and transfer tax-related expenses along with meeting development costs. 100% of the total units of the REIT Fund will be issued to the Bank against the above-mentioned properties and cash contribution. The details of the target properties are as under:

(PKR in Millions)

Target Property				
Sr. #	Property Alias	Detailed Address	Area (Sq. Ft.)	Value
01.	Office # 107, Clifton Diamond	Office No.107, 1st Floor, Clifton Diamond Building, Constructed on Plot No. BC-10, Block No.4, KDA Scheme No.5, Clifton, Karachi	1,635	40.875
02.	Office # 108, Clifton Diamond	Office No.108, 1st Floor, Clifton Diamond Building, Constructed on Plot No. BC-10, Block No.4, KDA Scheme No.5, Clifton, Karachi	1,142	28.550
03.	Open Plot # 16-C	Commercial Plot No.16-C, Rahat Lane No.2, Rahat Commercial, Phase-VI, D.H.A, Karachi	1,800	150.100
04.	Emerald Tower	Office # 903, 9th Floor Emerald Tower, Block 5, Clifton, Karachi	3,679	147.160
05.	The Centre	Musical Fountain Road, Saddar, Karachi	2,010	100.500
		Total	**10,266**	**467.185**

The investment is endorsed by the Bank's Board of Directors as per its resolution dated August 27, 2024.

Information under Regulations 3 and 4 of The Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Other information:

- JSIL is the subsidiary of JSBL with a shareholding of 84.56%
- All legal, corporate, and regulatory formalities on the part of the Bank will be fulfilled by the Bank.

The nature of information required to be disclosed pursuant to the Companies (Investment in Associated Companies and Undertakings) Regulations, 2017, for investment in associated company BankIslami Pakistan Limited is as follows:

Ref No.	Requirement	Relevant Information
	(a) **Disclosures for all types of investments**	
	(A) Details pertaining to the Associated Entity	
i	Name of associated company	Real Estate Investment Trust (REIT) Fund to be managed by JS Investments Limited, a subsidiary of the Bank
ii	Basis of relationship	The associated relationship is established based on the shareholding of 84.56% in JSIL by the Bank.
iii	Earnings per share for the last three years	2022: PKR (2.41) per share 2023: PKR 5.02 per share 2024: PKR 7.27 per share
iv	Break-up value per share, based on the latest audited financial statements	2023: PKR 26.96 per share 2024: PKR 34.18 per share

v	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	The statement of financial position and profit and loss account as of December 31, 2023, are enclosed.
vi	In case of investment in relation to a project of the associated company or associated undertaking that has not commenced operations, following further information, namely:- (I) description of the project and its history since conceptualization; (II) starting date and expected date of completion of work; (III) time by which such project shall become commercially operational; (IV) expected time by which the project shall start paying return on investment; and (V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and noncash amounts.	N/A
	B) General Disclosures: -	
i	Maximum amount of investment to be made	Upto PKR 606 million, Of this, PKR 467 million will be in the form of property contribution while PKR 138 million will be contributed as cash.
ii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	- To earn dividend income from the REIT Fund - To benefit from the expected future growth of the fund.
iii	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost-benefit analysis	A cash outlay of PKR 138 million will be made by the Bank from internal sources.
iv	Salient features of the agreement(s), if any, with the associated company or associated undertaking with regards to the proposed investment	None

v	direct or indirect interest of directors, sponsors, majority shareholders, and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	JSBL is the holding/parent company of JSIL. JSBL holds 84.56% of JSIL and will hold 100%units in the REIT Fund.
vi	in case any investment in an associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	None
vii	any other important details necessary for the members to understand the transaction	None
In case of equity investment, the following disclosures in addition to those provided under clause (a) of Sub-regulation (1) of Regulation 3 shall be made:		
i	maximum price at which securities will be acquired	PKR 10 per unit
ii	in case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
iii	maximum number of securities to be acquired	N/A
1v	number of securities and percentage thereof held before and after the proposed investment	N/A
v	current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A
vi	fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities.	N/A

The Directors of the Bank undertake that they have carried out necessary due diligence for the proposed investment in the REIT Fund. The due diligence report is available for inspection at the registered office of the Bank.

All legal, corporate, and regulatory formalities will be fulfilled by JSBL and JSIL.

No prejudice shall be caused to any existing shareholder of the Bank.

The Directors, including the Chief Executive Officer of the Bank, have no personal interest in the transaction directly or indirectly except to the extent of their and their spouse shareholdings held by them in the Bank and/or JSIL.

The number of shares held by the Directors, their spouses, and the Executives in the JSIL and JS Bank are as follows:

Directors:	Number of Shares held in JSBL	JSIL
Mr. Adil Matcheswala	264,000	-
Mr. Basir Shamsie (CEO)	1	-
Mr. Khalilullah Shaikh	500	-
Ms. Nargis Ali Akber Ghaloo	1	-
Lt. Gen. Sadiq Ali	1	-
Mr. Saad Ali Bhimjee	5,000	-
Mr. Usman Yousaf Mobin	1	-
Spouses of Directors:		
Mrs. Hafsa Shamsie w/o Basir Shamsie	1,132,320	-
Executives:		
COO	-	-
Co. Sec.	-	-
CFO	-	-
CIA	1	-

The financial position of JSIL, including the main items of the statement of financial position and the profit and loss account based on December 31, 2024, is attached.

JS Investments Limited
Statement of Financial Position
As at December 31, 2024

	Note	2024	2023 Restated	2022 Restated
		(Rupees)		
ASSETS				
Non-current assets				
Property and equipment	4	253,840,269	238,962,606	276,654,014
Intangible assets	5	1,869,156	3,655,853	6,469,897
Investment in associates	10	2,562,473,076	1,234,676,831	1,034,071,682
Long term investment	12	265,000	265,000	265,000
Deferred taxation - net	15	187,807,059	101,098,308	-
Long term loans and prepayments	6	4,177,994	1,899,600	2,152,930
		3,010,432,554	1,580,558,198	1,318,613,523
Current assets				
Balances due from funds under management	7	205,482,407	125,531,519	124,610,226
Loans and advances	8	11,299,390	5,865,567	2,336,220
Deposits, prepayments and other receivables	9	164,102,064	148,952,169	97,347,215
Short term investment	11	126,687,500	126,687,500	125,000,000
Taxation - net		20,902,979	66,646,890	91,587,518
Cash and bank balances	13	42,309,808	67,978,805	12,288,813
		570,784,148	541,662,450	453,169,992
Total assets		3,581,216,702	2,122,220,648	1,771,763,515
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorised share capital		2,500,000,000	2,500,000,000	2,500,000,000
Issued, subscribed and paid-up share capital	14	616,481,270	617,742,560	617,742,560
Capital re-purchase reserve account		1,261,290	-	-
Unappropriated profit		1,493,843,514	1,047,678,821	737,654,383
Total equity and reserves		2,111,586,074	1,665,421,381	1,355,396,943
LIABILITIES				
Non-current liabilities				
Lease liabilities	16	154,928,225	157,085,116	213,734,571
		154,928,225	157,085,116	213,734,571
Current liabilities				
Trade and other payables	17	372,806,296	267,608,528	173,481,210
Short term borrowing	18	900,000,000	-	-
Unclaimed dividend		4,870,010	4,872,885	4,922,407
Current maturity of lease liabilities	16	37,026,097	27,232,738	24,248,384
		1,314,702,403	299,714,151	202,652,001
Total liabilities		1,469,630,628	456,799,267	416,386,572
Contingencies and commitments	19	-	-	-
Total equity and liabilities		3,581,216,702	2,122,220,648	1,771,783,515

The annexed notes 1 to 35 form an integral part of these financial statements.

JS

JS Investments Limited
Statement of Profit or Loss
For the year ended December 31, 2024

	Note	2024	2023 Restated
		(Rupees)	
Income			
Remuneration from funds under management - net	20	529,135,058	258,000,807
Commission from funds under management	21	5,093,217	18,249,054
Remuneration and share of profit from management of discretionary and non discretionary client portfolio	22	203,062	595,901
		534,431,337	276,845,762
Net unrealised gain on remeasurement of investments classified 'as at fair value through profit or loss		-	1,687,500
Return on bank deposits		5,819,068	5,310,081
Return on debt security		27,609,279	26,552,535
		567,859,684	310,395,878
Administrative expenses	23	(459,743,319)	(356,643,030)
Selling and distribution expenses	24	(36,130,706)	(27,667,046)
Operating profit		71,985,659	(73,914,198)
Financial charges	25	(31,730,685)	(26,680,905)
		40,254,974	(100,595,103)
Other income	26	7,064,463	23,316,399
Share of Profit from Associate	10.1	441,193,452	331,549,287
Profit before Income and Minimum Taxes		488,512,889	254,269,583
Taxation - Minimum Taxes		(24,775,741)	(12,941,005)
Profit before Income Tax		463,737,148	241,328,578
Taxation - net	27	(14,814,120)	68,695,860
Profit after taxation		448,923,028	310,024,438
Earnings per share for the year - basic and diluted	28	7.27	5.02

The annexed notes 1 to 35 form an integral part of these financial statements

Form of Proxy

19th Annual General Meeting

The Company Secretary
JS Bank Limited
Shaheen Commercial Complex
Dr. Ziauddin Ahmed Road
P.O. Box 4847 Karachi 74200 Pakistan

I/We __________________________ of _____________ being member(s) of JS Bank Limited holding _____________ Ordinary shares as per Register Folio No/CDC /A/c No. __________________ hereby appoint _____________________ of ___________________ or failing him __________________ of _____________________ as my / our proxy to attend, act and vote for me / us and on my / our behalf at the 19th Annual General Meeting of the Bank to be held on March 28, 2025 and / or any adjournment thereof.

As witness my / our hand / seal this ____ day of _______________ 2025 signed by _________________________ in the presence of (name & address)

Witness:

1. Name: _________________________

Address _________________________

CNIC or _________________________

Passport No. _________________________

Signature _________________________

Signature on Rs. 5/-
Revenue Stamp

The signature should
agree with the specimen
registered with the Bank

Witness:

2. Name: _________________________

Address _________________________

CNIC or _________________________

Passport No. _________________________

Signature _________________________

Important Note

1. A member of the Bank entitled to attend and vote may appoint another member as his / her proxy to attend and vote instead of him/her.

2. The proxy form, duly completed and signed, must be received at the Office of the Bank situated at Shaheen Commercial Complex Dr. Ziauddin Ahmed Road, Karachi 74200 not less than 48 hours before the time of holding the meeting.

3. No person shall act as proxy unless he/she himself is a member of the Bank, except that a corporation may appoint a person who is not a member.

4. If a member appoints more than one proxy and/or more than one instrument of proxy is deposited by a member with the Bank, all such instruments of proxy shall be rendered invalid.

5. The Beneficial Owner of the physical shares and the shares registered in the name of CDC Share Registrar Services Limited (CDCSRSL) and/or their proxies are required to produce their original Computerized National Identity Card (CNIC) or Passport for identification purposes at the time of attending the meeting. The Form of proxy must be submitted with the Bank within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form, along with attested copies of CNIC or the Passport of the beneficial owner and the proxy. In the case of a corporate entity, the Board of Directors' Resolution / Power of Attorney along with the specimen signature shall be submitted (unless it has been provided earlier along with the proxy form to the Bank).

پراکسی فارم

انیسواں سالانہ اجلاس عام

کمپنی سیکریٹری
جے ایس بینک لمیٹڈ
شاہین کمرشل کمپلیکس
ڈاکٹر ضیاءالدین احمد روڈ
پی او باکس نمبر 4847، کراچی 74200 پاکستان

میں/ہم ________________ جے ایس بینک لمیٹڈ کے ممبران اور بمطابق رجسٹرڈ فولیو نمبر/سی ڈی سی/اکاؤنٹ نمبر ________________ عمومی حصص کے مالکان ہیں، جناب ________________ یا ان کی عدم دستیابی کی صورت میں جناب ________________ کو بینک کے انیسواں سالانہ اجلاس عام منعقدہ 28 مارچ 2025 یا کسی ملتوی شدہ تاریخ پر اپنی جانب سے حاضر ہونے، حصہ لینے اور ووٹ دینے کے لئے عوضی (Proxy) مقرر کرتا ہوں/کرتے ہیں۔

گواہان (نام اور پتے) کی موجودگی میں آج بروز ________________ 2025 کو میں نے ذاتی طور پر دستخط کئے/مہر مثبت کی۔

گواہ:

1۔ نام: ________________

دستخط: ________________

پتہ: ________________

____

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر: ________________

5 روپے کی ریونیو اسٹیمپ پر دستخط کئے جائیں
دستخط بینک میں موجود نمونے کے دستخط کے مطابق ہونا چاہئیں

گواہ:

2۔ نام: ________________

دستخط: ________________

پتہ: ________________

____

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر: ________________

اہم نوٹ:

1۔ بینک کا کوئی ممبر کسی دوسرے ممبر کو اپنی جگہ اجلاس میں حاضر ہونے، حصہ لینے اور ووٹ دینے کے لیے عوضی مقرر کر سکتا ہے۔

2۔ باقاعدہ مکمل اور دستخط شدہ پراکسی فارم اجلاس عام کے انعقاد سے کم از کم 48 گھنٹے قبل بینک کے دفتر بمقام شاہین کمرشل کمپلیکس، ڈاکٹر ضیاء الدین احمد روڈ، پی او باکس نمبر 4847، کراچی 74200 پاکستان پر موصول ہو جانا چاہئیں۔

3۔ ایسا کوئی شخص بطور عوضی اجلاس میں شریک نہیں ہو سکتا جو بینک کا/کی ممبر نہ ہو، سوائے کوئی کارپوریشن جو کسی غیر ممبر کو اپنا عوضی مقرر کر سکتی ہے۔

4۔ اگر کوئی ممبر ایک سے زائد عوضی مقرر کرتا ہے اور ایک سے زائد عوضی فارم بینک کو موصول ہوتے ہیں تو ایسے تمام فارم منسوخ تصور کیے جائیں گے۔

5۔ فزیکل حصص کے بینیفشل مالکان اور سی ڈی سی شیئرز رجسٹرار سروس لمیٹڈ (سی ڈی سی ایس آر ایس ایل) میں رجسٹرڈ حصص کے مالکان اور/یا ان کے عوضی اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ شناختی مقاصد کے لیے پیش کرنا ہوگا۔ باقاعدہ مکمل اور دستخط شدہ پراکسی فارم بینک میں مقررہ وقت پر جمع کروا دیا جائے، جس پر دو گواہوں کے دستخط، نام، پتہ، کمپیوٹرائزڈ قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر درج ہو۔ اس کے ہمراہ بینیفشل مالک اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ نمبر یا پاسپورٹ کی تصدیق شدہ نقل بھی منسلک ہونا ضروری ہے۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی بمعہ نمونے کے دستخط جمع کروائی جائے (اگر پہلے سے پراکسی فارم کے ہمراہ جمع نہیں کروائی گئی)۔

JS BANK

Registered office
JS Bank Limited, Shaheen Commercial Complex,
Dr. Zia Uddin Ahmed Road, P.O. Box 4847,
Karachi-74200 Sindh, Pakistan.

UAN: (021-051)111-654-321

Scan to view the Financial Statements

infini.com.pk
35301852