مَشعَلِ راہ

The Guiding Light of
Islamic Banking



Annual Report 2024

faysalbank





Mashal-e-Rah

Illuminating the Path to Success

At the heart of Faysal Bank's journey lies a steadfast commitment to Islamic principles, serving as our guiding light in a world seeking ethical and purposeful financial solutions. "Mashal-e-Rah" embodies this philosophy — where the eternal values of Shariah illuminate the path toward prosperity, trust, and shared success.

Like a beacon in the night, Faysal Bank leads with unwavering resolve, ensuring that every step aligns with the divine wisdom that fosters equity, fairness, and social well-being. Our role extends beyond banking; we are custodians of a vision where faith and finance intersect to empower individuals, uplift communities, and inspire sustainable growth.

Through "Mashal-e-Rah," we reflect on our journey of transformation into a fully Islamic bank and reaffirm our promise to uphold the principles of transparency, justice, and compassion in every interaction. Together, we light the way forward, not only for today but for generations to come, fostering a brighter, more equitable financial landscape for all.

Let us walk this path together, guided by the eternal flame of integrity and purpose.



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Organization Overview and External Environment

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Key Message from the Chairman

Dear valued shareholders, customers and stakeholders,

It is my pleasure to present to you the annual financial report of Faysal Bank Limited (FBL), a leading Islamic financial institution, for the year 2024. This is our second report after having been licensed as an Islamic financial entity. This report highlights the Bank's achievements, challenges, and future prospects, demonstrating its commitment to overall excellence, innovations in different segments and Shariah-compliant banking.

Our transformative journey has been a continuous process marked by significant milestones. Our Total assets have grown by 14% to reach Rs1,565 billion, which is Alhamdulillah a decent accomplishment. Our Profit Before Tax also showed a substantial rise of 22%, reflecting our focus on operational efficiency, cost optimisation, and innovative financial solutions. The Bank has achieved significant growth in customer loyalty as reflected in our business success and the strong improvement in Net Promoters Score (NPS).

The Bank has been recognised by the State Bank of Pakistan (SBP) as the fastest-growing Bank in the country's remittance market under its Pakistan Remittance Initiative (PRI). The award was presented at the 4th Pakistan Remittance Summit, held in the second week of December 2024, in Rome, Italy. This award highlights our excellence and growing leadership in the remittance sector, reflecting the trust and confidence placed in the Bank by its valued customers both in Pakistan and abroad.

The Bank's network of branches expanded to 855, with the addition of 133 branches during the year 2024. That is MashaAllah an overall addition of 279 branches in the last 5 years, and we are hopeful of reaching the mark of 1000 branches in the near future. Working with an expansionary strategic model, the objective is to simultaneously achieve strong growth in volumes and revenues, with cost discipline, and maintenance of efficiency ratios.

Committed to excellence, we continue to strengthen our position in the industry through dedicated efforts and a strong market presence. With continued blessings of Allah Subhanahu Wa Ta'ala, we hope to reach the top 5 mark with consistent effort of our diligent teams.

The year 2024 has also been a year of change for the banking sector as a shift from deposit-led to asset-led business model was witnessed. Crucial challenges were faced by the banks, which included subdued economic growth, low Foreign Direct Investment (FDI) and policy rate reduction from 22% to 13% in December 2024. Despite these challenges, the Bank achieved its 2024 strategy/ budget targets. The ADR was comfortably above 50%.

As a pioneering Islamic Bank, we remain dedicated to upholding the principles of Shariah in all our transactions, ensuring that our operations are not only financially rewarding but also socially responsible and ethically sound. Our Shariah Supervisory Board continues to provide guidance and oversight, ensuring that our products and services meet the highest standards of Shariah compliance.

During the year, we launched several key initiatives aimed at enhancing customer experience, expanding our digital presence, and strengthening risk management framework. These efforts have positioned us for sustained growth and improved competitiveness in the market.

We continued to invest in digital transformation, upgrading our online banking platform, mobile applications, and payment systems to provide a seamless and secure experience for our customers. Our digital channels have seen significant growth, with 66% increase in internet & mobile banking transactions and 34% rise in mobile banking subscribers.

Faysal Bank remains committed to promoting financial inclusion and economic development in our communities. Our SME programmes have empowered numerous business owners, while our Islamic finance training programmes have enhanced capacity building and knowledge retention / sharing.

Over the year, our risk management framework has been significantly strengthened by enhancing credit risk assessment, liquidity management, and compliance systems. Risk management strategies have enabled the Bank to navigate challenging market conditions and maintain a strong capital adequacy ratio.

Guided by our Islamic values, we prioritised initiatives that benefit communities and promote sustainability. We managed to allocate PKR 141 million, to support educational, health and other corporate social responsibility programmes and initiatives, and hope to do more in the years ahead. The Bank has partnered with charitable organisations to deliver relief to the less privileged segment of the society. To further consolidate our initiatives, and enhance impact, we set up Board's Sustainability and Development Committee (BSDC). BSDC will define/review the sustainability strategy and framework, and align it with national sustainability strategy for future.

As we celebrate another successful year, we reaffirm our commitment to Islamic banking principles and our role in promoting financial inclusion and economic development along

with the achievement of prime objectives pertaining to Climate & Environmental Social Governance (ESG).

Looking ahead, strategic goals have been prepared in the Strategy document for the period of 2025-2028. We are optimistic about the future prospects of the Bank, with our strategic focus on further diversifying our product offerings. Conforming to the digital age, we will continue to invest in technology, and expand our presence in key markets.

Keeping in view the challenges of policy rate reduction, narrowing margin, and an increased minimum profit rate for depositors, the Bank remains committed to creating long-term value for its shareholders while making a positive impact on the communities it serves.

I extend my deepest gratitude to our shareholders and employees for their confidence and unwavering support. To our customers, I sincerely extend my gratitude for their loyalty and trust in our services. My appreciation also goes to the Shariah Supervisory Board for their wisdom and guidance, ensuring our adherence to Islamic principles. Lastly, I also thank my fellow Board members for their guidance and oversight.

Thank you.

Sincerely Yours,

Mian Muhammad Younis
Chairman, Board of Directors
Faysal Bank Limited



Vision

To be the best customer centric Islamic bank, driven by passion and belief.

Mission

Achieve leadership in providing Shariah compliant financial services with customer care and employee focus, at the heart of our business ethos together with innovation and technology being the pillars of our growth.

Core Values





Code Of Conduct on Corporate Website

https://www.faysalbank.com/assets/documents/Code-of-Conduct.pdf

Code of Ethics

FBL's Code of Ethics establishes the expected standards of conduct for all employees, guiding them in fulfilling their professional obligations. Aligned with Faysal Bank's Core Values, the Code aims to fortify FBL's Vision by fostering behaviors consistent with ethical principles.

The Code serves to prevent workplace misconduct and promote ethics by:

- Adhering to FBL's policies, regulatory instructions and applicable Shariah guidelines.
- Demonstrating integrity and honesty in all circumstances.
- Treating others with care and respect.
- Avoiding conflicts of interest.
- Respecting confidentiality and safeguarding sensitive information.

The comprehensive Code of Ethics, which requires staff acknowledgment, is accessible to all employees through FBL's Intranet and Learning Management System. Covering various ethical themes, the Code outlines FBL's expectations regarding customer and employee interactions. It also provides guidelines for handling and raising voice against the situations including harassment, discrimination, bribery and corruption. Code further promotes the diversity, equity and inclusion, workplace safety, corporate social responsibility, social media usage etc.

Additionally, the Code specifies Speak Up channels within FBL, offering employees a confidential platform to report misconducts and wrongdoings without any fear and maintaining the secrecy.

Ownership Structure

Ithmaar Bank

Ithmaar Bank B.S.C. (closed) ("Ithmaar Bank") is a Bahrain-based Islamic retail bank that is licensed and regulated as an Islamic Bank by the Central Bank of Bahrain as is focused exclusively on serving corporate customers. Ithmaar Bank is a wholly-owned subsidiary of Ithmaar Holding B.S.C., which is listed on the Bahrain Bourse and Dubai Financial Market. Ithmaar Bank provides a diverse range of Sharia-compliant products and services that cater to institutions. Ithmaar also maintains a presence in overseas markets through its subsidiary, Faysal Bank Limited (Pakistan).

Faysal Bank Limited (Holding Company)

Faysal Bank Limited was incorporated in Pakistan in October 1994 as a public limited company. Its shares are listed on the Pakistan Stock Exchange Limited. The Bank is mainly engaged in Conventional and Islamic Corporate, Commercial and Consumer banking activities.

Faysal Asset Management Limited (Subsidiary) 99.99%

Faysal Asset Management Limited (FAML) was incorporated in Pakistan in August 2003 as an unlisted public limited company. FAML is a Non-Banking Finance Company (NBFC), licensed to carry out asset management and investment advisory services. It currently manages various conventional and Shari'ah compliant open end investment schemes.

The Group also considers various Shari'ah compliant open end funds managed by FAML as its Associates. The country of establishment in respect of all the funds is Pakistan. Further, all the funds are individual open-end schemes and have been established by execution of trust deeds between FAML and the Central Depository Company of Pakistan Limited (CDC) as the Trustee.

Faysal Islamic Currency Exchange Company (Subsidiary) 100.00%

Faysal Islami Currency Exchange Company (Private) Limited was incorporated in Pakistan in January 2024 under the Companies Act, 2017 ('the Act'). The Company is a Non-Banking Finance Company (NBFC) and has licensed to operates as an exchange company and is engaged in the business of dealing in foreign exchange from individuals; facilitate remittance for individuals, educational institutions and hospitals.

Product and Services

Consumer Finance

Unsecured Business

A diverse range of Islamic consumer products is tailored to address the specific needs of various market segments.

Faysal Islami Noor Card

The Faysal Islami Noor Card stands as Pakistan's pioneering Shariah-compliant card, anchored in the principles of Tawarruq. It boasts widespread acceptance, available at over 15,000 local merchants and over 24 million global locations across 210 countries. The card integrates advanced Chip & Contactless Technology, ensuring secure and convenient transactions. Additionally, it features an exclusive Instant Reward Redemption program and up to 50% discounts proposition at renowned restaurants and lifestyle brands, providing cardholders with instant access to rewards. With these features, the Noor Card delivers unmatched purchasing power, offering a seamless and enhanced payment experience for its users.

Our array of cards caters to varying income levels, offering:

a) **Velocity & Blaze,** entry-level financial tools fostering engagement and cash replacement.

b) **Titanium, Platinum & World,** fully equipped with premium benefits, targeting the affluent segment. These cards offer exclusive services and discounts for travel, shopping, and dining experiences.

The Faysal Islami Noor Card offers financial flexibility with 0% installment plans, Banker's Cheques, and Balance Transfers via a 24/7 Call Centre. Bill payments are convenient through Cash, Cheques, Internet Banking, and Mobile Banking, with the option to use other banks' Internet Banking, Mobile Banking, and ATMs.

In recognition of our dedication to providing outstanding Islamic banking solutions, Faysal Bank has won "Best Islamic Retail Bank for Consumer Finance in Pakistan 2024" in 10th Global Award Islamic Banking Awards Ceremony.

&

MasterCard has awarded Faysal Bank, under two categories, with the titles of "Market Leaders in Affluent Segment" and "Top Issuer in Pakistan" for 2024.

Faysal Islami Debit Cards

The Faysal Bank's suite of Islamic debit cards is structured to serve diverse market segments. Each card variant is meticulously crafted to offer a wide array of features and benefits. These tailored offerings empower our account holders, ensuring their ability to access funds

This year Faysal Bank also launched Business Debit Card (catering to business segments) and Debit Card for FCY accounts (catering to Freelancers and IT Exporters Maintaining USD based accounts) , an unprecedented offering tailored for clients.

PayPak, Pakistan's first Domestic Payment Scheme has awarded Faysal Bank, under two categories, with the titles of "Top Incremental CIF" and "Top PayPak Acquirer" for 2024

Faysal Islami Personal Finance

Introduced in January 2022, our Islamic Personal Finance stands as a Shariah-compliant solution under the Tawarruq structure. This limit-based facility offers eligible individuals an affordable and hassle-free financing option for various needs, including education, weddings, and hospitalization.

Faysal Takmeel Financing

Faysal Takmeel is a Riba-free, Shariah-compliant financing solution based on Musawamah financing, tailored for the purchase of durable goods/items like home appliances, generators, air conditioners, LED monitors, laptops, bikes, and more. This year Faysal Islami as part of Green Financing program, started offering Electric Bikes on affordable monthly instalments in collaboration with leading EV manufacturer. This further extends to Solar Panel financing under Takmeel Financing Umbrella.

Secured Business

Wide range of Secured Financing products are available to cater various market segments and their distinct needs.

Home Finance - We help you unlock your dreams

Faysal Islamic Home Finance is based on the principles of Diminishing Musharakah. This is a medium and long term financing product, where the Bank and the customer jointly purchase an asset and create joint ownership in the asset. The Bank rent out its share in the asset to the customer while the customer periodically purchases units of ownership in the asset from the Bank. After purchase of all the units the customer becomes the sole owner of the asset.

- Home Buyer
- Home Builder/ Plot + Construction
- Home Renovation
- Home Re-finance

Car Finance - Drive your Dream Car Today!

Faysal Islamic Car Finance is based on the principles of Diminishing Musharakah. This is a medium and long term financing product, where the Bank and the customer jointly purchase an asset and create joint ownership in the asset. The Bank rent out its share in the asset to the customer while the customer periodically purchases units of ownership in the asset from the Bank. After purchase of all the units, the customer becomes the sole owner of the asset.

- Residual Value Financing
- 1 & 2 Year rent only plan

Secured Islamic Personal Finance - Let your Car take care of your Personal Financing needs!

It is a limit-based financing with collateral (i.e. car) that facilitates customers by providing a comprehensive, affordable and hassle-free financing option. 100% Shariah Compliant & Riba Free Solution - Facility based on the Islamic concept of "Tawarruq", to address customer's immediate needs.

It is extended to customers for multiple purposes such as;

- Education
- Medical
- Marriage

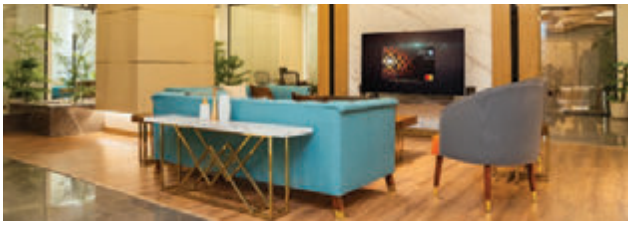
Priority Banking

As a Faysal Priority customer, we are committed to provide you an enhanced banking experience and look forward to supporting you in achieving your financial goals. Some of the exclusive benefits associated with our Priority Banking proposition include:

Exclusive Priority Banking Experience

Unlimited Access to our Priority Lounges and facilities across the country for all your financial needs. Faysal priority lounges provide banking luxury and transactional convenience to our priority customers. The start of modernization of Faysal Bank Priority Lounges has begun with below selected locations.

- Abdullah Haroon Road, Karachi
- F-7 Markaz, Islamabad
- Old Bahawalpur Road, Multan





Financial Advisory and Assistance

Dedicated Priority Relationship Managers assigned to cater to all your financial requirements and manage your Wealth portfolio.

Faysal Priority Platinum Debit Card

As a Faysal Priority customer, you are entitled to a complimentary Faysal Priority Islamic Platinum Debit Card that comes equipped with a suite of features and benefits designed to match your exclusive lifestyle. Enjoy discounts at more than 300 retail outlets across Pakistan.

Faysal Islami Priority World Debit Card

Launch of the "Faysal Islami Priority World Debit Card", exclusively for our HNW Priority Banking customers, which carries a lot of prestige with unlimited embedded benefits and is designed to meet the lifestyle needs of our Priority customers.

Customers can enjoy exclusive benefits with their Faysal Islami Priority World Debit Card, which include:

- Accessibility in more than 200 countries/territories worldwide.
- Enhanced Transactional Limits
- Access to complimentary Airport Lounges
- Discounts up to 50% on Dining, Health, Fitness & Lifestyle
- Free International Travel Insurance



Travel with Comfort

Exclusive access to over 1200 airport lounges internationally using MasterCard Airport Pass App.



Transactional Privileges

Host of free services, such as Unlimited Free Cheque Books, Free SMS Alerts, Free Demand Drafts and Pay Orders, Free Intercity Cheque Clearing, Inter Bank Funds Transfer (IBFT), 50% waiver on Annual Locker Rental, and many more.

Dedicated Customer Care

Exclusive 24-Hour Faysal Priority helpline at 111-11-71-71 where our qualified and dedicated teams are focused and ready to serve you at any time of the day.

Valet Services

Free Valet Parking facility at our Priority Lounges for Priority Banking customers.

Family Membership

Exclusive membership for parents, spouse & children of Priority Banking customers.

Free Travel Coverage

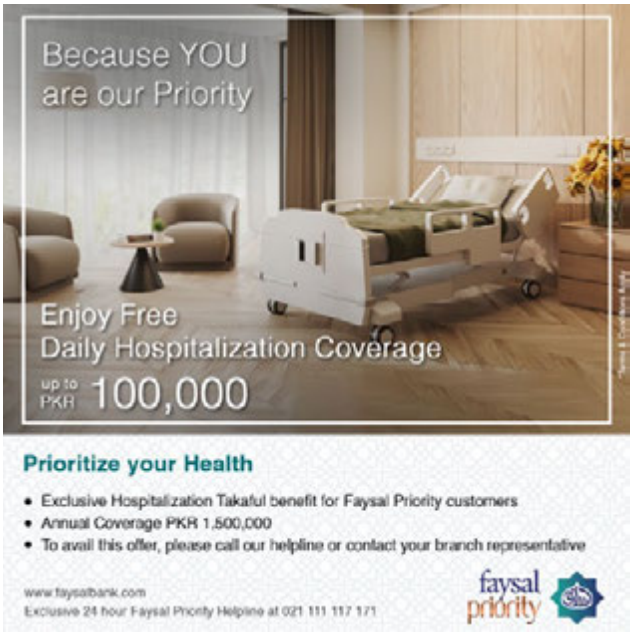
Free Travel Coverage is designed to offer Priority Banking customers with protection during their International travels, including coverage of up to USD 50,000 for medical emergencies, trip cancellations, baggage loss and much more to experience the World worry-free.

Free Daily Hospitalization Coverage

Faysal Bank introduces Free Hospital Coverage (In-Patient) up to PKR 100,000 per day for its Priority Banking clients. We believe in going the extra mile to ensure our valued client's well-being and peace of mind.

We are committed in safeguarding the health and happiness of our loyal Priority Banking clients and for that purpose; we have collaborated with a leading Takaful coverage provider.

Hospitalization cash coverage provides customers with daily cash, on reimbursement basis, ensuring they are well protected in times of need.



Wealth Management

Faysal Bank offers its customers an extensive menu of Wealth Management solutions tailored to suit their needs. Faysal Bank partners with the best Takaful/Window Takaful Operations providers from Pakistan for its third party products to offer its customers, one of the most robust propositions in the industry, we are ideally positioned to meet all your financial needs based on their individual risk appetite and expectations.

BancaTakaful Solutions

During the course of your financial life, you face an inherent uncertainty and risk associated with your health and well-being. In order to ensure your continued peace of mind we offer you a wide array of Shariah compliant saving and protection products to help achieve your financial goals in life.



Saving and Protection Plans

Our Saving and Protection plans have been developed under distribution agreements with some of the leading life Takaful providers in Pakistan. Our suite of BancaTakaful solutions is tailored to allow you to save on a regular basis and plan towards achieving your life's goals. These plans provide you a high level of Life Takaful coverage in order to safeguard the future of your loved ones while at the same time directing your savings towards professionally managed funds which offer you positive returns against your investments. All products have the flexibility to be customized to cater to customer's specific needs. Whatever their requirements, we have the right solution for them!



Health Takaful

Our health is our greatest asset and with the increasing cost of health care, it is essential to plan ahead to ensure the best possible health care for ourselves and our loved ones. Faysal Bank offers you a diverse selection of Health Takaful solutions developed in association with the leading Health Takaful companies in Pakistan. Our products are designed to provide you comprehensive health coverage at leading network hospitals across the country to give our customers the peace of mind that they truly deserve. Furthermore, we have introduced the Industry's First Dental Plan for our customers to address their dental treatment needs.



Life Takaful

In order to provide financial security and a stress-free lifestyle to our customers, Faysal Bank has introduced, Shariah Compliant Takaful plans under the distribution agreement with selected Takaful operators. By simply paying a very nominal amount, you can now avail a significant Takaful coverage on an annual basis to safeguard the needs of your loved ones. These Takaful policies provide you full life coverage in the event of accidental or natural death. The enrollment process is simple and does not require any medical check-ups. All that the customers need to do is call our helpline.



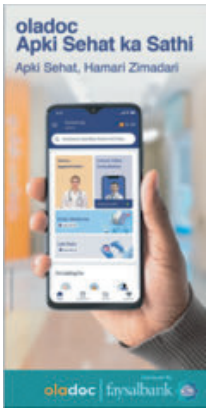
General Takaful

Faysal Bank's product menu offers you a multitude of general Takaful products under the distribution agreement with selected Takaful partners to cater to all your personal and business needs. Whether you need to travel, protect your business structure, or ensure safety of your wallet contents, we have the right solution for our customers.





Digital Health Solution



Oladoc - Aapki Sehat ka Sathi provides a digital platform for medical consultation, scheduling appointment with doctors, lab test booking, medicine delivery and many more healthcare facilities on just a touch of few clicks.
It gives you free/paid Online Consultation Session option with over 25,000+ Doctors across all the categories, for you and your Family members.

Investment Products

In order to support you towards better managing your financial portfolio and to further grow your wealth, we offer you a full menu of Shariah compliant mutual funds through our distribution partner Faysal Funds (a subsidiary of Faysal Bank Ltd.). Based on your individual risk appetite and investment goals, you can select the right investment solution to enter your market of choice and make healthy returns! In addition to investment benefits, these mutual fund placements also entitle you to tax benefits in line with prevalent tax laws. With multiple open-ended and closed-ended funds and varying investment strategies, you can easily find one best suited to your financial needs!





Corporate Banking

Faysal Bank's Corporate & Investment Banking Group (CIBG) is fully geared to meet the challenges of the dynamic economic environment in Pakistan. Our aim is to fuel growth and progress by filling in the role of financial advisors and financiers by providing a range of diverse financial services (including tailor made solutions) to corporate clients by partnering with them and build long term sustainable relationships.

Our in-house expertise of product specialists is well versed in providing financing solutions to meet our customer's credit, trade, foreign exchange, investment banking and various other business requirements in a hassle free, effective and efficient manner across a diverse range of industries.

Financing options include working capital loans, term loans, trade based finance services (letters of credit, foreign & local currency trade bill discounting, guarantees, import & export loans and Export Refinance and Long Term Finance), financing under SBP schemes and furthermore, depository options are also offered under various schemes.

It also includes arrangement of cross border trade confirmations and trade related commercial & country risk syndications. Our onshore specialized trade services include supply chain solutions for our corporate customer base, including vendor/ supplier & distributor focused structured trade financing solutions.

Our Corporate Banking relationship teams also liaison with Treasury, Cash Management, Trade, Investment Banking and Consumer Banking departments to develop and deliver offerings that are used across diverse businesses.

Investment Banking

FBL offers full suite of Investment Banking services ranging from equity & advisory, syndications and debt capital markets to Project and structured finance.

FBL's Investment Banking works in close coordination with Corporate and Retail Banking to facilitate their clients with its services.

- Project & Structured Finance (PSF):

Project & Structured Finance team provides advisory and debt arrangement services for structuring and financing of long-term greenfield and brownfield projects on non-recourse or limited recourse basis. The PSF team offers advisory, structuring, execution and monitoring services for projects of national and strategic significance across various sectors of economy.

- Syndications & Debt Capital Markets (DCM):

The Syndications & Debt Capital Markets team offers a variety of highly customized products to a diverse set of customers as per their needs. These requirements may include medium to long-term financing for capital expenditure, capacity expansion and mergers & acquisitions. FBL's DCM team also enables credit risk distribution with other financial institutions through syndicated financing arrangements along with speedy access to local and offshore debt capital markets.

- Equity & Advisory (E&A):

Our E&A desk provides sell-side and buy-side advisory on merger & acquisition (M&A) transactions, facilitates in business valuations & price discovery along with providing access to equity capital markets. This includes underwriting services for initial public offerings (IPOs), right shares etc. Moreover, FBL has also acted in its capacity as the Bankers to the Issue (BTI) for various transactions.

Cash Management

FBL offers full range of Cash Management services aimed at enhancing clients' liquidity position, reducing operational cost and improving financial control via accurate and timely reporting.

Faysal Transact OTC Collections

All cleared funds received at our branches automatically sweep into collection account for onward credit to main designated account, backed by comprehensive Real time MIS via MIS Scheduler service, real time alerts on each transaction deposit at any branch, maintenance of depositor data to eliminate data entry errors by branch for accurate Real Time MIS availability and support unit to ensure quick processing and attend queries on priority.

Cash / Cheque Pick-up and Delivery

In conjunction with leading CIT (cash in transit) companies and courier services in Pakistan, we successfully process cash pickup / delivery requests from client's location(s), as per requirements.

Right Issue / IPO / Bonus Shares Tax Collections

Our entire branch network spread across 100+ cities nationwide are tagged for the collection of Right Shares/IPO application and Bonus Shares Tax collections. Funds received are credited in the designated account of client.

e-IPO processing

This initiative launched in collaboration with CDC and 1Link is a state of the art facility which uses our Internet Banking/Mobile and ATM platform to provide our customers convenience to apply for Equity/Share applications through these channels without standing in queues at branches and without any restriction of banking hours.

Standing Instruction via Debit Authority (SIDA)

This product allows your distributors/dealers to issue one time Standing Instructions to FBL, authorizing FBL to debit their account with designated FBL branch(s), whenever stocks/goods are released and invoices are raised by you.

E-Collections

We provide e-collection via ADC channels, such as Internet Banking, Mobile Banking and ATMs. It allows quick and easy receipt of funds, eco-friendly due to paperless receivables & immediate transfer.

Payment Services

We provide a web based solution – Faysal Transact that can meet the challenges of a rapidly growing domestic payments system. Faysal Transact has the capability and capacity to cater different types of payment transactions.

Corporate Cheques – payable at any branch in Pakistan, electronic signatures of authorized signatories printed on instrument Payment Orders (PO) – payable at any FBL branch in Pakistan, delivery / dispatch arrangements

Internal Transfer – real time transfer to FBL account holders

Inter Bank Funds Transfer (IBFT) – Bulk transfers to other bank accounts, immediate reflection in account

Real Time Gross Settlement (RTGS) processing – paperless instructions processing via Faysal Transact

Utility Bill Payment (UBPS) - offering an easy and convenient way to pay bills, utility payments are key to smooth business operations, combating the occurrence of both late fees and utility service disruption.

Cash Payout (COC) - This is done by sharing the beneficiary's details on the Payment portal including a transaction specific X-pin which is system generated. The beneficiary then proceeds to any of the designated Faysal Bank branches with the X-pin along with the original CNIC.

Dividend Payouts

FBL provides a complete and comprehensive dividend solution to customers, from printing of dividend warrants to dividend delivery to the customers and their subsequent encashment though FBL branches.

Payroll Proposition – Faysal@work

This tailor-made solution to suit your organization and employees' everyday banking and lifestyle needs, enhances productivity of your employees by bringing banking to their workplace. Faysal@work payroll proposition is available in Islamic Banking.

Home Remittance

Faysal Bank Limited offers state-of-the-art, tailored solutions for managing home remittances, catering to the diverse needs of its cross-border customers. As one of the largest Islamic banks and the fastest-growing financial institution in Pakistan, FBL

is committed to providing innovative and reliable services for seamless money transfers. Through our global and long-term relationships with dedicated partners, our customers enjoy the convenience of instant fund transfer facilities via a variety of secure and efficient payment modes.

- Cash-over-Counter payments for walk-in customers at Faysal Bank
- Instant Account Credit to Faysal Bank account holders
- Instant Account Credit to 1Link member bank account holders through IBFT including wallet payouts
- Same Day Account Credit to other bank account holders via PRISM / RTGS

Strategic Initiatives:

Faysal Bank is one the leading innovative Banks in the country, with a strong commitment towards digitization of customer experiences. The Bank's focus has been on creating a continuous innovation cycle especially in the payments landscape through digital solutions, products and platforms with the aim of asserting its position as the #MostInnovativeIslamicBank.

Retail Banking

Faysal Bank provides customers with a wide range of Islamic Deposit Products for their daily banking requirements that comply with Shariah Principles. Our products are designed keeping in view customer needs and requirements for personal and business banking needs. From simple day-to-day accounts to high value investments, you can choose the product that suits your needs the best to get attractive halal returns. Retail Liability Products also provide you maximum flexibility, transactional convenience and easy access to your funds through our Nationwide Online Faysal Islami branches, ATM network, Debit/Virtual Cards and through Faysal Digibank.

Islamic Current Deposit Account

Our value-added Islami current account products enable you to derive benefits from your deposits. Current Account products are a suitable solution for individuals as well as business entities looking for a checking account based on Islamic Financing Principles. Islami Current Accounts are based upon Qard, (Loan on demand) and Remunerative Mudarabah principles which make products free of Riba (interest) and the principle is guaranteed to you, the depositor.

Islamic Savings Accounts

Our Islamic Savings accounts are opened on the basis of 'Mudarabah', where Faysal Islamic Banking is the 'Mudarib' (manager of the funds) and you, the customers are the 'Rabb-ul-Maal' (owner of funds). These deposits are deployed in Shariah compliant modes such as Ijarah, Murabaha and Musharakah, etc. The rate of profit on your deposit will be determined through Shariah approved mechanism for calculation of weightages which will be announced at the beginning of each calendar month and shall be applicable for

that month only. Faysal Islamic Saving deposits will share in the profit earned by the Islamic Banking Branches of Faysal Bank. Losses, if any, will be shared in the proportion of investment by each depositor. Monthly weightages for profit distribution shall be calculated and displayed at all Faysal Islamic Banking branches as well as our website.

Term Deposit Products

Faysal Islami Investment Certificates offer you convenient financial solutions under the arrangement of 'Mudarabah', where Faysal Banking is the 'Mudarib' (manager of the funds) and you, the customers, are the 'Rabb-ul-Maal' (owner of the funds). These deposits are deployed in Shariah- compliant modes such as Ijarah, Murabaha, and Musharakah. The rate of profit on your deposit will be determined through a Shariah approved mechanism for calculation of weightages which will be announced at the beginning of each calendar month and shall be applicable for that month only. Faysal Islami Investment Certificates will share in the profit earned through financing in different Islamic modes of financing. Losses, if any, will be shared in the proportion of investment by each depositor.

Monthly weightages for profit distribution shall be calculated and displayed at all Faysal Islamic Banking branches as well as our website.

Faysal Islami provides an extensive range of Current, Saving, and Term Deposit products tailored to meet the diverse transactional and investment needs of our customers. The following section outlines the details of our Islamic Banking products, designed to cater to various customer segments.

Current Account Product Suite

Rehmat Individual Account

Faysal Islamic Rehmat account opened on the basis Mudarabah embraces the Islamic value of compassion (Rahma). Upon maintaining a Rehmat Individual Account, Faysal Bank pays for the treatment of underprivileged patients without any deductions from the customer's account. Moreover, customers can enjoy a host of unmatched free services and transactional benefits for all Individual needs.

Rehmat Business Account

Faysal Islamic Rehmat Account opened on the basis Mudarabah embraces the Islamic value of compassion (Rahma). Upon maintaining a Rehmat Business Account, Faysal Bank pays for the treatment of underprivileged patients without any deductions from the account. Moreover, customers can enjoy a host of unmatched free services and transactional benefits for all business needs.

Asaan Current Account

Asaan Current Account is designed for unbanked and underbanked segment or the low income group. Asaan Account can be opened with a single CNIC. There is no minimum balance requirement in Asaan accounts. Faysal Islamic Asaan Account is an easy solution for individuals who are looking for banking needs in a secured manner. Moreover, it is opened on the basis of Qard (loan).

Amal Women Priority Plus Account

Faysal Bank is committed to empowering women through financial independence. The Amal Priority Plus Account offers a range of exclusive benefits, including unlimited transactions, customized debit cards, and discounts on various products and services. Product offers free banking features like cheque books, pay orders, SMS alerts, and access to dedicated female branches. Additionally, it offers women financing facilities and Takaful coverages, designed to empower them and support their financial journey.

I.T Exporter & Freelancer Current Account

Faysal Islami I.T Exporter & Freelancer Account is a Shariah-compliant tailor-made account to meet the specific needs of specific needs Freelancers – engaged in the provision of any digital/online services, including IT and IT-related services companies operating in Pakistan while enjoying the freedom of earning foreign currency from anywhere. The account features a Qard-based PKR Current Account (Primary Account) and a linked FYC (foreign currency) Non-Checking Retention Account, offering up to 50% retention, providing convenience and flexibility for managing earnings and remittances.

Tez Tareen Asaan Remittance Account

Faysal Islamic Tez Tareen Asaan Remittance Account is a remunerative current account based on the principle of Mudarabah, specifically designed to receive remittances from abroad directly. Customers can withdraw/ transfer funds, pay bills, check account balance using ATM, branch counter, Internet and Faysal Digibank Mobile App.

Basic Banking Account

Basic Banking Account is a Shariah-Compliant current account that provides customers the comfort of banking in a secure and customer friendly environment. Opened on the basis of Qard. No minimum balance maintenance charges are required and has 2 free deposits and 2 free withdrawals per month through cash/clearing.

Barkat Current Account

A transactional account that provides the ease of conducting unlimited transactions with frequent access to funds based on Islamic Financing principles. This account is based upon Qard (Loan on demand) which makes it free of interest and the principle is guaranteed to the depositor

Saving Account Product Suite

Savings Account
An account that provides greater returns on your investments and is a suitable solution for individuals as well as business entities that are looking for competitive returns on their savings based on Islamic Financing principles. Opened on the basis of 'Mudarabah'.

Muntazim Savings Account
A saving account opened on the basis of Mudarabah that provides the comfort of saving, managing their day-to-day banking transaction needs with ease. in accordance with Islamic principles, enjoying Halal returns and managing day to day banking transaction needs with ease.

Asaan Saving Account
Asaan Saving account is designed for unbanked and underbanked segment or the low-income group. Asaan account can be opened with just a CNIC. There is no minimum balance requirement in Asaan accounts. Faysal Islamic Asaan Account is an easy solution for individuals looking for banking needs in a secure manner along with halal returns.

Amal Women Saving Account
Faysal Islami Amal Women Saving Account is a Shariah Compliant saving account that provides women financial independence by offering Transactional Convenience, Health Benefits, Financing Facilities, Payment Solutions along with halal profits all under one roof.

Life Plus Savings Account
Faysal Islamic Life Plus Savings Account is a Shariah Compliant offering designed to cater to the financial needs of senior citizens for the maximization of their hard-earned savings. This account also provides unique health and hospitalization benefits through its Health Card feature.

Manzil Account
Faysal Islami Manzil is a savings account which provides customers with a solution to save for medium to long term financial goals such as savings for their Kid's Education, Hajj / Umrah, wedding etc. by depositing periodic investments on agreed frequency. Along with the competitive Halal returns on savings it also provides free of cost Takaful Coverage throughout the plan. This account is opened on the basis of Mudarabah.

Mubarak Safar Saving Account
Faysal Islami Mubarak Safar Saving Account is an ideal saving solution if one is planning to travel for Hajj or Umrah. Mubarak Safar Saving Account is a Shariah-compliant Mudarabah based saving account which helps in saving as per convenience and earn attractive halal profit on deposit.

Term Deposit Product Suite

Barkat Investment Certificates
Faysal Islamic Barkat Investment Certificates provide customers with flexible financial solutions based on the ' Mudarabah' arrangement, with Faysal Bank acting as the 'Mudarib'. These certificates are available in a range of tenures from 1 month to 5 years, offering attractive returns. Customers also benefit from the option of premature withdrawal without any penalty charges, ensuring convenience and financial flexibility.

Life Plus Investment Certificates
Based on the principles of 'Mudarabah', Life Plus Investment Certificates offer a Shariah-compliant investment opportunity, specifically designed for senior citizens to maximize their hard-earned savings. These certificates feature a 1-year tenure with the option to receive profits either monthly or at maturity, providing both flexibility and attractive returns for long-term financial security.

Trade

Faysal Trade Products
Faysal Bank provides all types of funded & non funded trade finance facilities to its clients. This includes opening of all types of L/Cs, advising, confirmation, documentary collection, and issuance of bank guarantees. Faysal Trade Products provide a wide range of standard as well as tailor-made products and solutions to trade customers from all walks of life. It includes:

- Import Letter of Credit
- Import Documentary Collection
- Import Advance Payment
- Import Open Account
- Import Financing
- Export L/C Advising & Confirmation Services
- Export Bills for Collection
- Export Advance Payments
- Export Bills Negotiation
- Currency Salam
  (alternate for Export Bill Discounting)
- SBP Refinancing Schemes for
  Short Term/Long Term Financing
- Bid Bond Guarantee
- Performance Bond Guarantee
- Advance Payment Guarantee
- Financial Guarantee

Faysal Barkat offers following Trade services

Faysal Barkat offers a wide range of import and export services to effectively manage customers' local and global supply chain needs and provides them a competitive edge. These facilities extend for both raw materials to fixed assets. Services that are offered include:

Export L/C Advising

Faysal Barkat offer Export Letter of Credit Advising to existing and non-customer enabling exporters for onward negotiation of their export documents. Enjoy greater security and convenience with Faysal Letter of Credit Advising. We authenticate your inbound Letter of Credit, providing you with assurances that it comes from a genuine source. We also offer greater convenience by notifying you upon its arrival.

Bill for Collection under Export

Faysal Barkat offer services for handling export bills on collection basis to our client & facilitate the flow of payment with our Outward Bill Collection. We act as a professional agent to collect payments from the buyer's bank on customer's behalf.

Currency Salam (alternate for Export Bill Discounting)

Faysal Barkat offer Currency Salam for the exporters to improve their cash flow which allows the exporters immediate credit to their accounts while waiting for payment from the issuing bank. Our experts check export documents and if the documents are in order, customers can convert receivables into cash quickly and easily.

Waad (alternate of Forward Booking)

Faysal Barkat offers purchase of foreign currencies against trade transactions upon getting an offer and acceptance from client. Our expert team facilitates the exporters with expert advice to hedge their foreign exchange risk while foreseeing the foreign exchange volatility.

SBP REFINANCING SCHEMES FOR SHORT TERM / LONG TERM FINANCING

SHORT TERM WORKING CAPITAL FINANCING FACILITIES

Export Pre-Shipment and Post-Shipment financing on Islamic modes of financing (IERS/EXIM Part I & II)

Offers refinance facilities to Customers with an aim to support industrial growth and exports with the ultimate objective of promoting overall economic development of the country. SBP introduced special schemes under its refinance window to ensure adequate supply of financing at subsidized rates.

Financing is available to direct exporters including manufacturers, trading companies, new exporters and indirect exporters. Financing can be availed at pre-shipment and/or post-shipment stage against firm export contract / LCs.

Islamic Refinance Scheme for Working Capital Financing of Small Enterprises and Low-End Medium Enterprises

The Islamic Refinance Scheme for Working Capital Financing of Small Enterprises and Low-End Medium Enterprises (IWCF) has been offered to Small and Low-end Medium Enterprises to cater to the working capital requirements of exporters.

LONG TERM PROJECT FINANCING UNDER ISLAMIC MODE OF FINANCING

Islamic Long Term finance facility (ILTFF)

Faysal Barkat offers Long Term project finance facility namely Islamic Long Term Financing Facility (ILTFF) for Imported and Locally Manufactured New Plant & Machinery to promote export led industrial growth in the country.

SBP Re-Financing Facility for Storage of Agricultural produce

Financing is available for local purchase /import of new plant & machinery/new generators used in Silos, Warehouses & Cold Storages facilities for storing Agricultural produce.

Bank Guarantee

A bank guarantee issued at the request of a customer may be defined as an obligation of the issuing bank to pay a sum of money in the event of non-performance or non-fulfillment of stated obligation by its customer. The guarantee is a separate obligation independent of the principal or the contractual relationship between the creditor and the principal debtor. Bank Guarantees are generally payable on first demand from the beneficiary made within the validity of the guarantee.

FBL offers the facility of issuance of guarantees to its customers generally in the following forms:

1. **Bid Bonds (GBB)**
   A Bid Bond substantiates the financial standing of a person submitting a bid. It is issued in connection with submission of a tender for supply of goods or services and its normal characteristic is an undertaking to pay to the beneficiary a fixed amount, generally a small percentage of the total value of the Order, within a stated period on his simple written demand if the applicant withdraws his obligations after acceptance of his bid.

2. **Performance Guarantee (PBG)**
In a performance guarantee the Bank undertakes on behalf of a customer to pay a fixed amount, generally a higher percentage than the Bid Bond, in case the customer fails to discharge his obligations under a particular Order or contract. Upon issuance of Performance Guarantee the Bid Bond issued earlier for the same contract is returned and cancelled.

3. **Advance Payment Guarantee (GAP)**
Contracts, particularly those awarded by government departments, agencies and autonomous bodies such as Water and Power Development Authority (WAPDA), K-Electric (KE) etc., sometimes provide for an advance payment to be made to contractors for purposes such as mobilizing manpower, material, and equipment and infra-structure facilities on site. In order to obtain this payment, the contractor is required to produce an advance payment bank guarantee. This advance payment is generally deducted proportionately from proceeds paid to the applicant for work done during the contract period.

4. **Shipping Guarantees (SGS & SGU)**
A shipping guarantee is required by a customer (importer) when the ship carrying the consignment reaches the port of destination and discharges the goods before the Bills of Lading & other shipping documents are received at importer's bank.

5. **Financial Guarantee – Others (BGO)**
Bank guarantees whose main characteristic is that it is an undertaking by the issuing bank to meet any claim from the beneficiary up to a fixed sum on simple demand stating that the named customer, on whose behalf the Guarantee is issued, has defaulted in timely payment or discharge of his specified liabilities. Other financial guarantees may be issued for the release of Retention money to the contractor before completion of a contract.

6. **Financial Guarantee - Financial Institutions Outside Pakistan (FGT)**
A Guarantee to Financial Institutions outside Pakistan in the shape of a Bid Bond or Performance Bond issued by the Bank on behalf of customers dealing in exports, an Engineering or consultancy firm etc. to make good a loss incurred by the beneficiary abroad as a result of non-fulfillment of the contract obligations by the applicant within the specified period.

7. **Financial Guarantee - Financial Institutions within Pakistan (FGT)**
A guarantee issued in favor of a financial institution within Pakistan to make good on first simple demand a default of the customer due to non-repayment of the finance extended by the financial institution within the specified period as incorporated in their mutual agreement up to a fixed sum.

Imports

1) **Letter of Credit**
A Letter of Credit is an obligation taken by a bank (as the issuing bank) on behalf of a buyer of goods & services (the applicant) to pay a certain sum of money to the seller of such goods & services (beneficiary) if the documents called for in the letter of credit are presented strictly in compliance with the terms and conditions of the Letter of Credit.
Letters of Credit activities are presently governed by International Chamber of Commerce Uniform Customs and Practices for Documentary Credits Publication No. 600 (2007 revision).

2) **Documentary Collection**
Documentary collection is a form of trade finance in which an exporter is paid for its goods by an importer after the two parties' banks exchange the required documents. The exporter's bank collects funds from the importer's bank in exchange for documents releasing title to the shipped merchandise, usually after the goods arrive at the importer's location

3) **Import Advance Payment**
Advance payment is a payment method in which the price of goods is collected in advance prior to the shipment of the goods which are subject to import and the exporter ships the goods, the payment of which is already made, to the importer later on.

4) **Open Account**
An open account is an arrangement between a business and a customer, where the customer can buy goods and services on a deferred payment basis. The customer then pays the business at a later date.

5) **Import Financing**
Import financing is a specialized Trade Finance Solution used to finance the purchase of goods which are being exported from one country for the purpose of being imported into another country.

The Treasury Department at Faysal Bank exemplifies a client-centric approach rooted in Shariah principles, leveraging deep market expertise and a comprehensive understanding of Islamic financial instruments to deliver bespoke balance sheet solutions. The department offers a wide range of Shariah-compliant Fixed Income and Foreign Exchange products, thoughtfully crafted to address the diverse and dynamic financial needs of its extensive clientele. By seamlessly integrating innovation and Shariah compliance, the Treasury Department ensures its offerings empower clients to achieve their financial objectives within an ethical framework.

In addition to these products, the Equity Capital Markets desk within the Treasury Department plays a pivotal role in enhancing capital base by generating risk-adjusted returns through a proprietary equity trading business under a measured risk focus and a Shariah-compliant framework.

Aligned with its vision of embracing digital transformation and enriching customer experience, Faysal Bank proudly offers Faysal – Self Invest, a cutting-edge Shariah-compliant online trading platform designed exclusively for Faysal Digibank customers. This platform empowers customers to independently manage their IPS investments while adhering to Islamic banking principles.

Such innovations, alongside the robust management of a proprietary equity portfolio, highlight Faysal Bank's dedication to delivering cutting-edge, Shariah-compliant financial solutions. The Bank continues to foster trust, excellence, and ethical values in Islamic digital banking while meeting the evolving needs of its customers.

Commercial & SME

Faysal Bank Limited (FBL) has made substantial progress in Commercial Banking and SME financing over the past five years, driven by a focused agenda within its Commercial Banking and SME (CBSME) department. This growth has been achieved through strategic models such as the **Branch Led Model (BLM)** and the **Hub and Spoke Model**.

The **BLM model** empowers selected branches to actively manage SME/Commercial -related activities (asset booking & trade services). In addition, the **Hub and Spoke Model** allows for creation of hubs in major commercial markets across the country to handle SME/Commercial Business concentrations. These hubs, which are strategically placed in key areas across the country, are staffed with dedicated Unit Heads and Relationship Managers. Through these strategic initiatives, FBL has enhanced the market presence, facilitated structural penetration, and improved team building, all contributing to a more effective service to the SME sector.

In terms of **SME Product Suite**, FBL continues to focus on innovation and customization for SMEs. The bank is working on introducing new financing products, such as program-based financing, cluster based financing, trade finance solutions, value-chain financing and Digital Financing Solutions.

FBL distinguishes itself by being one of the few banks in the market to create a product program model revolving around **Supply Chain Finance (SCF)**. FBL emphasizes on strengthening the backbone of SME supply side of the value chain.

Moving forward, FBL will focus on executing a robust growth strategy which includes expanding product offerings, deepening its market reach, and ensuring SMEs have access to the right tools for growth and success.

Financing Facilities for Commercial & SME Enterprises

1. Working Capital Solutions

Short-term financing facilities are generally used by the businesses to finance their working capital requirements. These short term finance are intended to finance inventory, account receivable and seasonal business needs.

The short-term finance comprises of the following;

- Murabaha
- Running Musharakah
- Istisna
- Tijarah
- Pledge Financing
- Currency Salam Financing

2. Long Term Financing Solutions

Long Term finance facility (LTF) is offered for financing fixed assets like immovable properties i.e. land and buildings, machinery, vehicles etc.

The long term financing solutions consist of following;

- Diminishing Musharakah-Fleet
- Diminishing Musharakah-Machinery
- Diminishing Musharakah-BMR

3. Trade Ease Solutions

Offering specialized and customized solutions to meet the unique needs of customers. We provide an extensive array of trade finance products designed to cater the demands of importers & exporters (Local & Foreign).

Faysal Bank provides the following trade related services to its valued customer under Shariah Compliant modes of finance:

- Letter of Credit (Foreign/Inland)
- Finance against Imported Merchandise (FIM)
- Finance Against Trust Receipt (FATR)
- Export Finance Facilities
- Pre-shipment (own sources)
- Post shipment (own sources)
- Export Refinance Finance Facility under SBP
- Bank Guarantees

SME Product Suite

I. SBP Subsidized Financing Solution

By offering financial products and services with subsidized pricing or favorable terms, backed by subsidies from government entities; State Bank of Pakistan (SBP) or development agencies, the bank aims to address the challenges faced by SMEs in accessing affordable capital.

Currently, FBL is offering following list of subsidized and credit guarantee financing schemes for SME customers;

- Prime Minister's Youth Business & Agriculture Financing Scheme (PMYB&ALS)
- Islamic Refinance Scheme for Women Entrepreneurs
- Refinance Scheme for Working Capital Financing
- Profit Rate Subsidy and Guarantee Facility for the Rice
  Husking Mills in Sindh
- Islamic Export Finance Scheme (E-IEFS)
- Islamic Refinance Facility for Modernization of SMEs (IRFMS)
- Profit Rate Subsidy and Guarantee Facility for the Rice
  Husking Mills in Sindh
- Islamic Export Finance Scheme (E-IEFS)
- Islamic Financing Facility for Storage of Agricultural Produce
- Ware-House Receipt Financing

II. Program-Based Financing Solution

These solutions are designed to address the unique challenges, requirements, and growth of SMEs operating in various industries and sectors.

List of customized financing solution financing programs are mentioned below.

- Trade Finance Solution (Sight LC Initiative)
- Faysal Fleet Financing
- Islamic Share Financing - for Stock Brokerage House
- Faysal Roshni – Solar Financing (subject to availability of SBP limit)

III. Supply Chain financing

Supply Chain financing entails providing a structured finance facility to a SME based on the support of a parent/corporate entity. This facility is usually made available to businesses where stand-alone financing might not be warranted. However, an underlying credit support (a letter of support or an effective stop sale agreement) from a parent company/corporate entity, a structured facility could be granted to SME.

The structured supply chain financing may involve one or more following arrangements:

- Letter of Comfort / referrals from the parent company/corporate entity
- Support of parent company/corporate entity on routing of cash flows (payments being made to suppliers) through us – assignment of receivables
- Support by the parent company/corporate entity through delisting of defaulted supplier and helping banks in recovery efforts

IV. Digital Financing Solution

Considering the importance of Digital Supply Chain Finance (DSCF) to strengthen SMEs) to strengthen SMEs FBL took the initiative of launching digital solutions for managing the SME Financing & Value Chain Financing . Faysal Bank is going to introduce the "Faysal Digital Financing Platform" for the following:

- Digital Supply Chain Financing Solution (Distributor Financing/Vendor Financing)
- Stand Alone SME Digital Financing. Faysal Bank Limited's digital financing platform is strategically designed to cater target market:
- The platform will engage clients who are already utilizing Faysal Bank's supply chain financing programs
- NTB's whose data has been provided by the fintech.
- Commercial/Small and Medium Enterprises (SMEs)

Agri Banking

Faysal Khushaal Kisan

Faysal Bank offers a comprehensive range of Shariah Compliant financing products under its **"Faysal Khushaal Kisan Scheme"** to cater to all types of Farm and Non–Farm agricultural activities. As a result of its focused approach and sustained financing policies, FBL has established its identity as a market leader among its peers in the area of agricultural financing. All branches of FBL located in agricultural areas of Pakistan are well equipped to provide the best services to local farmers in order to improve the yield and methods of farming, by offering timely and affordable financing for agricultural purposes.

Financing Offers

Crop Production Finance:

- Short-term facility for farm crops.
- Grower finance facility under Value Chain Financing arrangements with Sugar Mills

Modes of Financing:

- Murabaha
- Salam

Development Finance:

Short-term, Medium-term and Long-term facilities for:

- **Farm Power:** tractors, combine harvesters, threshers, solar energy plants etc.
- **Farm Machinery and Equipment:** ploughs, cultivators, laser levelers, processing machinery, tunnel structures etc.
- **Farm Transport:** pickup, trailers, mini trucks etc.
- **Farm Irrigation:** installation of tube wells and solar pumps, turbines, power lines, transformers, sprinklers, drip irrigation systems, lining or alignment of water channels etc.

- **Land improvement:** land leveling, clearance of jungle and land reclamation etc.
- **Storage of Agri Produce:** godowns, silos and cold storages.
- **Seed Processing Units:** working capital requirements
- **Dairy Farms:** cost of sheds, milking animals, feed, medicine and other working capital requirements.
- **Livestock Farms and Feed Units:** cost of animal sheds,
  feed, medicine and other working capital requirements.
- **Poultry Farms and Feed Units:** cost of poultry sheds, machinery, equipment, chicks, feed, medicine and other working capital requirements.
- **Fish Farms:** cost of fishponds, tube wells, fish seed, feed and other working capital requirements.

Modes of Financing:

- Murabaha
- Salam
- Istisna
- Tijarah
- Diminishing Musharakah

Trade Based Financing:

Faysal Bank also offers following Shariah Compliant Trade related Banking facilities to its esteemed customers:

- Letter of Credit
- Bank Guarantees

Farmers Financial Literacy Programs:

Faysal Bank as a part of its Business Strategy, conducts regular awareness sessions / financial literacy programs across the country for farmers in order to provide them essential education, facilitate the seamless account openings etc and ensuring accessibility & convenience.

Financial Inclusion Initiatives:

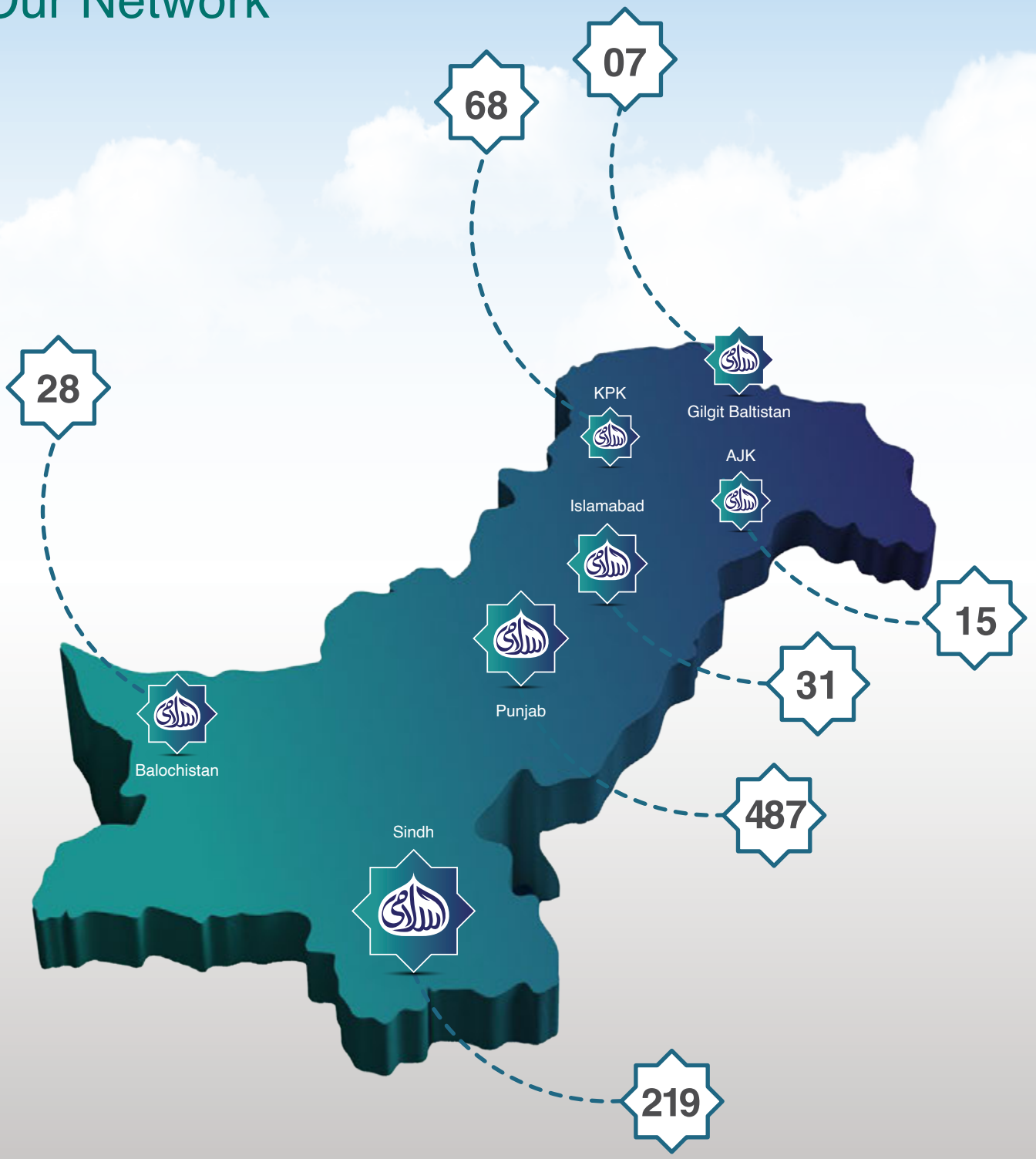
Faysal Bank has launched an innovative and exclusive deposit product 'Khushaal Kisaan Account' for Farming Community in order to increase financial inclusion. Faysal Islami Khushaal Kisaan Account is a Shariah-compliant tailor-made account to meet the specific needs of farmers, commission agents and traders associated with the agriculture segment. This account intends to cater to the changing transactional needs of small to large-scale producers, processors & traders while offering interest-free Shariah-compliant banking based on the Islamic principle of Mudarabah. Faysal Islami Khushaal Kisaan Account offers comprehensive solutions with a host of benefits for all your agriculture business and personal banking needs.

SBP Schemes

FBL is providing financing facilities in almost all Regulatory Subsidized/Refinance Schemes including:

- Electronic Warehouse Receipt Financing (EWF)
- Prime Minister's Youth Business & Agriculture Loan Scheme (PMYB&ALS)
- Islamic Financing Facility for Storage of Agricultural Produce (IFFSAP)
- Islamic Financing Facility for Renewable Energy (IFRE)

Our Network

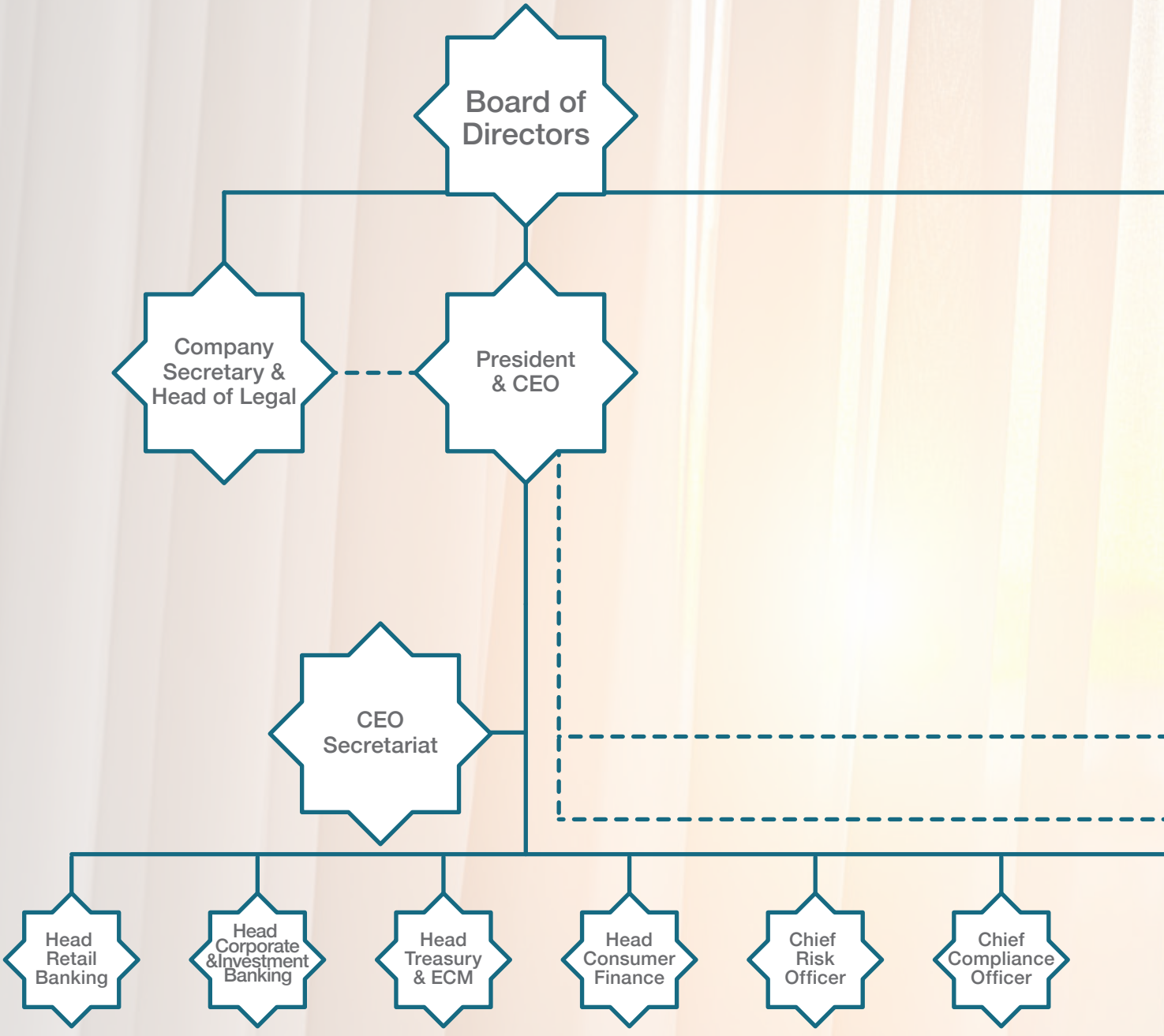


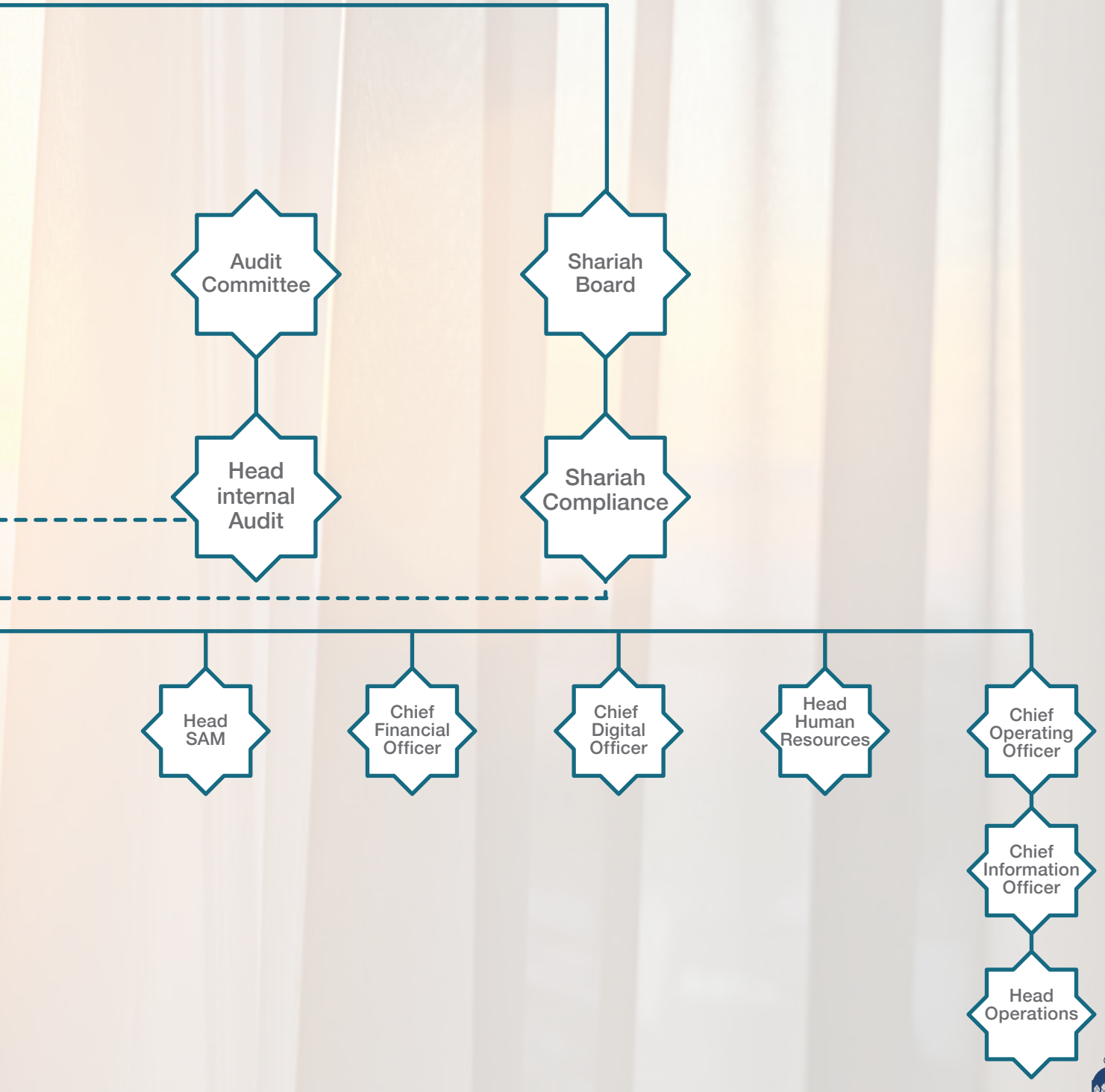
855
Total Branches

More than
840
ATMs

More than
340
Cities Across Pakistan

Organisational Structure




Audit Committee
Shariah Board
Head internal Audit
Shariah Compliance
Head SAM
Chief Financial Officer
Chief Digital Officer
Head Human Resources
Chief Operating Officer
Chief Information Officer
Head Operations

Corporate Information as of December 31, 2024

Board of Directors
Mian Muhammad Younis
Chairman/Non-Executive Director

Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery
Vice Chairman/Non-Executive Director

Mr. Yousaf Hussain
President & CEO

Mr. Imtiaz Ahmad Pervez
Non-Executive Director

Mr. Ali Munir
Independent Director

Mr. Juma Hasan Ali Abul
Non-Executive Director

Mr. Abdulelah Ebrahim Mohamed AlQasimi
Non-Executive Director

Ms. Fatima Asad Khan
Independent Director

Mr. Mohsin Tariq
Independent Director

Ms. Sadia Khan
Independent Director

Board Audit & Corporate Governance Committee
Mr. Ali Munir
Chairman

Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery
Member

Mr. Juma Hasan Ali Abul
Member

Mr. Mohsin Tariq
Member

Board Risk Management Committee
Mr. Imtiaz Ahmad Pervez
Chairman

Mr. Abdulelah Ebrahim Mohamed AlQasimi
Member

Mr. Ali Munir
Member

Mr. Yousaf Hussain
Member

Recruitment Nomination and Remuneration Committee
Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery
Chairman

Mr. Juma Hasan Ali Abul
Member

Mr. Mohsin Tariq
Member

Ms. Fatima Asad Khan
Member

Ms. Sadia Khan
Member

Board Strategy Committee

Mian Muhammad Younis
Chairman

Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery
Member

Mr. Juma Hasan Ali Abul
Member

Mr. Imtiaz Ahmad Pervez
Member

Ms. Fatima Asad Khan
Member

Mr. Yousaf Hussain
Member

Board IT Committee
Ms. Sadia Khan
Chairperson

Mr. Abdulelah Ebrahim Mohamed AlQasimi
Member

Mr. Yousaf Hussain
Member

Board Sustainability & Development Committee
Mian Muhammad Younis
Chairman

Mr. Abdulelah Ebrahim Mohamed AlQasimi
Member

Ms. Fatima Asad Khan
Member

Ms. Sadia Khan
Member

Mr. Yousaf Hussain
Member

Shariah Board
Mufti Muhammad Mohib-ul-Haq Siddiqui
Chairman Shariah Board

Dr. Mufti Khalil Ahmad Aazami
Shariah Board Member

Mufti Muhammad Najeeb Khan
Shariah Board Member

Dr. Mufti Hassan Ashraf Usmani
Shariah Board Member

Mufti Muhammad Uzair Qasim
Shariah Board Member

Mufti Abdul Basit
Resident Shariah Board Member

Syed Majid Ali
Chief Financial Officer

Mr. Aurangzeb Amin
Company Secretary & Head of Legal

M/s. KPMG Taseer Hadi & CO, Chartered Accountants
Auditors

M/s. Mohsin Tayebaly & Co, Advocate
Legal Advisors

Registered Office
Faysal Bank Limited, Faysal House,
St-02, Commercial Lane, Main
Shahrah-e-Faisal, Karachi-Pakistan

UAN : (92-21) 111-747-747
Tel : (92-21) 3279-5200
Fax : (92-21) 3279-5226
Website: www.faysalbank.com

Share Registrar
CDC Share Registrar Services Limited
CDC House, 99-B,Block-B, SMCHS,
Main Shahra-e-Faisal, Karachi-74400

Tel: (92-21) 111-111-500
Fax: (92-21) 34326053
Email: info@cdcsrsl.com

Note: The State Bank of Pakistan has accorded the Fit & Proper approval to the above-mentioned Members of the Board of Directors and accordingly, the said Directors have assumed their responsibilities as the directors.

Our People

	2024
Staff Turnover Ratio Total	22.11%
Staff Turnover Ratio Voluntary	11.46%

Employees Type	Head Count Dec 2024
Full-Time Employee	9,781
Bank Contract	43
Total	**9,824**

Gender	Head Count Dec 2024
Male	7,891
Female	1,933
Total	**9,824**

Hours Spent on Trainings - YTD Dec 2024

L&D Centre – All Regions – 2024	No. of Participant Trained	Man Hours	Average Training Hours per Participant
eLearning	127,646	515,662	4
Classroom	21,867	245,281	11
Grand Total	**149,513**	**760,943**	**5**

L&D Centre – Class room – 2024	No. of Participant Trained	Man Hours	Average Training Hours per Participant
Central I	4,250	51,508	12
Central II	2,338	26,758	11
North	6,482	51,549	8
South	8,797	115,466	13
Grand Total	**21,867**	**245,281**	**11**

History of Major Events

1987
- Faysal Islamic Bank of Bahrain started operation in Pakistan with three branches.

1994
- Incorporation of Faysal Bank Limited in Pakistan.

2001
- Merger of Al-Faysal Investment Bank Limited with Faysal Bank Limited.

2003
- Incorporation of Faysal Funds.
- First ever scheduled bank to have received the Top Companies Award.
- Third place in the Best Corporate Report.

2005
- Best Architectural Design Award from Institute of Architects Pakistan.
- Second place in the Best Corporate Report.

2006
- Best Corporate Report Award.

2007
- Certificate of Excellence in Commercial Banking Category.
- Third place in the Best Corporate Report.

2008
- Best Corporate Report Award.

2010
- Royal Bank of Scotland Limited (RBS Pakistan) merged into Faysal Bank Limited.
- FBL expanded its branch network to 226, ranking among Pakistan's top ten banks.
- Introduced Solitaire Wealth Management as a new priority banking service.
- Fourth place in the Best Corporate Report Awards.

2011
- Barkat Islamic Banking expanded from 13 to 45 branches across 20 cities, meeting aggressive growth targets.
- Cash Management introduced a web-based Remittance system for efficient Home Remittance transactions.
- Launched the CEO Club to recognize and incentivize top performers bank-wide.

2012
- FBL became the first financial institution registered under Debt Securities Trustee Regulations.
- Faysal Bank partnered with China UnionPay to launch the first UnionPay Debit card in Pakistan.
- Mobile Banking service introduced.
- Launched the Solitaire Platinum Debit Card.
- Faysal Bank announced its corporate brand promise and official tagline Bank on Ambition.

2013
- Introduced Mobile Banking service Mobit.
- Formally entered the social media age with the launch of FBL's Facebook page.
- L&D launched first annual learning calendar.

2015
- Expanded Bank's premium product suite with the launch of "World Credit Card" and enhancing our existing value proposition with the launch of Lifestyles program.

2016
- Presence in more than 100 cities.
- Over 100 Islamic branches.
- Deposits exceeded PKR 340 billion, with a Current Account component surpassing PKR 110 billion.

2017

- Celebrated 30 years of presence in Pakistan.
- Expanded the Islamic branch network to 197—the country's largest network of dedicated Islamic Branches among conventional banks.
- Implemented a comprehensive environmental policy, undertaking initiatives to reduce energy consumption and carbon emissions.
- Board of Directors approved a Rs. 225 million investment in Faysal Asset Management Limited (FAML).

2018

- Acquired 69.99% of Faysal Asset Management Limited (FAML), increasing FBL's total interest to 99.99%.

2019

- Achieved the largest branch expansion in history, opening 100 new Islamic branches.
- Best Emerging Islamic Bank awarded by CEO Summit Asia.
- ABF Corporate & Investment Banking Awards - Syndicated Loan of the Year in Pakistan for K-Electric Limited.
- Won the 'Most improved score award" at the 11th Best Place to Work Awards.
- Developed Green Banking Policy.

2020

- Best Emerging Islamic Bank by the Global Islamic Finance Awards.
- Best Emerging Bank by the Pakistan Banking Awards.
- Launched a mobile app and a new internet banking platform named 'Digibank'.
- Received 5 Global Diversity, Equity & Inclusion Awards.
- Best Corporate Report Merit Award.

2021

- Best Islamic Bank for Transformation & Innovation awarded by Global Islamic Finance Awards.
- Best Bank of the year by CFA Society Pakistan.
- Introduced premium Islamic credit card, Noor.

2022

- Conversion to a full-fledged Islamic Bank.
- 1 trillion mark in total assets.
- Best Islamic Retail Bank in Pakistan awarded by Cambridge IFA.
- Received 7 Global Diversity, Equity & Inclusion Awards.
- 700 branches network.

2023

- PKR 1 trillion Deposits
- Best Corporate Report Award.
- Best Emerging Bank Award by Pakistan Banking Awards.
- Best Emerging Islamic Bank Award by Global Finance Islamic Awards.
- Launched Faysal e-academy, a new Learning Management System for employees.

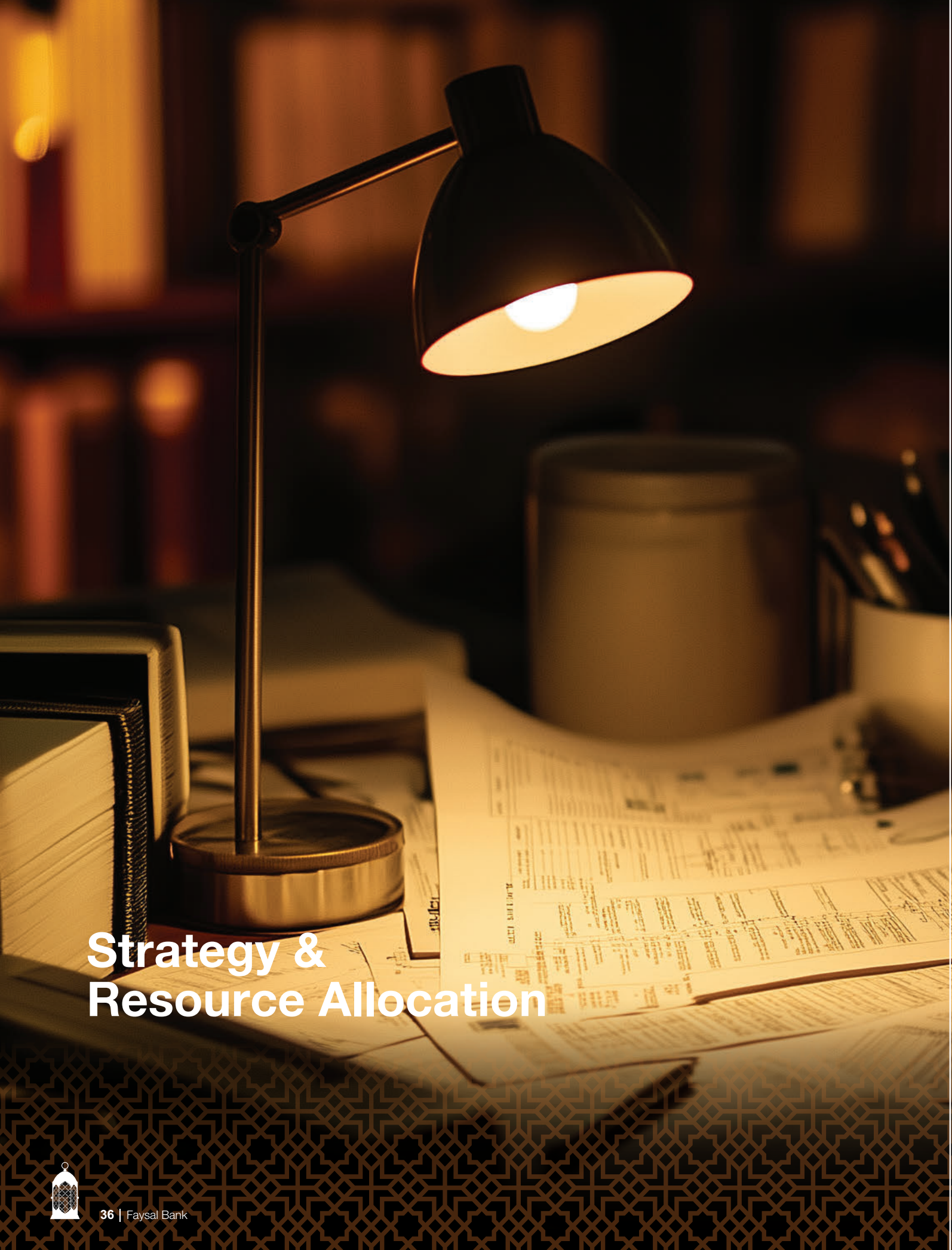
2024

- Received 12 Global Diversity, Equity & Inclusion Benchmark (GDEIB) Awards
- Employer's Federation of Pakistan (EFP) Women Empowerment & Gender Equality Silver Award
- HR Pinnacle Award 2024 – Best Innovation in HR
- Employer of Choice Gender Diversity Awards 2024 – Best Inclusion Practices
- Faysal Bank Receives "Dragon Awards" for Marketing Campaign for "Best Brand Building/ Awareness Campaign" Category.
- FaysalExchange Opens in 2024.
- 850+ Branches across Pakistan
- Best Corporate Report Award 2023
- Winner of ICAP's Digital Technology Awards 2024: Best Financial Dash Board Award and Best Digital Tech Experience Whatsapp Banking
- Faysal Banks wins PICG ESG Stewardship Award 2024
- Faysal Bank wins awards at 4th Pakistan Remittance Summit as the Fastest Growing Bank in Pakistan's Remittance Market
- Faysal Bank received two prestigious awards at the 10th Islamic Retail Banking Awards, securing recognition as the Best Islamic Retail Bank for Consumer Financing and Best Islamic Digital Banker in Pakistan for 2024.
- FBL's Consumer Finance team won two prestigious awards, Market Leader in Affluent Credit and Top Issuer of Cards in Pakistan at Mastercard East Arabia Business Forum 2024.

Significant Changes from Prior Years

In 2024, Faysal Bank Limited launched its own exchange company. Faysal Islami Currency Exchange Company (Private) Limited was incorporated in Pakistan on 16 January 2024 as a private limited company under the Companies Act, 2017. The Company is required to operate in accordance with the rules and regulations laid down by the State Bank of Pakistan (SBP) through F.E. Circular No. 9 dated 30 July 2002. The Company obtained license for commencement of operations from the State Bank of Pakistan (SBP) on 26 March 2024 and started its operation on 17 May 2024. The Company operates as an exchange company and is engaged in the business of dealing in foreign exchange. The Company operates with 10 currency exchange booths currently having footprint in 10 major cities of Pakistan. The company intends to enhance its' network presence going forward in other cities and remote areas. FICEC's registered office is situated at ST-02, Faysal House, Sharah-e-Faisal, Karachi.





Strategy & Resource Allocation

Section 2

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Strategy & Resource Allocation

Strategic Objectives and Strategies for Achieving Goals

In 2023, Faysal Bank successfully became the first commercial bank in Pakistan to fully convert into an Islamic bank. This was the largest conversion of its type globally and reflects our unwavering commitment to Islamic banking principles.

This conversion is just the starting point of our vision which is to become the leading customer-centric Islamic bank, driven by passion and belief. Our entire corporate strategy is built around this vision and emphasizes product enhancement, operational efficiency, digital innovation, customer satisfaction, sustainability initiatives, employee development and financial inclusion, all in complete adherence to Islamic principles.

Key Strategic Initiatives and Achievements in 2024

During 2024, there are several notable achievements including the successful expansion of the branch network to 855 branches in 350 cities, the upgradation of the Core Banking System and the incorporation and operationalization of Faysal Islami Currency Exchange Company (Private) Limited.

Network expansion and optimization remains a key tenet of FBL's growth strategy. This increase in physical presence allows Faysal Bank to target a broader customer base throughout the country with its comprehensive banking solutions. The Bank is now present in most key markets and is well positioned to capture a share of the economic value chain wallet across the same. By prioritizing areas with significant economic potential, Faysal Bank has positioned itself to drive inclusive financial access, aligned with its vision for sustainable growth and development.

In 2024, Faysal Bank also focused on further enhancing customer experience through product and service augmentation. The Bank expanded priority banking services and rolled out advanced wealth management solutions. Key initiatives included the modernization of Priority Lounges in Karachi, Islamabad, and Multan, offering exclusive access to luxury banking facilities. The launch of the Faysal Islami Priority World Debit Card provided high-net-worth customers with global access in more than 200 countries/territories worldwide, enhanced transaction limits, exclusive discounts, and complimentary travel insurance along with a dedicated helpline ensuring personalized customer support. Complimentary travel coverage and daily hospitalization coverage up to PKR 100,000 were also introduced to offer comprehensive protection. Furthermore, wealth management services were strengthened by assigning dedicated Relationship Managers and offering a range of Shariah-compliant investment and Takaful products tailored to clients' financial goals. These initiatives underline Faysal Bank's commitment to delivering exceptional banking experiences, fostering long-term relationships, and supporting the financial well-being of its valued clients.

Faysal Bank focused on the expansion of BancaTakaful solutions, with new saving and protection plans developed in partnership with leading life Takaful providers. Additionally, the introduction of Health Takaful and Life Takaful products addressed critical needs for health and life coverage, including the launch of the Industry's First Dental Plan. Faysal Bank partnered with Oladoc to provide a comprehensive digital health platform for easy access to medical consultations, appointments, and healthcare services from a pool of more than 25,000 doctors. Furthermore, Faysal Bank expanded its investment offerings through Shariah-compliant mutual funds, in collaboration with Faysal Funds, enabling clients to diversify their portfolios based on their risk profiles and investment goals, while also offering tax benefits. These initiatives underscore Faysal Bank's commitment to providing innovative wealth management solutions that align with customers' financial objectives and secure their long-term well-being.

On the Retail Financing side, Faysal Bank enhanced it's Islamic Home Finance solutions, offering flexible financing options such as Home Buyer, Home Builder/Plot + Construction, Home Renovation, and Home Refinance solutions. These products help customers achieve homeownership through joint asset ownership, where they gradually purchase the Bank's share. Additionally, FBL also introduced new innovative Islamic Car Finance products, offering customers the opportunity to finance their vehicles through Residual Value Financing and 1-year and 2-years rent-only plans. The Bank also launched Secured Islamic Personal Finance, a limit-based financing option that leverages cars as collateral, offering a Riba-free solution for diverse personal needs such as education, medical, and marriage expenses.

Faysal Bank observed continued innovation and expansion of its range of unsecured Islamic financing products in 2024, catering to diverse customer needs. A standout achievement was the continued success of the Faysal Islami Noor Card, Pakistan's first Shariah-compliant card, which offers advanced Tawarruq based features such as chip and contactless technology, widespread acceptance, and an exclusive Instant Reward Redemption program. The Bank also continued to improve the value proposition for its entire suite of cards which target various income levels through alliances, discounts and loyalty programs.

Faysal Bank also continued to lead the way in digital banking innovation, reinforcing its position as the #MostInnovativeIslamicBank. Faysal Bank's commitment to a continuous innovation cycle was evident in several initiatives, most notably the launch of Peer-to-Peer (P2P), Peer-to-Merchant (P2M) QR payments via WhatsApp, a first in Pakistan's banking industry, Faysal Bank Cash Deposit / Digital Kiosks, Internet Payment Gateway services and Faysal Tap and Pay.

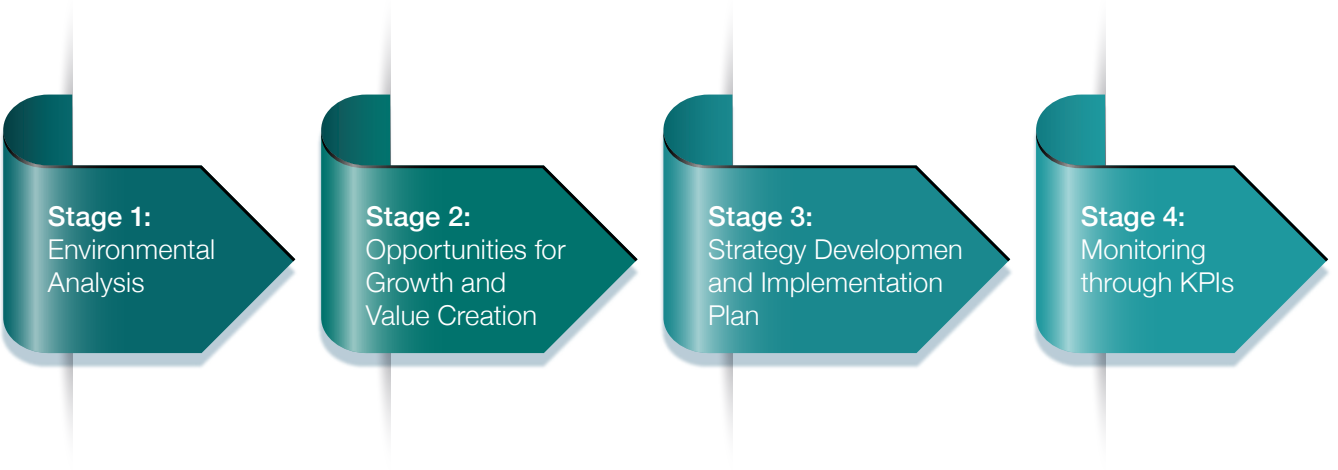
A groundbreaking milestone in 2024 was the introduction of Faysal Bank's expansion into Merchant Acquiring and Point-of-Sale (POS) solutions. The Bank empowered MSMEs (Micro, Small, and Medium Enterprises) by providing them with digital payment acceptance solutions, including QR payments, POS terminals, and an Internal Payment Gateway, enabling businesses to expand their operations and be part of the growing cashless ecosystem.

Faysal DigiBank processed over PKR 1.5 trillion in transactions during FY24, marking a 35% increase in transactional volume. This growth highlighted Faysal DigiBank as the platform of choice for customers seeking seamless digital banking experience, embracing digital empowerment providing real-time card activation facility for our Debit and Noor Card customers through WhatsApp banking and DigiApp. Faysal Bank further solidified its commitment to accessibility by becoming the first bank in the industry to open Digital Facilitation Centers in commercial markets. The Bank's ATM network was upgraded to include advanced ATMs featuring biometric-based card-less withdrawals and NFC Tap & Transact, allowing customers to access their funds with just a tap of their NFC-enabled cards. Faysal Bank was recognized both locally and internationally, winning the 'Black Dragon Award' for its digital campaign, the Pakistan Digital Technology Award for its WhatsApp Banking solution, and receiving accolades from UK-based ATMIA for its service innovation in ATM & CDM experiences.

Strategy Development Process

Faysal Bank's strategic direction has been shaped by a comprehensive five-year corporate strategy, initially formulated for the period 2018–2023, through which the bank achieved targeted results. Building upon the foundation of this plan, a revised five-year strategy has been developed in collaboration with local and international consultants which covers the period 2024–2028. This strategy outlines the bank's medium and long-term priorities, sets clear operating frameworks and their associated financial objectives. Additionally, it highlights key organizational priorities and introduces a phased, milestone-based implementation approach, accompanied by well-defined key performance indicators (KPIs) to ensure effective execution and measurability of progress.

The implementation of the corporate strategy is carried out through a well-defined four-stage process. This begins with a comprehensive environmental analysis to assess external and internal factors influencing operations. Opportunities for growth and value creation are then identified, laying the foundation for informed decision-making. Execution of the implementation phase is conducted meticulously, ensuring that strategies are effectively translated into actionable initiatives. Progress is closely monitored using pre-defined Key Performance Indicators (KPIs), enabling the Bank to track outcomes and make timely adjustments to achieve its objectives efficiently. This structured approach underscores Faysal Bank's commitment to sustainable growth and operational excellence.



Stage 1: Environmental Analysis

Faysal Bank analyzes its internal and external environments to navigate the dynamic financial landscape effectively. The bank capitalizes on its strengths while strategically analyzing market trends, customer behaviors, economic dynamics, and regulatory developments. This thorough analysis enables Faysal Bank to uncover growth opportunities, address potential risks, and to proactively align strategic and operational initiatives with evolving market conditions.

Stage 2: Opportunities for Growth and Value Creation

Faysal Bank works closely with its existing and potential customers to identify areas of opportunity in terms of increased coverage, product augmentation, branch expansion, service enhancement, and channel optimization. Through this process, the bank ensures customer-centricity and innovation so that opportunities are not only identified but the value associated with these opportunities are properly assessed.

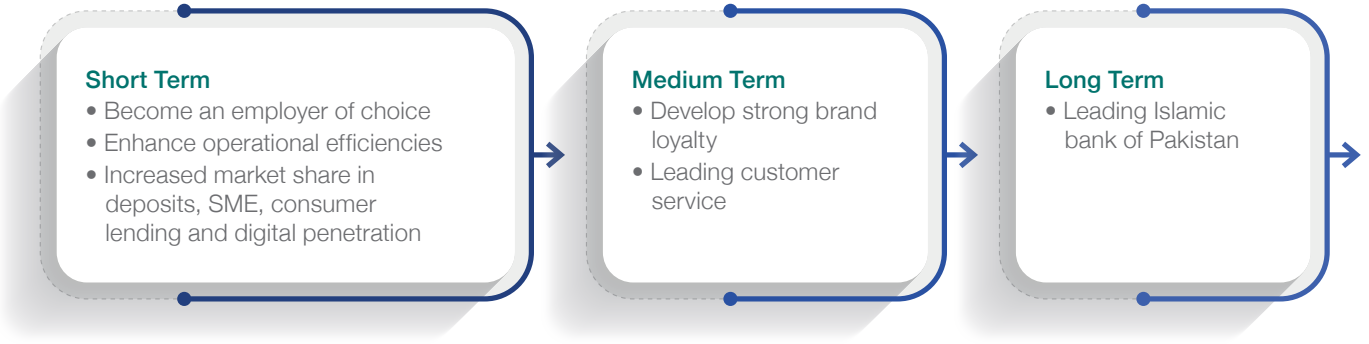
Stage 3: Strategy Development and Implementation Plan

Once the environmental analysis is complete and opportunities are identified, Faysal Bank's BoD and Management align on strategic objectives that drive value creation and capitalize on key opportunities. Our strategy development process sets clear goals, leverages data-driven insights, and ensures stakeholder buy-ins at every level. Through a structured implementation plan, we optimize resources, establish key performance indicators (KPIs), and foster cross-functional collaboration to ensure seamless execution. We continuously monitor progress and adapt strategies to stay ahead in dynamic market conditions.

Stage 4: Monitoring through KPIs

We actively monitor Key Performance Indicators (KPIs) through a structured framework that includes real-time dashboards, periodic reviews, and detailed reporting. Quality is ensured by adhering to best practices, conducting regular audits, and implementing a robust quality assurance process at every stage. Insights from KPI tracking and quality assessments are systematically analyzed to identify areas for improvement. These findings feed into a continuous improvement cycle, enabling us to refine strategies, enhance processes, and drive sustainable, high-impact results. This approach ensures that we not only meet but consistently exceed performance expectations.

Strategic Objectives Linked with overall Mission, Vision & Values



Resources to Meet Strategic Objectives

Nature of Capital	Affecting Factors	Key Resources and Capabilities	Resource Allocation
Financial Capital	• Profitability trends • Capital adequacy and regulatory requirements • Risk management practices	• PKR 108 billion in equity, 1,044 billion in deposits & 634 billion in financing • Profits of PKR 23 billion • 16.5% CAR, ensuring regulatory compliance and resilience	• Strategic reinvestments in growth areas • Digital infrastructure financing • Enhancing liquidity buffers and reserves
Human Capital	• Diversity and inclusion • Talent acquisition and retention • Employee engagement and satisfaction	• Workforce of 9,824 employees, including 1,933 females • Leadership development programs • High employee engagement scores	• Investments in upskilling and reskilling programs • Fostering workplace equity
Manufactured Capital	• Physical network expansion • Infrastructure scalability • Accessibility for underserved markets	• Digitally integrated branch and ATM/CDM networks • 855 branches, 848 ATMs, 47 CDMs and 1.35 million+ issued cards (including 300K+ Noor credit cards)	• Branch optimization for customer convenience • Expansion of branches and sustainable infrastructure
Intellectual Capital	• Brand value and equity • Data analytics and insights • Risk management frameworks	• Proprietary customer analytics tools and CRM • Advanced fraud detection systems • Strong market insights and risk mitigation strategies	• Development of AI-powered decision-making tools • Investments in data-driven service innovation
Natural Capital	• Environmental sustainability goals • Renewable energy adoption • Compliance with global ESG standards	• Energy-efficient operations • Funding for green financing initiatives • Integration of renewable energy in operations	• Green energy projects funding • Optimizing internal processes for resource efficiency
Social and Relationship Capital	• Customer loyalty and retention • Stakeholder trust • Community partnerships	• 1.75 million+ active customers • Multiple partnerships with merchants and ecosystem participants • Robust CSR initiatives	• Investment in financial literacy programs • Strengthening merchant and vendor partnerships • Expanding CSR impact initiatives

PESTEL Analysis

Political:
Pakistan went through the process of general elections in 2024, resulting in a smooth transfer of power and improved political stability. Although the banking sector has demonstrated resilience, the overall sectoral performance remains closely tied to the broader economic climate. Key decisions by stakeholders on economic reforms, particularly those relating to banking regulation, fiscal policies, and tax reforms, have a direct impact on the bank's operations. Faysal Bank, like other financial institutions, continuously adjusts its strategies to accommodate shifts in policymaking.

Economic:
Pakistan's economy in 2024 was marked by a recovery phase after it successfully signed the 25th IMF EFF of US$7 Billion. Inflation recorded year on year decreased from 29.40% in June 2023 to 12.57% in June 2024, reaching 4.1% in Dec 2024. Inflation has now been in single digits for the past couple of months, which has also resulted in monetary easing by the SBP from an interest rate of 22% to 13%, a significant reduction in policy rate of 900 basis points. Measures by the SBP to curb illicit foreign exchange flows and establishment of the Special Investment Facilitation Council (SIFC) to promote Foreign Direct Investment (FDI) were positive steps that have helped stabilize the economy. By December 2024, Pakistan's overall foreign exchange reserves have risen to USD 16 billion, and the PKR has maintained stability at around Rs 277-279 per USD.

While the decrease in policy rate directly impacts Faysal Banks spreads, the Bank is focusing on its core strengths and continues to drive operational efficiencies, ensuring continued resilience. The Bank remains ready to capitalize on emerging opportunities which are now surfacing with the improvement in business sentiment and will continue to position its balance sheet in an optimal manner given the external environment.

Social:
Pakistan has a young population, however rapid and sustained increase surpassed the population, challenges pertaining to education, health, employment and skill development all hinder efforts to fully realize the benefit of a large and young population. Faysal Bank recognizes the critical role of human capital in sustaining long-term economic progress and is committed to addressing these socio-economic challenges within its ambit of influence. The bank places a strong emphasis on sustainability, environmental responsibility, and ethical governance in its core business practices. By fostering social well-being through its operations, Faysal Bank remains dedicated to supporting initiatives that empower individuals and communities.

The increasing popularity and trust in Islamic finance have significantly driven demand for Shariah-compliant banking products. Faysal Bank is well-positioned to meet this demand by expanding its Islamic banking services, offering Sharia Compliant Consumer Finance Solutions to customers seeking ethically aligned financial options. Furthermore, Faysal Bank has capitalized on the focus on financial inclusion in Pakistan, extending its reach into regions previously unserved by the bank. This strategic expansion targets areas bustling with business activities, enabling the bank to tap into diverse markets across various sectors and industries. This approach not only aids market penetration but also supports local economic development by providing essential banking services in these areas.

In alignment with Pakistan's broader socio-economic goals, Faysal Bank actively engages in community outreach programs, aiming to drive positive social change and contribute to national development. Through these initiatives, Faysal Bank plays a pivotal role in strengthening the socio-economic foundation of Pakistan and supporting a more resilient and inclusive society.

Technological:
The ongoing global technological revolution has transformed how individuals and businesses interact with financial services. Digital transformation has become a key driver, enhancing access to banking services, payments, investments, and financial management. These advancements have opened new revenue streams and created opportunities for cost savings, while also reshaping organizational structures and business models.

In response to this shift, the Bank invested extensively in technology and related HR strength to churn a constant stream of innovative digital solutions, products and platforms. Faysal Bank has embraced digital innovation to remain competitive in an increasingly technology-driven landscape. The bank has integrated mobile banking solutions, advanced technologies such as AI, big data, and machine learning into its operations focusing on continuous encouragement through Strategic Fintech collaborations and partnerships. Faysal Bank has adopted a transformative outlook with a clear-cut focus on innovation and digitization of customer experiences. These technologies have enhanced the bank's operational efficiency, improved customer engagement, and created new revenue opportunities.

Pakistan's youthful and tech-savvy population comprising of 2/3 of the country, is poised to fully leverage the potential of digital transformation. Faysal Bank is actively supporting this shift by expanding its mobile banking offerings and digital payment solutions, which enhances the accessibility and efficiency of financial transactions, particularly for underserved

and remote communities. Faysal Bank's continuous enhancement of its mobile app and integration of WhatsApp Banking, including live support, has redirected traffic from call centers to WhatsApp, boosting customer satisfaction and solidifying its position in this growing segment.

However, these technological advancements also bring new challenges, particularly in the realm of cybersecurity. As banks become prime targets for cyberattacks, safeguarding client data and maintaining service integrity is a top priority. Faysal Bank remains committed to continuously investing in cutting-edge security technologies to protect against cyber threats, ensuring a seamless and secure user experience. By staying at the forefront of technological innovation and addressing cybersecurity risks, Faysal Bank is positioning itself to drive growth and contribute to Pakistan's digital future.

Environmental:

Pakistan faces significant environmental risks, including frequent natural disasters such as floods, droughts, and earthquakes, which are exacerbated by climate change. The country is highly vulnerable to the effects of global warming, including rising temperatures and water scarcity. These challenges not only affect the achievement of development goals but also pose direct risks to financial institutions, threatening stability, solvency, and profitability. For financial institutions such as Faysal Bank, these risks can manifest in both physical and transition risks.

Physical risks include damage to assets, infrastructure, and land, potentially leading to increased defaults in loan portfolios and diminished asset values. Pakistan, while a minor contributor to global carbon emissions, faces some of the most severe impacts of climate change, such as erratic weather patterns, rising temperatures, and frequent natural disasters like floods and droughts, all of which disrupt businesses and financial systems. As Pakistan is gradually adopting stricter environmental regulations, Faysal Bank focusses on ensuring that its operations and lending activities comply with these regulations. The bank's efforts are in line with Pakistan's National Adaptation Plan (NAP) and contribute to the national agenda for climate resilience.

As global awareness of climate change rises, Faysal Bank is proactively addressing these environmental risks by integrating sustainability into its business model by exploring opportunities to fund green projects and offer eco-friendly financial products aligning with international sustainability trends such as solar financing and new energy vehicle financing solutions.

Faysal Bank has also reinforced its commitment to society by driving impactful initiatives across health, education, and poverty alleviation. These efforts supported community uplift, enhanced access to essential services and aligned with global SDGs including good health and well-being, quality education, reduced inequalities, and clean water and sanitation. Faysal Bank was honored with the PICG ESG Stewardship Award, recognizing its commitment to environmental, social, and governance (ESG) practices.

Legal & Regulatory:

Pakistan's banking sector operates within a well-defined legal and regulatory framework, primarily governed by the State Bank of Pakistan (SBP). This framework ensures the stability of the financial sector, promotes transparency, and upholds high corporate governance standards. It provides clear guidelines for financial institutions, including Faysal Bank, to operate in compliance with national and international standards, fostering confidence among investors, customers, and stakeholders.
Faysal Bank is fully compliant with all applicable rules and regulations and fully adheres to the legal framework established by the SBP, and the Foreign Exchange Regulation Act of 1947.

SWOT Analysis

STRENGTHS	WEAKNESS
• Largest bank to convert its portfolio to Islamic • Extensive branch and ATM network • Focus on Compliance and Controls • Competent & Committed Human Capital	• Lower International Presence / Global Footprint compared to Peer Banks • Younger network as compared to peer banks
OPPORTUNITIES	**THREAT**
• Scope in digital banking, green banking, AI and Fintech • Expanding demand and acceptability for Islamic banking • Fostering ESG and sustainable business practices • Leveraging Retail & Corporate Relationships for Cross sell Initiatives • Gain further strengthen market share in deposits • Supply chain financing, SME non-financial advisory • Brand strengthening	• Increasing competition in Islamic banking • Cyber-attacks, online frauds and data security risks

Competitive Landscape and Market Positioning

Threat of New Entrants and Substitute Products/Services

The banking industry in Pakistan faces significant barriers to entry, such as stringent regulatory requirements set by the State Bank of Pakistan (SBP) and high capital thresholds. However new entrants are entering different verticals of the business in the form of EMI's, PSO/PSP's as well as Retail Digital Banks. This has increased competition amongst specific verticals and customer / product segments which adds to the already competitive landscape.

Faysal Bank remains resolute in addressing these challenges by offering a diverse range of financial services tailored to meet the needs of corporate clients and everyday banking and lifestyle requirements of various customer segments. The bank's consumer products include personal loans, credit cards, and mortgages, while retail options cater to daily banking needs through an extensive network of branches and digital platforms. For high-net-worth individuals, Faysal Bank provides priority banking services that offer personalized financial advice and exclusive benefits. Additionally, the bank offers an extensive suite of Wealth Management solutions and continues to innovate to enhance customer experience, making them more enjoyable, convenient, and hassle-free. Competitive market rates are also part of Faysal Bank's strategy to increase switching costs for customers and foster long-term sustainable relationships by partnering closely with them.

Bargaining Power of Customers

In Pakistan's banking sector, customers/depositors wield high bargaining power due to low switching costs and the availability of numerous alternatives. Customers are increasingly drawn to banks that offer better digital experiences, competitive rates, and personalized services. This power is particularly pronounced among high-net-worth individuals, whose larger deposits and transactions significantly impact a bank's profitability. Mass retail customers, while having lower individual influence, collectively drive demand for user-friendly services and efficient banking solutions. Faysal Bank counters this by continuously improving its digital offerings, such as mobile and online banking, and by tailoring its products to meet the specific needs of its diverse customer base. Through loyalty programs, personalized service, and innovative products, the bank aims to retain its customers and become a preferred choice for the segments it operates in.

Bargaining Power of Suppliers

In the banking industry, suppliers primarily include technology providers and employees, both essential for maintaining operational efficiency. Faysal Bank relies on a range of technological solutions, such as core banking systems and cybersecurity services, to support its operations. Additionally, the contribution of employees is vital to the bank's functionality. These suppliers typically have no bargaining power due to the availability of alternatives in the market.

Intensity of Competitive Rivalry

Competition within Pakistan's banking sector is intense, driven by the dominance of large players with significant resources and extensive well-seasoned branch networks and well-established brands. The low switching costs for customers further increases the importance of differentiation, as banks compete to offer unique and innovative solutions including tailor-made products. Rapid advancements in digital technology and evolving customer preferences are disrupting traditional banking models, prompting financial institutions to adopt new strategies to remain relevant. Faysal Bank differentiates itself by leveraging its leadership in Islamic banking while investing in digital platforms to enhance and improve customer convenience, ultimately increasing customer satisfaction. These efforts enable Faysal Bank to maintain its competitive edge and thrive in a rapidly evolving industry.

Strategies in Place

From a customer service perspective, Faysal Bank is committed to enhancing service quality and ensuring consistent service standards across all channels and outlets. By integrating these standards, the bank aims to provide seamless and uniform customer experience that meets the expectations of its diverse customer base. Faysal Bank envisions a future whereby it will continue to be a catalyst for positive change, fostering modern financial well-being, globally. Our key driving elements have been the 'go-green' philosophy, encouraging customers to adopt digital channels and reduce reliance on traditional paper-based instruments and traditional modes of transactions. Special emphasis is also placed on credit quality to deliver value across retail, corporate, and SME segments while maintaining robust asset growth.

As part of the bank's strategic plan, geographical expansion is a key focus, complemented by exploring innovative business models, processes, and delivery channels. This approach ensures the provision of 24/7 customer services. Recognizing the growing significance of technology for customers, the bank is leveraging cutting-edge solutions to meet evolving expectations while prioritizing cybersecurity to protect both customers and bank assets.

Efforts are also directed toward refining systems and processes to ensure efficient and effective operations. This includes identifying and addressing operational pain points to enhance performance. Upholding good governance and ethical conduct through a focus on sustainability, balancing economic, social, and environmental objectives, is integral to Faysal Bank.

Ultimately, these strategies are designed to enhance Faysal Bank's brand image, reflecting a positive perception among existing and potential customers, as well as other stakeholders. By offering a diverse suite of tailored financial services, innovative solutions, and competitive rates, the bank positions itself as a reliable and forward-thinking institution. This strategic positioning not only strengthens customer loyalty but also attracts new clients, positioning Faysal Bank well in an increasingly competitive market.

Method and Assumptions in Compiling Indicators

Faysal Bank's KPIs are aligned with our strategic objectives, ensuring a focused approach to measuring the right outcomes. This well-structured KPI framework facilitates data-driven decision-making, empowers goal alignment across teams, and ensures the tracking of high-impact metrics that drive sustainable growth and performance excellence. Quantitative aspects encompass the financial base, fund generation capabilities, and their deployment in profitable avenues. Qualitative aspects focus on customer satisfaction and retention, service delivery, brand identity, loyalty, innovation, employee satisfaction, governance, and risk management.

Factors Impacting Strategy and Resource Allocation

Factors	Effects on Strategy & Resource Allocation	Current Resources	Future Allocation Plans
Customer Expectations and Continuous Enhancement of Service Quality Standards	Addressing the increasing demand for personalized Shariah-compliant banking experiences by enhancing customer service, improving accessibility, and boosting operational efficiency to optimize resource allocation.	Standardized Shariah-compliant banking systems, ensuring seamless and efficient financial services for its customers. Focus on automated monitoring platforms across various channels and products to enhance customer satisfaction and enhance quality of service.	Enhancing operational efficiencies and reducing service delivery timelines while ensuring continuous 24/7 availability of real-time services and expanding self-service options. Exploring new revenue streams and refining service quality assessment models to enhance customer experiences, alongside hosting seminars and webinars on Islamic Banking. Leveraging artificial intelligence for personalized customer experiences, improved fraud detection, and operational automation.
Technological Changes and Evolving Consumer Behavior	Managing costs through centralization and monitoring, automating manual systems, continuously investing in digital platforms, and developing comprehensive information security policies to ensure data integrity and confidentiality. Enhancing Islamic digital banking platforms for seamless experiences while strengthening cybersecurity frameworks to protect data and comply with Islamic financial standards.	Integrated mobile banking solutions, fintech partnerships, and advanced technologies such as AI, big data, and machine learning into operations to enhance banking services. Continuously investing in cutting-edge security technologies to protect against cyber threats and ensure a seamless and secure user experience.	Investing in advanced analytics and data integration tailored to Islamic banking and enhancing cybersecurity measures to safeguard operations and improve service execution. Enhancing operational efficiencies and customer experiences through Robotic Process Automation (RPA), while implementing robust risk assessment, identification, monitoring, and mitigation strategies to streamline customer service experience for the customers.
Resource Optimization	Enhancing the bank's capabilities in Islamic finance by attracting top talent and offering extensive professional development opportunities for maintaining leadership in the competitive banking sector.	The bank employs a dedicated workforce of over 9,800 individuals actively engaged in robust upskilling programs. Supported by a diverse and inclusive culture and a strong management team, the organization is well-equipped to drive innovation and growth.	Enhancing Learning & Development programs to include advanced training in AI, technology, regulatory updates, and skill enhancement, ensuring employees remain proficient and adaptable in the evolving financial industry. This proactive approach is aimed at maintaining the bank's competitive edge and fostering innovation.

Competitive advantage in resources/capabilities.
Faysal Bank's capabilities, including its skilled workforce, expertise in Islamic banking, diverse product portfolio and advanced digital infrastructure, combined with its resources such as financial stability, extensive network, and strong regulatory compliance, provide the bank with a sustainable competitive advantage. By leveraging these strengths, Faysal Bank creates significant value for its customers and stakeholders, ensuring long-term growth and profitability. The bank's investment in technology and human capital enhances its service delivery, operational efficiency, and compliance with Shariah principles, fostering long-term customer satisfaction and loyalty. Through its comprehensive range of Shariah-compliant products and digital banking initiatives, Faysal Bank continues to strengthen its market position and drive customer loyalty, contributing to overall value creation and a growing market share.

Key Performance Indicators (KPIs) – Achievements and Future Relevance

Strategic Objectives	Plans/Initiatives for Meeting Objectives	KPIs	Future Relevance
1 Sustainable Growth in Deposits, Lending, Financing & Profitability	• Increase market share in deposits, consumer lending, SME financing, home remittances, and profitability. • Strategic expansion in branch network. • Focus on acquiring high net worth clients, diversifying product portfolio, and implementing targeted segment sales approaches. • Marketing initiatives emphasizing Shariah-compliant products, personalized customer service, and technological innovation.	Market Share Growth (ROA, NFI, ADR, CASA, Deposits & Advances)	✓
2 Focus on Corporate and SME Banking	• Develop financial products that cater to industries like agriculture, manufacturing, and services. • Third party partnerships to enhance Agri portfolio sourcing as per SBP guidelines. • Leverage branch-SME nexus to improve SME customer relationship management and assistance. • Offer trade finance, working capital financing, and other specialized solutions designed for the unique needs of SMEs.	SME Loan Portfolio Growth Revenue from Corporate and SME Banking	✓
2 Focus on Corporate and SME Banking	• New initiatives focused technology to enhance customer experience across all channels i.e. Branch banking, digital platforms, WhatsApp banking etc. • Automate routine tasks such as customer onboarding, loan approvals, and fraud detection using AI-powered systems. • Use of RPA, cloud computing and big data analytics tools to optimize back-office operations and reduce manual errors and operational costs.	SME Loan Portfolio Growth Revenue from Corporate and SME Banking	✓
4 Improve Customer Experience and Brand Loyalty	• Invest in 24/7 customer support through multiple channels like chatbots, social media, phone lines and WhatsApp Banking ensuring reduced complaint resolution time. • Regularly collect and act upon customer feedback to improve the bank's products, services, and overall customer experience. • Use data analytics to offer personalized banking solutions and promotions based on customer preferences and behavior.	Brand Equity Index Net Promoter Score (NPS) Customer Retention Rate	✓

Strategic Objectives	Plans/Initiatives for Meeting Objectives	KPIs	Future Relevance
5 **Promote Sustainable Banking and Environmental, Social, and Governance (ESG) Initiatives**	• Offer eco-friendly loans and investment opportunities by introducing Green Banking products. • Publish detailed ESG reports that highlight the bank's sustainability efforts, such as carbon footprint reduction, community initiatives, and diversity programs. • Establish social initiatives and community engagement programs aimed at improving education, health, and local economies.	Green Loan Volume Community Engagement Impact Reduction in Carbon Footprint	✓
6 **Strengthening Risk Management Framework**	• Implement stronger AML measures and ensure compliance with international standards to prevent financial crimes. • Set up an advanced cybersecurity operations center to monitor and respond to potential threats in real time. • Improve the bank's risk models by integrating big data and analytics for better credit assessment and loan portfolio management.	Non-Performing Loan Ratio Incident Response Time	✓
7 **Enhance Operational Efficiency and Cost Management**	• Automate back-office processes like loan approvals, account opening, and compliance reporting to reduce manual intervention, speed up service delivery, and cut down costs. • Reduce dependency on legacy systems, which can result in lower IT maintenance costs and improved agility. • Adopt lean principles to improve workflow and eliminate inefficiencies within the organization.	Cost-to-Income Ratio OperationalCost Savings Time-to-Process for Transactions	✓
8 **Strengthening Digital Transformation and Financial Technology (Fintech) Adoption**	• Create a fully integrated digital banking platform that offers mobile banking, online banking, and WhatsApp Banking with enhanced user experience. • Collaborate with fintech companies to offer innovative products like digital loans, mobile payments, and other value-added services. • Leverage artificial intelligence for personalized customer experiences, smarter fraud detection,and operational automation. • Increase investments in cybersecurity to ensure safe and secure online transactions, thereby increasing consumer confidence in digital banking.	Digital Banking Adoption Rate Digital Transactions Volume Cybersecurity Incident Rate	✓
9 **Increase Employee Efficiency & Association**	• Attract top talent from diverse backgrounds and implement continuous learning programs for all employees. • Establish a holistic employee well-being program that focuses on mental health, physical health, and work-life balance, ensuring employees remain motivated and productive. • Promote a diverse and inclusive workplace by setting measurable goals for gender, cultural, and professional diversity. • Conduct regular employee surveys to gauge satisfaction, gather feedback, and address concerns proactively.	Employee Retention Rate Employee Satisfaction Survey Diversification Ratio	✓

Board Strategy to Overcome Liquidity Problems.

Faysal Bank's Board implements a proactive strategy to manage liquidity challenges, ensuring the bank's financial stability and operational resilience. Additionally, Faysal Bank employs a formal Asset-Liability Committee (ALCO) process, which plays a significant role in the regular monitoring and management of the bank's liquidity. This structured approach ensures that all aspects of the bank's liquidity are consistently reviewed and managed, aligning with regulatory requirements and internal risk thresholds. The ALCO process enables the bank to maintain financial equilibrium and respond proactively to market changes and liquidity demands.



Business Rationale for Major Capital Expenditure/Projects

Faysal Bank realizes the importance of capital expenditure and in view of this has adopted in-depth evaluation procedures to assess all types of capital expenditure requirements before obtaining final endorsements from the Board.

During the year, the bank's capital expenditure amounted to over Rs. 20.2 billion and was primarily directed towards acquisition of land & building for business expansion, renovation, improvement of digital framework and strengthening of IT infrastructure. A detailed disclosure of fixed asset is given in the financial statements.

Capital Expenditures Planned for Next Year

The Bank has budgeted capital expenditure of Rs. 12.4 billion for calendar year 2025. This would primarily be invested in expanding our branch network, continuous improvement in our IT platforms, safeguarding our existing infrastructure / relationships from growing threats on cyber security front along with routine upgrades and replacements to ensure smooth operations.





Risks and Opportunities

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Risk and Opportunity Report

Risk and opportunity management is one of the key activities managed by the Bank through a Board approved Integrated Risk Management framework. All major risks are monitored regularly by various management committees such as Country Credit Committee (CCC), Enterprise Risk Management Committee (ERMC), Assets and Liabilities Committee (ALCO), Investment Committee (IC), IT Steering Committee (ITSC) and Compliance & Fraud Risk Committee (C&FRC) within their respective areas.

Key Risks

Banks are generally exposed to various risks emanating from both internal and external factors, including credit risk, liquidity risk, market risk, capital adequacy risk, operational risk, cybersecurity risk, legal & regulatory risk, compliance risk, country risk, reputational risk, strategic risk, and environmental & social risk. With Faysal Bank's transformation into a full-fledged Islamic Bank, the risk of Shariah non-compliance has become a significant concern in its day-to-day operations.

In 2024, Pakistan witnessed continuity in the political setup following the general elections which were held in February. While economic vulnerabilities persisted, stability in the global commodity market and easing supply chain disruptions kept import costs under check which supported domestic recovery efforts. The State Bank of Pakistan (SBP) adopted an easing stance on the monetary policy, reducing its benchmark discount rate from 22% to 13% over the year to stimulate growth—an adjustment facilitated by a decline in inflation. Meanwhile, the PKR/USD exchange rate consolidated, supported by improved remittances inflows and financial assistance from multilateral partners, due to which SBP's foreign exchange reserves increased to $11.73 bln (increasing from $8.2 bln as of Dec-23). Overall Fx reserves increased to $15.93 bln from $12.67 bln a year earlier, providing a reasonable buffer against external shocks.

Despite these developments, structural challenges persist. Limited export diversification, delays in public-sector reforms, high external debt obligations, and the ongoing privatization process under the IMF facility continue to test the government's economic strategy.

Against this backdrop, Faysal Bank adopted a prudent growth strategy, successfully expanding its deposit and financing base while growing its branch network nationwide. In the pursuit of growth over the past year, our emphasis stayed on actively monitoring assets by keeping abreast with changing economic trends and market scenario. The Bank effectively implemented capital and liquidity management tools, managed Shariah non-compliance risks, introduced new products with focus on digitization and enhanced service quality.

Going forward, on a macroeconomic level, sustaining economic stability will require a careful balance between monetary easing and fiscal consolidation to manage inflationary pressures and external vulnerabilities. Structural reforms in taxation, energy pricing, and governance will be critical in strengthening investor confidence and attracting foreign direct investment. However, given limited fiscal flexibility, GDP and large-scale manufacturing growth are expected to remain subdued in the near term.

One of the key concerns of today's era is climate change, which presents both risks and opportunities for Faysal Bank. Physical risks, including extreme weather events and resource scarcity, can impact asset valuations and operational resilience. Additionally, transition risks—arising from regulatory shifts, technological advancements, and evolving market preferences—may necessitate a review of financing and investment strategies. However, these challenges also present opportunities, such as expanding green financing, supporting climate-resilient businesses, and integrating sustainability into product offerings.

In the year 2025, with these challenges in mind, Faysal Bank aims to further strengthen its risk management framework, enhance digital banking capabilities, and drive financial inclusion through innovative Shariah-compliant products. Moreover, by embedding climate risk considerations in decision-making, the Bank aims to mitigate climate risks, navigate evolving regulatory landscapes and contribute to a low-carbon, climate-resilient economy. The Bank will continue to align its strategic direction with evolving regulatory requirements and market dynamics while fostering sustainable growth and long-term value creation.

Internal Risks and Opportunities

The bank continuously managed internal risks while seizing opportunities to enhance its operational efficiency and market position. Key internal risks include process inefficiencies that disrupt service delivery and impact on customer satisfaction, as well as posing challenges in maintaining a skilled workforce in a competitive talent market. On the opportunity side, the bank focused on leveraging technology to improve process automation and data analytics, which enhanced decision-making and customer engagement. Additionally, by fostering a culture of continuous learning and development, the bank mitigated the risk of skill gaps and positioned itself as an attractive employer, attracting top talent and driving innovation from within.

Faysal Bank is strategically positioned to capitalize on digital transformation opportunities by investing in AI technologies, which promise to enhance operational efficiency, improve customer service, and expand market share, thus driving increased profitability and capital availability. The bank is also diversifying its product portfolio with green financing and innovative digital banking solutions to attract new demographics and build sustainable revenue streams. Concurrently, the bank faces inherent risks in these endeavors, including the rapid pace of technological change that could outpace its adoption capabilities, and the potential regulatory challenges associated with new financial products. By continuously investing in employee training and development, Faysal Bank aims to bolster its workforce's ability to navigate these challenges, thereby improving overall operational performance and capital efficiency.

External Risks and Opportunities

Economic downturns and increasing competition from fintechs present challenges to Faysal Bank which can impact market share and profitability. However, these challenges also drive innovation within the bank, leading to opportunities for growth and differentiation. Geopolitical risks and environmental changes prompt the bank to strengthen its crisis management capabilities and sustainability initiatives, further solidifying its commitment to corporate responsibility.

Faysal Bank is well-positioned to seize opportunities in the burgeoning field of sustainable and green financing. By offering ESG-focused products, the bank not only attracts a broader range of institutional investors and eco-conscious customers but also aligns itself with global sustainability goals, enhancing its corporate image. Regulatory incentives for green investments reduce costs and improve profitability, while partnerships with fintech firms and tech startups allow Faysal Bank to tap into cutting-edge technologies and expand into new customer segments.





Sustainability Reporting and Corporate Social Responsibility (CSR)

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Sustainability & CSR Report

As an Islamic financial institution, our business practices are aligned with the principles of Shariah, which emphasize social justice, environmental stewardship, and ethical responsibility. Guided by these principles and aligned with global frameworks such as the United Nations Sustainable Development Goals (SDGs), we are strongly committed to drive meaningful impact across the economic, social, and environmental spheres.

The principles of Shariah not only guide our financial operations but also form the foundation of our commitment to create long-term value for our customers, communities, and the Planet. With a deep-rooted belief in social justice, equitable resource distribution, and environmental preservation, we are privileged to share the initiatives taken by the Bank in line with our sustainability agenda for the year 2024.

Through this report, we aim to provide a transparent account of our sustainability governance framework and initiatives, showcasing our efforts to build an inclusive, resilient, and responsible institution. This document reflects our dedication to balance financial growth with societal well-being and environmental preservation—an ethos that forms the essence of Islamic banking.

Governance Structure

Recognizing the importance of integrating sustainability into its core business strategy, the Board of Directors established the Board Sustainability & Development Committee (BSDC) during the year. The BSDC is responsible for providing strategic direction and oversight on the Bank's sustainability initiatives, ensuring alignment with regulatory frameworks, Islamic principles, and global standards.

Board Sustainability & Development Committee (BSDC)

Composition and Leadership

The BSDC comprises of five members, including two Independent Directors who bring diverse expertise and perspectives. The Chairperson is a Non-Executive Director, highlighting the Bank's commitment to robust governance and sustainable growth.

Name	Role	Designation
Mian Muhammad Younis	Chairperson	Non-Executive Director
Mr. Abdulelah Ebrahim Mohamed AlQasimi	Member	Non-Executive Director
Ms. Fatima Asad Khan	Member	Independent Director
Ms. Sadia Khan	Member	Independent Director
Mr. Yousaf Hussain	Member	Executive Director

Roles & Responsibilities

The BSDC plays a pivotal role in shaping the Bank's sustainability agenda by overseeing the development and implementation of its Environmental, Social, and Governance (ESG) framework. Responsibilities of the Committee include defining and reviewing the Bank's sustainability strategy, ensuring alignment with the United Nations Sustainable Development Goals (SDGs), and steering the development of ESG metrics for the Bank. The Committee also provides strategic oversight for key initiatives such as reducing the Bank's environmental impact, promoting diversity and inclusion, advancing Corporate Social Responsibility (CSR) programmes, and supporting climate action through innovative financial products and partnerships. It also ensures stakeholder engagement, compliance with regulatory guidelines, and integration of ESG considerations into our decision-making processes.

Authority and Independence

The BSDC operates with full independence, deriving its authority from the Board of Directors. It has the discretion to engage with regulatory authorities, external experts, and internal teams to fulfill its mandate. The Committee's work underscores our dedication to embed sustainability into governance and operational frameworks, fostering a culture of responsibility, accountability, and innovation.

Management-Level ESG Committee

To ensure seamless execution of sustainability initiatives, a Management-Level ESG Committee has also been constituted. Chaired by the Chief Risk Officer, this Committee plays a crucial role in operationalizing the Bank's sustainability agenda and aligning it with regulatory requirements, stakeholder expectations, and the Bank's strategic priorities. Other members include Head of Corporate & Investment Banking, Chief Compliance Officer, Head of Operations, Head of HR, and Chief Financial Officer.

The Management-Level ESG Committee is further responsible for implementing the Bank's Environmental, Social, and Governance (ESG) framework by driving key initiatives, conducting gap analyses, and ensuring compliance with the sustainability guidelines issued by regulatory authorities. It facilitates cross-departmental collaboration, tracks progress on ESG initiatives, and integrates ESG considerations into the Bank's financing, investment, and operational decisions. Additionally, the Committee ensures that the Bank's sustainability efforts are aligned with the State Bank of Pakistan's Green Banking Guidelines.

Green Banking Policy

In alignment with the State Bank of Pakistan's (SBP) Green Banking Guidelines, our Green Banking Policy demonstrates a commitment to embed sustainable practices across our operations and financing activities. The policy is structured around three main pillars: **Green Business Facilitation, Own Impact Reduction, and Environmental & Social Risk Management (ESRM)**. These pillars serve as the foundation for fostering a responsible banking framework, ensuring that environmental and social considerations are integrated into decision-making processes at all levels.

1. **Green Business Facilitation:** Encourages financing for sustainable projects, including renewable energy, energy efficiency, and climate-resilient infrastructure, promoting a green economy while supporting Pakistan's commitments under the Paris Agreement.

2. **Own Impact Reduction:** Focuses on minimizing the Bank's carbon footprint by adopting energy-efficient technologies, reducing resource consumption, and incorporating green practices in daily operations.

3. **Environmental & Social Risk Management:** Establishes a comprehensive ESRM framework, ensuring that environmental and social risks are systematically identified, assessed, and mitigated in financing decisions.

Through the Green Banking Policy, the Bank is not only addressing its regulatory responsibilities but also fostering long-term value creation by aligning its operations with sustainable development goals. The structured involvement of our BSDC and ESG Committee in these initiatives further underscores the Bank's commitment to achieve sustainable growth while reducing environmental and social risks.

Environmental & Social Risk Management Procedures

To further our commitment towards sustainability and environmentally sound business practices, the Bank has developed comprehensive Environmental & Social Risk Management (ESRM) procedures, which are aligned with the ERSM Implementation Manual for Financial Institutions issued by the State Bank of Pakistan (SBP). These procedures have been designed to ensure that environmental and social considerations are integrated into the Bank's financing processes, effectively managing potential risks while contributing to sustainable development.

The ESRM procedures provide detailed guidance for conducting environmental and social assessments and due diligence across the financing portfolio. The procedures include an applicability matrix, exclusion criteria, and achecklist to help Business and Risk teams evaluate potential environmental and social issues associated with financing activities. Additionally, the inclusion of an E&S rating model helps classify transactions by their risk level, ensuring that higher-risk cases receive appropriate attention and scrutiny.

For higher-risk financing activities, our procedures define a clear escalation matrix. The processes also offer step-by-step guidance for Business and Risk teams to conduct thorough E&S assessments throughout the financing lifecycle, ensuring continuous alignment with regulatory standards and the Bank's sustainability goals.



Corporate Social Responsibility (CSR)

Understanding 'Care' in Islamic Thought

Islamic tradition reflects a profound philosophy of Khidmat (Care), emphasising service to both the Creator and His creation. Rooted in this principle, we integrate the value of Care into our operations, ensuring ethical practices that address modern economic needs while remaining true to our values. At Faysal Bank, the value of Care lies at the heart of everything we do. Care signifies compassion, responsibility, and commitment to the well-being of individuals and communities. It drives us to go beyond financial services and contribute meaningfully to society. Whether it is through empowering communities, supporting education, promoting environmental sustainability, or advancing financial inclusion, we believe that Care serves as the foundation for long-term, positive impact. By embedding this principle into our culture and operations, we aim to create an ecosystem that fosters trust, inclusivity, and shared prosperity for all.

CSR Philosophy - Strategic Approach to Sustainable Development

The Bank's CSR strategy represents a holistic approach to catalysing positive societal transformation. By aligning with Islamic principles and global sustainable development frameworks – including United Nations Sustainable Development Goals, we embed a commitment to environment friendly principles into our operations. Our environmental sustainability initiatives include solar infrastructure projects which help save energy and reduce CO2 emissions. Healthcare accessibility is enhanced through mobile health clinics and funding paediatric cardiac surgeries. Community development projects, such as the installation of a solar-powered water filtration plant, address infrastructure challenges by promoting clean water and sanitation. The Bank's CSR philosophy prioritises transparency and measurable impact, integrating the Islamic principle of Khidmat with contemporary sustainable development practices. By fostering accountability and ethical conduct, we have set a benchmark for responsible corporate behaviour.

Faysal Bank: A Legacy of Impact

Through focused initiatives in education, environmental sustainability, and healthcare, we exemplify how corporate responsibility drives nationwide progress. Our impactful partnerships are not merely acts of philanthropy but investments in a sustainable future for Pakistan. The Bank continues to address critical societal challenges through strategic partnerships that integrate social responsibility into its core values, fostering progress in underserved communities.

Our commitment to education is reflected in the contributions that enable deserving students to pursue degree programmes while supporting infrastructure enhancements, such as new blocks and seminar halls. These efforts benefit thousands of students annually and transform academic engagement by providing a conducive learning environment. The Bank's environmental initiatives include solar panel installations in schools, reducing carbon emissions and creating better learning environments. Our healthcare investments highlight a dedication to enhancing medical infrastructure, including contributions to initiatives that provide critical care, mobile health services, and life-saving treatments for underserved populations.

Employee Volunteering at FBL

For the Bank, CSR is not just a commitment—it is a way of life that drives meaningful impact in the communities we serve and beyond. Our Employee Volunteering Programme channels the skills, passion, and dedication of our employees to foster sustainable development, social well-being, and financial inclusion. The programme is designed to align with our corporate values and mission, focusing on financial inclusion and literacy, education and youth empowerment, health and wellness, and environmental sustainability. Each pillar represents a strategic area where our employees contribute their time and expertise to create lasting change.

Financial inclusion and literacy address the challenges of Pakistan's largely undocumented economy and a significant unbanked population. Through financial literacy workshops, community members gain insights into basic banking, savings, and fiscal management. Our mentorship programmes enable employees to guide students from underserved communities, offering career development advice and life skills training. Skill development workshops in schools and colleges further enhance students' capabilities, equipping them for brighter futures. In health and wellness, we partner with healthcare providers to organise health camps offering free medical check-ups and awareness sessions, alongside regular blood donation drives. Environmental sustainability efforts include tree plantation drives and clean-up campaigns to combat deforestation and foster a sense of stewardship for the planet.

Aligned with the State Bank of Pakistan's National Financial Literacy Programme, we have conducted educational camps across multiple districts in Pakistan. Furthering this initiative under the Faysal Islami Financial Literacy Programme, the Bank has partnered with The Citizen's Foundation to conduct workshops for its students. These workshops empower students with an understanding of Riba-free and Shariah-compliant banking products. Monitoring and evaluation are integral to our approach, which we ensure through a robust framework to assess the impact of initiatives and gather feedback for continuous improvement. Recognition and incentives for outstanding volunteers further motivates employees, with success stories highlighted in internal and external communications.

Through our employee volunteering programme, we aim to achieve sustainable development, strengthen community relations, boost employee satisfaction, and enhance our reputation as a socially responsible organisation. By empowering our employees to volunteer their time and skills, we aim to create a ripple effect of positive change that extends beyond the workplace and into the communities we serve.

Sustainability Performance

Our commitment to sustainability translates into targeted investments that generate social, economic, and environmental benefits. By prioritising these areas, the Bank sets a precedent for corporate leadership, ensuring long-term positive change.

Driving Positive Change Through Partnerships

Grounded in the values laid down under Islamic beliefs and ethics, the Bank has created a lasting impact through CSR that goes beyond specific areas. Furthering our cause via impactful partnerships, we have embedded sustainability into our operations, directly corresponding with UN Sustainable Development Goals that promote the greater good of society at large.

In 2024, the Bank focused its CSR strategy on five key pillars: health and well-being, education empowerment, environmental sustainability, financial inclusion, and employee volunteering. The central concept revolves around forging strategic partnerships, raising awareness, and creating opportunities for lasting change across communities. Our initiatives and the impact they created were recognised at various local and international stages as the Bank received 12 Global Diversity, Equity & Inclusion Benchmark (GDEIB) Awards along with the PICG ESG Stewardship Award for 2024.

Following is an overview of some of our CSR activities from 2024 the positive change they created and UN SDGs these initiatives targeted:



Healthcare

We recognise the vital importance of health as a cornerstone of community well-being and strive to ensure accessible, high-quality healthcare for all. The Bank's efforts focus on funding the acquisition of medical equipment, essential medications, and enhancement of healthcare infrastructure. By strengthening the capacity of healthcare institutions, we aim to empower them to provide exemplary care to patients across all strata of society. This year, health initiatives accounted for a significant portion of the CSR focus, reflecting a steadfast commitment to fostering a healthier society. The Bank's efforts align with Islamic welfare principles, championing equitable and compassionate healthcare.

Indus Hospital & Health Network (IHHN)

INDUS HOSPITAL & HEALTH NETWORK

Indus Hospital provides quality healthcare free of cost to millions of deserving patients through its countrywide network of hospitals in Pakistan. We are honoured to be a donation partner for IHHN, supporting its not-for-profit healthcare system that relies on public donations. The Bank also collaborates with IHHN to organise voluntary blood donation drives.







National Institute of Cardiovascular Diseases (NICVD)

NICVD operates as the first tertiary cardiac care institute in South Asia and collaborates with the Government of Sindh to run a network of healthcare centres. Our contributions help NICVD maintain its excellence in cardiac health and improve critical infrastructure in the emergency unit to serve patients effectively.



Saylani Welfare International Trust

Saylani Welfare is engaged in over 63 areas of social welfare, including food distribution, medical assistance, clean water provision, and education. In 2024, the Bank's support contributed to the provision of sustainable livelihoods through the Rozgar Scheme while complementing other ongoing initiatives.





Pink Ribbon

PINK RIBBON®
United Against Breast Cancer

Pink Ribbon raises awareness and provides treatment for breast cancer patients, emphasising early detection and access to care. Our collaboration with Pink Ribbon facilitated impactful awareness campaigns and enhanced infrastructure support at the Pink Ribbon Hospital in Lahore to ensure treatment reaches those in need.





Afzaal Memorial Thalassemia Foundation (AMTF)

AMTF
helping blood disorders

AMTF operates Pakistan's first state-of-the-art Thalassemia Intensive Care Unit. The Bank's support ensures critical care for patients suffering from Thalassemia, furthering the foundation's mission of providing accessible treatment. Additionally, the Bank supports a DayCare Center for Thalassemia patients, ensuring they receive consistent care and treatment in a dedicated environment.









Patient Aid Foundation

PATIENTS' AID FOUNDATION
JPMC
HUMANITY MEETS HEALTHCARE

Patient Aid Foundation is a charity, operating in Karachi, Pakistan, committed to providing free quality healthcare for all, independent of caste, ethnicity or religion. The Bank has been a long standing partner of the Foundation to offer better access to quality healthcare for patients through support for Thalassemia patients at the JPMC and upgrading infrastructural facilities at the institution.











Pakistan Children's Heart Foundation

PCHF
PAKISTAN CHILDREN'S HEART FOUNDATION

Faysal Bank has partnered with Pakistan Children's Heart Foundation (PCHF) to enable them to enhance their healthcare facilities, reach more patients in need, and uphold our shared mission of healing and hope. As part of this partnership, the Bank has also supported the establishment of the OPD facility at PCHF's new premises in Lahore, ensuring improved accessibility and care for children in need of treatment.





Education

Education remains a key focus of our CSR efforts, reflecting the Islamic principle that "learning is mandatory for all Muslims." In 2024, the Bank dedicated significant resources to improving access to quality education, corresponding with the global SDG for inclusive and equitable education. Scholarship programmes in leading universities offered essential financial support to deserving students, while partnerships with educational institutions enhanced infrastructure and learning resources. These efforts bridged educational disparities and created opportunities for underserved communities, fostering a brighter future for all.

Lahore University of Management Sciences (LUMS)

The Bank supports the LUMS National Outreach Program (NOP), which provides sponsorships for students who qualify on merit but lack resources. This initiative ensures deserving students can access top-tier education and opportunities for advancement. Additionally, the Bank supports infrastructure development to complement an environment conducive to learning, further enhancing the academic experience for students.





Institute of Business Administration (IBA)

Our longstanding partnership with IBA extends to both supporting deserving students and enhancing campus facilities. The renovation of Faysal Block at IBA is a key initiative that has transformed academic spaces, creating a modern and dynamic learning environment. In 2024, the Bank also collaborated with IBA's CEIF IMSciences to promote Islamic finance education through seminars, capacity-building programmes, and content creation targeting universities, colleges, and madaris nationwide.





Habib University

Habib University imparts academic excellence with a goal to bring transformational change and raise standard of higher education in the country. The University offers a unique intellectual experience to students, enabling them to develop critical thinking skills to become thoughtful leaders who will contribute towards the nation's progress. For the past few years, we have constantly facilitated Habib University through scholarships for deserving students and uplift of infrastructural facilities to offer a learning space that nurtures positivity and productivity.





Developments in Literacy (DIL)

Developments in Literacy
Educating Children • Empowering Communities

For nearly three decades, DIL has provided low-cost, high-quality education to underserved children. We supported the organisation to help educate 100 children for a year, paving the way for them to become productive members of society.





Women Empowerment

CIRCLE

Recognising that nearly half of Pakistan's population comprises women, we are committed to empowering them through experiential learning and entrepreneurial opportunities. We collaborated with Circle Women Association to train underserved women in professional skills through the Faysal Khudmukhtar Internship programme. As a result, many women gained permanent employment at the Bank, advancing economic empowerment.



Social Upliftment

The Bank actively advances social welfare by partnering with NGOs devoted to poverty alleviation, health, diversity, and inclusion. Our initiatives focus on creating a conducive environment for training and skill-building to enable individuals to earn a decent living and contribute to society.

Zaman Foundation

The Bank supported Zaman Foundation's initiatives in healthcare and clean water provision through contributions that included installing a water filtration plant to provide safe drinking water for underserved communities in Tharparker and its surroundings.





Special Olympics Pakistan

This year, our partnership with Special Olympics Pakistan continued as we supported sports training for differently-abled individuals across all age groups. This collaboration ensures equal opportunities for individuals with special needs, fostering an inclusive community and empowering athletes to achieve long-term success.







LABARD

Lahore Businessmen Association for Rehabilitation of the Disabled is a non–profit, with an objective to rehabilitate the disabled persons and help them lead an independent life. The Bank supported LABARD's mission by facilitating critical vocational training and rehabilitation assistance for numerous differently abled individuals.





Behbud Association

The Bank takes pride in its contribution to the Behbud Association, an organisation that works to empower and uplift marginalised communities in underserved areas. This year, we supported women trained by Behbud to bring their skills to the market, facilitating poverty alleviation and enabling underprivileged members of society to achieve financial independence and support their families.







Karachi Down Syndrome Programme – KDSP

KDSP is one of the foremost associations in Pakistan providing one-stop solutions advocating for the value, acceptance and inclusion of individuals with Down Syndrome. We have partnered with the organisation to conduct 'Lehr', a handicraft workshop where children with Down Syndrome creating beautiful products that were sold to raise funds for various objectives that KDSP supports.







Karachi Vocational Training Center – KVTC



KVTC is a unique institution offering essential training and skill development opportunities for intellectually challenged people with special needs. This year, our support enabled KVTC to facilitate the vocational training and rehabilitation of multiple individuals providing them the resources to become functional members of the society.

The Hunar Foundation

The Hunar Foundation is a not-for-profit organisation dedicated to empowering marginalized youth by providing vocational and technical training. Our support has enabled them to continue providing vocational and technical training, as well as student scholarships.





Akhuwat Foundation

With the objective of offering small business owners and individuals across the country to meet certain needs, The Bank has partnered with the Akhuwat Foundation in extending financing facilities across the country for installation of solar panels in underserved communities. Through this support, we are enabling an objective of easing energy bills for underprivileged households and reducing Pakistan's carbon footprint as well.





Refurbishment of Mosques

In 2024, undertook the refurbishment of mosques at Allama Iqbal International Airport and Jinnah International Airport, providing travellers with well-maintained spaces for prayer and reflection, embodying the Islamic value of facilitating worship.

Through its structured CSR philosophy and initiatives, the Bank is dedicated to fostering a sustainable, inclusive, and ethically driven future. Driven by meaningful collaborations and strategic initiatives, we continue to make significant contributions in education, healthcare, environmental sustainability, and community development. Our belief in the power of partnerships and collective action remains central to our mission of driving societal progress.

Staff Welfare

The well-being of staff, including contractual employees, is integral to the Bank's values as an Islamic financial institution. In 2024, we focused on holistic staff welfare, supporting education, medical emergencies, and social causes. By fostering a supportive environment, the Bank ensured that its workforce remained motivated and engaged.

Looking ahead, we will build on these efforts to create even greater impact. Guided by Islamic principles and a commitment to excellence, we will work tirelessly to ensure a brighter and more equitable future for all. Together with our partners, employees, and stakeholders, we strive to create enduring change that uplifts communities and supports long-term development.

Diversity, Equity & Inclusion (DEI)

At the Bank, we recognise that the strength of our organisation lies in the diversity of our people and the values we uphold. Our commitment to Diversity, Equity, and Inclusion (DEI) underscores our belief that our strength lies in the diversity of our people. This commitment is reflected in various initiatives:

Vision of Diversity, Equity, and Inclusion

"With the belief in core Islamic Values of equality, Faysal Bank values diversity and inclusivity as its primary driving force to become the 'employer of choice', where we hold gender diversity, equitable opportunities and differently abled inclusion as the cornerstone of our DEI strategy."

This vision of DEI rests on four strategic pillars that supports all the work we do in promoting workforce diversity, equity and inclusion, implementing DEI Initiatives in the markets and communities we operate in as well as advocating for the cause of equality to support our business. Across the Bank DEI leaders are actively engaged in strategically driving the implementation of inclusive business and work practices.

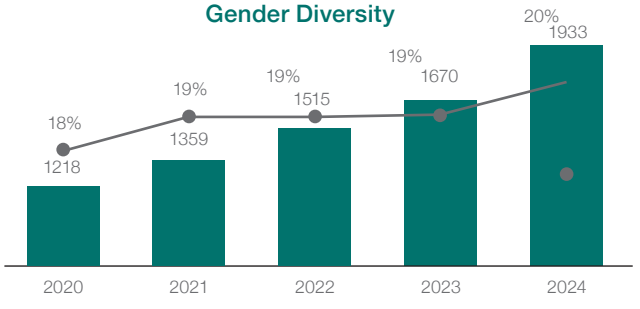
DEI Pillars



Diversity, Equity, and Inclusion (DEI) is a core agenda at the Bank, monitored through key metrics that are regularly reported to the Sub-Management Committee on DEI and reviewed by the Board's Human Resource Committee. Our leadership actively advocates for DEI initiatives, reflecting its importance as a strategic priority. with a 19% Gender Diversity on the Board of Directors being integral to our agenda.

Gender Diversity

Women represent 20% of our workforce, supported by targeted programmes to foster their growth and ensure equal opportunities. The Naya Safar Returnship Programme facilitates the reintegration of women into the workforce after career breaks, with 16 participants hired in 2024.



Gender Pay Gap

The Bank constantly implements policies that ensure gender pay parity is maintained.

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

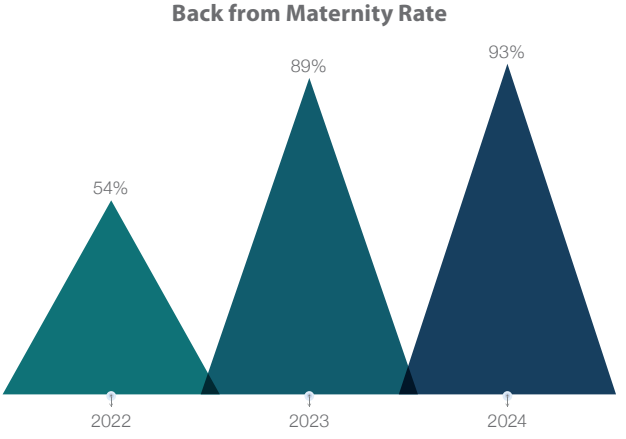
1. **Mean Gender Pay Gap:**
   Male : Female = 1.76 : 1
2. **Median Gender Pay Gap:**
   Male : Female = 1.35 : 1

The Bank constantly implements policies that ensure gender pay parity is maintained. See table below

Management Level	Male : Female Ratio	
	Median	Mean
Senior Management	0.94 : 1	0.95 : 1
Middle Management	0.98 : 1	1.01 : 1
Junior Management	1.20 : 1	1.26 : 1

Inclusive Policies to Support Culture

Policies such as childcare allowance, grief leave, and flexible working hours promote employee retention and support work-life balance. Thanks to these initiatives, our **maternity return rate** has increased from 54% in 2022 to 93% in 2024, reflecting the success of these measures.



Driving Gender Diversity and Serving our People and Community



The Faysal Islami Khudmukhtar Programme, initiated in partnership with CIRCLE Women Association, was designed to empower women from diverse backgrounds by providing them with essential work readiness skills. The programme offered a robust curriculum covering areas such as financial literacy, digital skills, communication, and professional conduct. The first cohort was held in Lahore with 42 women and upon completion of the internship, approximately 47% of the participants were successfully hired by the Bank, marking a significant achievement in the programme's goal to enhance employability and support for women in their career journeys.



Naya Safar Returnship Programme

Naya Safar has facilitated the creation of a structured platform that eases the re-entry of women on career breaks into the workforce. Through this initiative, Faysal Bank has been able to tap into talent pools that might have otherwise been overlooked offering unique opportunities to homemakers and recognising their contributions to society. 16 women were hired in 2024 through the Naya Safar programme.



Mothers & Managers Wellness Programme

The Mothers & Managers Wellness Programme is a holistic initiative designed to support mothers returning to work after maternity leave. It aims to provide mothers with the necessary tools to balance their professional responsibilities and motherhood while also equipping respective managers with effective strategies to offer support. This programme reflects the Bank's commitment to fostering an inclusive environment where both personal and professional growth can thrive simultaneously.



MBA Scholarship Programme

On International Women's Day, our President & CEO Mr. Yousaf Hussain made a significant announcement, offering 10 Executive MBA scholarships exclusively for female staff members. This gesture underscores the Bank's dedication to empowering women in the workforce, providing them with valuable opportunities for advanced education and career growth. The scholarship initiative aligns with our ongoing commitment to fostering gender equity and supporting the professional development of its female employees. This year 17 women graduated from Amal Leadership Development Programme who went through an extensive 9-month training programme including exclusive mentoring sessions with senior leaders in the Bank.



Disability Inclusion

The Bank has taken a number of initiatives in our journey towards disability inclusion. Our pioneer programme that provides opportunities to differently abled members of the society "Qabil Programme" has played a pivotal role in the last 3 years to introduce diverse candidates to the pool for our varied hiring needs.

We have consistently maintained a strong upward trajectory in hiring Persons with Disabilities, achieving an impressive 389% growth over the past five years. This underscores our unwavering commitment to fostering a diverse, inclusive, and equitable workplace.

Our collaboration with ConnectHear and JAWs also ensures that inclusive technologies are available for staff to provide accessible work space and reasonable accommodation. These applications promote accessibility for staff and managers alike. We also ensure that all our hiring practices are inclusive hence all hiring documents are accessible to visually impaired candidates and are in Braille. We continuously review our workspaces to make them more accessible to differently abled staff.

Partnerships created in 2024 to support DEI Goals

Our DEI Partnerships are created to support the workforce, community at large and advocate the cause of underserved communities. This year we are proud to have collaborated with multiple impact partners to support different causes.

1. **Circle Women Association:** Khudmukthar Internship Programme

2. **NOWPDP:** PWD Buddy Programme & Sensitisation Session

3. **CONNECTHEAR:** Interpretation Device for hearing impaired staff and sensitisation sessions

4. **Boltay Haroof:** Accessible Braille internal documents for visually impaired staff

5. **Sensitisation & Immersive experiences partnership**

KHAAS FOODZ

Employee DEI Resource Networks

Faysal Women Connect operates as an active network within the Bank, supporting women employees and connecting them with Faysal Women Ambassadors to provide guidance and access to support forums wherever needed. The PWD Buddy Programme is designed to ensure a robust support system for all Persons with Disabilities (PWD) at the Bank, ensuring that assistance is readily available whenever required.



Creating a diversified and Inclusive culture through Sensitisations, Communication and Training

The Bank offers a number of sensitisation sessions to build a culture to support diversity, equity and inclusion. These special session such as Dining in the Dark with Khaas Foodz offer a unique experience to participants to immerse themselves in the world of people with visual impairments, fostering empathy and understanding.



Dining in the Dark Event in Collaboration with Khaas Foodz

Special Days to drive awareness around the cause are also celebrated such as the International Women Day, Breast Cancer Awareness Month, International Disability, Mother's Day, Earth Day and International Disability Day etc. where our leadership leads from the front.







The Bank's unwavering dedication to fostering a diverse workforce and cultivating an inclusive workplace culture is exemplified through its recognition on various platforms.

- **Global Diversity Equity and Inclusion Benchmarks Awards 2024:**
  The Bank earned 12 Global Diversity, Equity & Inclusion Benchmarks Awards 2024, distinguishing it as the sole Islamic bank honored for its inclusive practices and ranked among the top 10 most inclusive organisations across various industries.

- **EFP Women Empowerment & Gender Equality Silver Award:**
  The Bank was also recognised by the Employers Federation of Pakistan, with the prestigious EFP Women Empowerment and Gender Equality Silver Award 2024.

- **HR Pinnacle Award 2024:**
  The Bank received the Employer of Choice Gender Diversity Award 2024 for Best Inclusion Practices, recognising our unwavering dedication to fostering an inclusive workplace where diversity thrives.

- **Employer of Choice Gender Diversity Awards 2024:**
  We also accepted the Employer of Choice Gender Diversity Award 2024 for Best Inclusion Practices by Pakistan Business Council and International Finance Corporation, reaffirming our commitment to creating an equitable and empowering workplace for all.









SDG 1 & 10 – No Poverty & Reduced Inequalities
Initiatives like the Khudmukhtar and Qabil programmes focus on upskilling individuals in underserved areas and provide direct employment opportunities. Our inclusive hiring practices ensure equal opportunities for all, without discrimination.

SDG 3 – Good Health & Well-Being
Employee well-being is central to our HR activities, promoting a healthier and more productive workforce.

SDG 5 – Gender Equality
Through our DEI Vision and HR frameworks, we drive gender equality and economic empowerment, aiming to uplift almost half of Pakistan's adult population that is women.

SDG 8 – Decent Work & Economic Growth
Our diverse, equitable policies as well as learning and development initiatives foster professional growth, enabling decent work and economic progress for employees and stakeholders.

SDG 17 – Partnerships for the Goals
We collaborate with various partners to amplify community outreach and contribute meaningfully to societal & workforce development.

Financial Inclusion

Our financial inclusion strategy is deeply aligned with the United Nations Sustainable Development Goals (SDGs), focusing on providing accessible, affordable financial services to underserved communities. By fostering economic empowerment, promoting gender equality, and driving innovation, we aim to create sustainable growth and ensure financial resilience for all.



Women Banking

Faysal Bank understands the importance of women and their contribution to society. The financial needs of women from all walks of life are taken care of by Faysal Bank where products are categorically designed to help achieve the following:

- Increasing access to financing by offering discounted rates
- Reducing gender-based barriers in the business environment
- Creating opportunities for women

Amal Women Account

Faysal Islami Amal Women Priority Plus Account is a Shariah Compliant Account that provides women financial independence by offering Transactional Convenience, Health Benefits, Financing Facilities, Payment Solutions and Takaful Coverages all under one roof.



Amal Asaan Account

Faysal Bank has designed Amal Women Asaan Account (Current and Savings) which caters to the women of lower income segment or housewives who have no financial proof by bringing them into the financial net via quick account opening with minimum documentation and no initial deposit requirements. The product comes with multiple other features catering to the needs of women.



Faysal Islami facilitates Amal account holders not only with saving and transactional convenience but also offers discounted financing products to unlock their dreams i.e. autos, home, personal finance and Noor card.

The Bank also emphasizes on empowering women by engaging them in the workforce to make informed choices for themselves and their families with Agriculture financing products and Small Medium financing particularly for women.



Women Banking Awareness Sessions

Women banking awareness sessions on financial literacy are regularly held to focus on the significance of owning a bank account, various saving and investment options and introduction to financing. These sessions are organized by visiting schools, colleges, universities, hospitals and offices or inviting females at Faysal Bank branches.







Revolutionized Banking for Agriculturists Khushaal Kisaan Account

Faysal Islami Khushaal Kisaan Account is a Shariah-compliant tailor-made account to meet the specific needs of farmers, commission agents and traders associated with the agriculture segment. This account intends to cater to the changing transactional needs of small to large-scale producers, processors & traders while offering interest-free Shariah-compliant banking based on the Islamic principle of Mudarabah.



Awareness Sessions on Agri-banking

In 2024, the retail and agri teams at Faysal Bank have actively engaged with farming communities across Pakistan, raising awareness and providing essential education. Through successful roadshows in Sindh and Punjab, we facilitated seamless account openings, ensuring accessibility and convenience for all.

These efforts aimed to connect agriculturists with growth opportunities and enhance their financial wellbeing.









Persons with Disabilities (PWD)

Faysal Islami focuses on providing seamless services to all its customers without any discrimination therefore, when accessing financial services, we promote inclusivity for Persons with Disabilities (PWD). To make banking easy, convenient and accessible for all PWD's, the Bank has taken certain initiatives.

Supportive Physical Infrastructure:

- 16 PWD branches revamped nationwide in terms of infrastructure (ramps availability, low height adjusted counters, wheelchair friendly areas, talking ATM's) for accessibility in our branches

Assistive Technologies:

- Faysal Islami promotes an easy way to communicate in collaboration with Connecthear's mobile application that comes with a live sign language interpreter to communicate with its deaf members within and outside the organization

- Access to easy communication has been in place in all PWD branches in collaboration with Boltay Huroof to provide the convenience of banking products and services in the form of stationary (braille account opening forms, brochures and sign-language posters)

Climate Smart Agriculture

FBL entered into an arrangement with a tech-based service provider for Agri portfolio namely M/s. Agrilift to extend Agricultural extension services to empower small and medium scale farmers and to enhance their productivity and profitability. This project was launched in Sahiwal, Depalpur and Okara. Initially 160 farmers benefitted from this initiative.

Agrilift took soil samples from the selected Agri farms and tested the soil fertility levels (Macro & micronutrients) to assign farm credit score and to generate reports. They conducted multiple drone flights and combined it with satellite imagery for the farms. Upon conclusion, they completed farmer profiling which covered a comprehensive view of the farm, farming practices and distinguished between progressive / non-progressive farmers and farms. It helped the farmers in assessment of their farming activities, identification of areas of improvement and ultimately improving their productivity and profitability.

Farmers Financial Literacy Programs:

Faysal Bank as a part of its Business Strategy, conducts regular awareness sessions / financial literacy programs across the country for farmers in order to provide them essential education, facilitate the seamless account openings etc. and ensuring accessibility & convenience.

Financial Inclusion Initiatives:

Faysal Bank has launched an innovative and exclusive deposit product 'Khushaal Kisaan Account' for Farming Community in order to increase financial inclusion. Faysal Islami Khushaal Kisaan Account is a Shariah-compliant tailor-made account to meet the specific needs of farmers and traders associated with the agriculture segment. This account intends to cater to the changing transactional needs of small to large-scale producers, processors & traders while offering interest-free Shariah-compliant banking based on the Islamic principle of Mudarabah. Faysal Islami Khushaal Kisaan Account offers comprehensive solutions with a host of benefits.

Digital Banking Group

Strategic Initiatives:

Faysal Bank is one the leading innovative Banks in the country, with a strong commitment towards digitization of customer experiences. The Bank's focus has been on creating a continuous innovation cycle especially in the payments landscape through digital solutions, products and platforms with the aim of asserting its position as the #MostInnovativeIslamicBank.

Faysal Bank's Digital Positioning

During FY24 Faysal Bank has embraced a transformative approach in digital-banking, positioning itself amongst the industry leads, not only within the Islamic banking but also as a key digital player in the broader industry.

The driving force behind FBL's digital-strategy is the 'go-green' philosophy, promoting the adoption of paperless payment solutions via digital channels reducing reliance on the traditional modes of payments. Faysal Bank's digital offerings extend beyond the retail banking customers, encompassing consumer banking and small and medium business (SMEs) for payments as well as acceptance solutions.



'Faysal WhatsApp Banking': #Bestinclass

Inarguably the industry leader in WhatsApp Banking, with the best-in-class CX and service menu. Faysal Bank revolutionized WhatsApp banking with features like real-time card activation, Funds Transfers, Donation Payment, Mobile top-ups and even Raast QR payments!

A groundbreaking milestone was the launch of Peer-to-Peer (P2P) and Peer-to-Merchants (P2M) QR payments via WhatsApp, a first in Pakistan's banking industry. Faysal Bank's WhatsApp banking platform has achieved remarkable success surpassing PKR 2.5 billion in transaction processing.



Expanding the Cashless Ecosystem: POS Merchant Acquiring:

In FY24 Faysal Bank entered into the Merchant Acquiring, Point-of-Sale (POS) segment. With the expansion into this segment Faysal Bank is now empowering MSMEs to expand their business by accepting digital payments with embedded solutions covering QR, POS Terminals and even Internal Payment Gateway, thus enabling businesses to go online as well!

As of FY24 Faysal Bank is the fastest growing merchant acquiring solution provider and also boasts the largest Fintech Partnership in the industry, with its successful partnership with OPay in this space.



'Faysal DigiBank': Leading the Digital Banking Revolution

Faysal Bank's flagship digital platform, 'Faysal DigiBank' mobile app, is designed to meet the evolving expectations of modern customers, DigiBank leverages cutting-edge technology to offer a comprehensive suite of services the likes of 'Tap-to-Pay' tokenized transactions where your 'phone becomes your wallet! Whether its card activation or even Payments via Noor Card, everything can be managed at a click of a button.

In FY24 Faysal DigiBank witnessed a transactional volume growth of over 35% processing over PKR 1.5 Trillion in the year, making it the platform of choice for FBL customers.



'Empowering Digital Payments: Internet Payment Gateway (IPG):

Building on the success of our Internet Payment Gateway (IPG), Faysal Bank has enabled countless SME businesses for ecommerce, allowing them to enter into the digital space and increase their customer universe. This secure, multi-card solution—supporting Visa, Mastercard, and UnionPay—has expanded our influence in the e-commerce sector by simplifying digital payments and making onboarding like a plug-n-play solution.



Faysal Bank Cash Deposit / Digital Kiosks:

Living up to its reputation of being the most rapidly growing innovative & progressive Islamic bank, Faysal Bank launched Digital Kiosks, promoting the self-serve digital concept thereby allowing customers to walk-in to the Branch and deposit their cash without having to wait at the counter. The service was immensely successful and in the 12 months of its launch, over PKR 16 Billion deposited through these Digital Kiosks..



Digital Facilitation Centers:

In FY24 Faysal Bank became the first bank in the industry to open up Digital Facilitation Centers in commercial markets. The whole concept has been to take banking to the customers! Hence by providing real-time deposit and withdrawal solutions, making it easy for the SMEs to #gocashless and at the same time reduce their cash holding risk



FBL ATM & CDM HMR Waterfront Karachi



FBL ATM & CDM Gul Plaza Karachi



FBL ATM & CDM Gulf Market Clifton Karachi

Faysal Bank ATMs:

With a footprint of over 800+ ATMs, the bank expanded its network by introducing advanced ATMs with modernized features including biometric based card-less withdrawal, NFC Tap & Transact where customers only need to tap their NFC cards to access the FBL ATM. Other market first and unique features include, Smart Withdrawal and Enhanced User Interface making FBL ATMs the best user-experience in the industry.



Bridging Global Connections: Roshan Digital Account (RDA):

The Roshan Digital Account (RDA) has become a cornerstone of Faysal Bank's strategy, bridging the gap between overseas Pakistanis and their need to access Banking in their home country. This fully digital onboarding solution has simplified access to banking for Non-Resident Pakistanis (NRPs), allowing them to manage their finances with ease from any location worldwide. The RDA offers comprehensive services, from digital payments and Shariah-compliant investments to philanthropic contributions and property ownership in Pakistan.

Faysal Islami ROSHAN DIGITAL ACCOUNT

Innovating Local Banking: Burraq Digital Account:

Faysal Bank's focus on innovation is also evident in the launch of the Burraq Digital Account, facilitating a hassle-free, fully digital account opening process for resident customers. This platform eliminates the need for branch visits, delivering a seamless customer experience. A key features of the Burraq platform is the Freelancer Account's and AMAL Women's Account, designed to financially empower women with specialized benefits. This initiative highlights our dedication to inclusivity and reflects Faysal Bank's commitment to fostering financial well-being for all demographics.



Digital Customer Care

With one of the industry's best customer care / call center units, Faysal Bank's DCC is one of the most efficient touchpoints, going beyond traditional interaction mediums and goes on to include social media management live chat services via WhatsApp. With over 50,000 interactions monthly via WhatsApp live chat alone FBL ensures 24/7 availability for its customers across all channels.

Faysal Bank is also recognized as one of the most socially responsible, DEI (Diversity, Equity, and Inclusion) Digital Banking Teams in the industry, with 15 specially-abled individuals contributing to its workforce.



Future Outlook

with its well defined focus on technology and digital experience, Faysal Bank is carving out a niche for itself as the #MostInnovativeIslamicBank in Pakistan. In 2024, Faysal Bank's Digital Banking was recognized locally and internationally; with winning streaks including the 'Black Dragon Award' for digital campaign, Pakistan Digital Award (PDA) Digital Technology Award for its WhatsApp Banking, recognition by the UK based 'ATMIA', for FBL service innovation in the ATM & CDM experience.

Amongst its upcoming initiatives the Bank is optimistic that the Raast Person to Merchant (P2M) solutions that it is developing for retail-merchants will go hand-in-hand with the State Bank of Pakistan's (SBP's) agenda of driving cashless payments at the retail level.



Business Continuity Management

Faysal Bank believes there is no greater value than the one to place our stakeholders on priority who make our business successful. This includes all our employees and associates, customers, vendors and shareholders. It is the policy of Faysal Bank to maintain a BCM program and Business Continuity plans to ensure the prompt and efficient recovery of critical operations of its product and services from any incident or physical disaster which the organization may face, from time to time. To ensure that the program fully meets the current and changing needs of Faysal Bank, all Business Continuity plans are regularly reviewed, updated and tested, and results are presented to Board of Directors.

Faysal Bank strongly values its stakeholders, recognizing their essential role in the organization's success. These stakeholders include employees, associates, customers, vendors, and shareholders. Demonstrating its commitment, the bank has established a Business Continuity Management (BCM) program and associated Business Continuity Plans to ensure the timely and efficient recovery of critical operations, products, and services in the face of any incident or physical disaster. To ensure the program remains responsive to the bank's current and evolving needs, the Business Continuity Plans are consistently reviewed, updated, tested, and reported to the Board of Directors.

Health & Safety

Faysal Bank's Management remain committed to fostering a culture of health and safety in Faysal Bank. This includes promoting awareness, through Trainings to our staff, ensuring compliance with relevant standards and local regulations, and embedding safety as a core operational value. Our approach reflects the Bank's dedication to safeguarding stakeholders while supporting long-term organizational sustainability."

Sustainable Operations

As responsible member of the society, we understand the impact of climate change on our environment and factors on which it depends. The Bank continues to strengthen focus on the sustainability agenda by driving initiatives that reduce carbon emissions and other greenhouse gases, and enhance energy efficiency. Key measures include the installation of solar energy systems, optimizing fuel management strategies, and prioritizing the procurement of energy-efficient equipment and environment friendly products. We emphasize investments aligned with lower carbon emissions, ensuring that sustainability remains a key consideration in our decisions.

Seed paper is placed at the end of this Annual Report.


Faysal Islami Home Finance
We help you unlock your dreams
Buy
Build
Renovate
Re-Finance
SCAN QR
TO APPLY NOW
*Terms and Conditions Apply
▪ Riba Free Financing
▪ Income Clubbing Option
▪ Quick Processing
▪ Minimum Documentation
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Governance

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Left to right:
Mr. Imtiaz Ahmad Pervez
Mr. Abdulelah Ebrahim Mohamed AlQasimi
Ms. Fatima Asad Khan
Mr. Juma Hasan Ali Abul
Mr. Yousaf Hussain

Left to right:
Mian Muhammad Younis
Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery
Ms. Sadia khan
Mr. Ali Munir
Mr. Mohsin Tariq

Directors' Profile



Mian Muhammad Younis
Chairman

Mian Mohammad Younis' distinguished professional journey spans over 39 years, career. He, after completing his Master's degree in economics joined the civil service of Pakistan. During his public service in Government, he further enhanced his knowledge, skill and expertise, by attending various educational and professional courses/workshops, which include, "Project Appraisal & Risk Management course" at Duke University USA. , Assessing Financial System Stability (IMF Institute, Singapore), Promotion of Direct Foreign Investment (Osaka, Japan), Promotion of Agro Based Industry (Manila Philippines), Islamic Banking (Kuala Lumpur, Malaysia), Anti-Money Laundering and Corporate Governance & Leadership Skills from National Institute of Banking & Finance(NIBAF) Pakistan Institute of Corporate Governance (PICG) respectively.

Mian Younis during his public service remained closely associated with reforms carried out in Public Finance, Banking and Financial Sector, Corporate Sector Governance, Rules, Regulations and Audit Procedures. He was also Head of Inter-Governmental Finance Wing (IGF), Regulation Wing (RW), and Human Resource Wing (HRW) of Finance Division as Additional Finance Secretary (AFS). He was also Secretary to National Finance Commission (NFC) from 2003 to 2010 and was the first Chief Operating Officer (COO) of Khushal Pakistan Fund Limited (KPFL) under Finance Division. He supervised not only the Expenditure budget of the Federal Government but also implemented Public Sector Development Programs (PSDP) of Finance Division from 2001 to 2011,

Affected recovery of loans extended to Provincial Governments and other Public Sector entities by the Federal Government, and assisted State Bank of Pakistan (SBP) in managing the overdraft financing position of provinces, AJK, and various Public Sector Corporations from 2003 to 2011. Therefore, has in depth understanding of economic policies, fiscal matters and governmental procedures. In this context, he worked in different governmental, semi-governmental departments and Autonomous Bodies i.e. FBR, Economic Affair Division (EAD), M/O Food & Agriculture, Board of Investment (BOI), Pakistan Software Export Board (PSEB) and Finance Division. He played a pivotal role in establishing various funds including "Relief Funds" and was instrumental in framing their accounting procedures, Financial / Investment Rules in consultation with Controller General of Accounts (CGA) and Auditor General of Pakistan's Office (AGP). He completed the process of liquidation of Federal Bank for Cooperative (FBC) and Agriculture Marketing and Storage Limited (AMSL) as liquidator. He contributed towards policy formulation as a member of boards of various Corporate Sector entities and banks.

Mian Younis was on the Board of Directors of Meezan Bank Limited and remained Chairman, Board Audit Committee & Member Risk Management Committee, for about three years. He has been a member on the Board of Directors of Faysal Bank Limited (FBL) since April 2014 and elected as Chairman of FBL on July 17, 2023. He is also the Chairman, Board Strategy Committee(BSC) & Board Sustainability and Development Committee (BSDC) of FBL. He also served as a Chairman, Board Audit and Corporate Governance Committee (BACGC), Member, Recruitment, Nomination and Remuneration Committee (RNRC) and Member, Board Risk Management Committee (BRMC). He, as director & Chairman of BOD of FBL, is providing valuable insights and strategic direction contributing to the bank's growth, Audit, compliance with Islamic finance principles and overall success in the financial sector. He possesses strong leadership qualities, strategic thinking and expertise in financial matters, navigated complex economic landscapes and formulating policies that balance financial prudence with social corporate responsibility.



Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery
Vice Chairman

Mr. Ahmed Abdulrahim Bucheery holds MBA from the University of Glamorgan, Wales (UK), and is a Fellow Member of the Institute of Financial Accountants, London (UK) and the Institute of Public Accountants, Australia. He also holds Executive Management Diploma from the University of Bahrain and Advance Banking Diploma from the Bahrain Institute of Banking and Finance. He is also a certified Director from the Pakistan Institute of Corporate Governance.

Till 30 September 2022, Ahmed Bucheery was the Chief Executive Officer of Ithmaar Group, including Ithmaar Bank, and retired on 1 October 2022. He started his career in the Accounting Department with Aluminum Bahrain followed by Chase Manhattan Bank (currently J.P. Morgan) as Head of Financial Control. He then joined National Bank of Bahrain in 1978 where he served for 28 years in various executive levels and in different capacities, including Manager Foreign Exchange and Funding, Chief Internal Auditor and Assistant General Manager of Corporate Services Group.

Ahmed Bucheery held simultaneously dual roles of Deputy Chief Executive Officer at Shamil Bank and Chief Operating Officer at Ithmaar Bank for approximately four years. In 2013 he was appointed as CEO, Ithmaar Bank. Currently, Ahmed Bucheery serves as Vice Chairman of Faysal Bank Limited (Pakistan) and a member of the Board of Trustee of Wasf Fund for the Islamic Bank (Bahrain).

Mr. Yousaf Hussain
President & CEO

Mr. Yousaf Hussain, President & CEO Faysal Bank since 2017, has around 31 years of rich professional experience. He has been associated with Faysal Bank since August 2008 and previously held senior management positions within Corporate & Investment Banking, Special Assets Management and Risk Management Groups.

His earlier assignments have primarily been with ABN AMRO Bank, where he held multiple senior managerial positions, mainly within Corporate Banking.

Under his leadership, Faysal Bank has been able to fully transform from a conventional interest-based bank to a full-fledged Islamic bank. The transformation has been independently validated by the International Islamic Rating Agency as the World's largest Islamic Banking transformation to date.

Additionally, over the past five years, the Bank successfully implemented a customer-focused growth plan which was based on significant expansion of its branch network, introduction of a diverse range of Islamic banking products, and launch of user-friendly digital channels utilizing the latest technology platforms. As a result of its conversion and ongoing growth, Faysal Bank is now positioned as a leading Islamic bank in Pakistan, with a widespread network of 700 branches spread across 270 cities.

Yousaf is an Electrical engineer with an MBA from LUMS. He is a member of the Executive Committee of Pakistan Banking Association, a Council Member of the Institute of Bankers-Pakistan, Director at Pakistan Business Council and Pakistan Institute of Corporate Governance. He is also a member of the Management Committee of IBA- CEIF (Centre for Excellence in Islamic Finance).



Mr. Abdulelah Ebrahim Mohamed AlQasimi
Director

Mr. Abdulelah AlQasimi has more than 45 years of diversified management experience. His previous positions include Chief Executive of the Labor Fund (Tamkeen), from which he resigned in May 2010, Deputy Chief Executive Officer of Labor Fund Project at the Bahrain Economic Development Board, Assistant Undersecretary for Training at the Bahrain Ministry of Labor and Social Affairs, Director of Engineering and Maintenance at the Bahrain Ministry of Health. He has also served as the Chairman of the Bahrain Qualifications Framework Steering Committee and the Steering Committee of Career Expo and was a Board member of the Bahrain Society of Engineers and the Bahrain Consumer Protection Society.

He is currently a Chairman of Ithmaar Dilmunia General Partner Co. and Member of the Board of Ithmar Dilmunia Company and Faysal Bank Limited (Pakistan).

Abdulelah AlQasimi holds a BSc in Civil Engineering from Queen Mary College University of London, UK, and MSc in Health Facility Planning from the University of North London, UK, and a Diploma in Health Care Management from the Royal College of Surgeons in Ireland, Bahrain. He is also a certified Director from the Pakistan Institute of Corporate Governance.

Mr. Ali Munir
Director

Mr. Ali Munir has a BA degree from Government College Lahore and an LLB Degree From The University of Punjab, Lahore. He has over thirty years' experience as a Chartered Accountant. He is a member of the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of Pakistan. He was also a member of Investment Management Regulatory Organisation and the Securities Association (now known as the SFA) in England. He joined MCB Bank Ltd. in 1999 and has previously held senior positions at Citibank, Saudi American Bank and Habib Bank. In 2005, he was awarded the M.A Mozaffar Memorial Gold Medal from the SBP and Institute of Bankers in relation to his services to banking reforms in Pakistan and Agriculture Finance. He was previously the Chairman of the SBP Committee for Agricultural Finance and also the Chairman of the SBP Committee for Islamic Banking.





Mr. Juma Hasan Ali Abul
Director

Mr. Juma Hasan Ali Abul is a fellow member of the Association of Chartered Certified Accountants, England, certified Director from the Pakistan Institute of Corporate Governance and holds a bachelor's degree in accounting, from Cairo (1980).

Key Positions Held:

- DMIT Group CEO.
- 42 years' experience in Banking, Investment, Finance; and Accounting.
- Fellow member of the Chartered Association of Certified Accountants, England.
- Certified Director from the Pakistan Institute of Corporate Governance
- Bachelor's degree in accounting, Cairo (1980).
- General Manager MFAI (Jersey) Ltd (2000 – 2010), then (2013 – Present), wholly owned subsidiary of the DMI Group.
- Executive General Manager, Ithmaar Bank BSC, Bahrain (2010-2013).
- Executive Senior Manager, Shamil Bank of Bahrain BSC (formerly, Faysal Islamic Bank of Bahrain) 1988-2000.
- Board Memberships: Ithmaar Holding; Ithmaar Bank and IB Capital; Faysal Bank, Pakistan; CITIC International Asset Management, Hong Kong; Chairman of Egyptian Investments Co, Egypt; Chairman of DMI Administrative Services, Switzerland; Chairman of Faisal Finance (Luxembourg) S.A.; Gulf Investors Asset Management Co., Saudi Arabia (under process); United Bank of Albania (until 2011); in addition to entities ranging from trading, industrial, real estate development in Bahrain, Europe, Cayman, and Egypt.
- Worked with Touché Ross, London (now Deloitte), and Peat Marwick Mitchell Bahrain (now KPMG – Chartered Accountants
- Led restructuring of Group institutions as major Mergers & Acquisitions.

Mr. Imtiaz Ahmad Pervez
Director

Mr. Imtiaz Ahmad Pervez has over 35 years' work experience in the field of banking in the United Kingdom, Bahrain and Pakistan. His last position was that of the Chief Operating Officer of the Faysal Islamic Bank of Bahrain BSC., till 1994. He was also the first CEO of the former Faysal Investment Bank Limited, Pakistan (later merged with Faysal Bank Limited, Pakistan). Additionally, he has served on the boards of banks including the Ithmaar Bank BSC, Bahrain, AlBaraka Bank Pakistan Limited, Faysal Islamic Bank of Bahrain BSC, Faysal Investment Bank of Bahrain EC and the Faysal Investment Bank Limited, Pakistan. He holds B.A. degree from the University of the Punjab and fellowship of the Institute of Islamic Banking and Insurance, London, U.K.





Mr. Mohsin Tariq
Director

Mr. Mohsin Tariq is a seasoned business leader with over 14 years of experience in the Petrochemical and Chemical Industries. As the Executive Director of Nimir Chemicals Pakistan Limited, he has been instrumental in implementing strategic initiatives that have significantly enhanced the company's operational performance and market competitiveness. Under his visionary leadership, Nimir Chemicals has achieved sustainable growth and financial excellence, cementing its position as an industry leader.

Mr. Tariq holds a Bachelor of Science in Business Management from Brunel University, West London, and a Master of Science in International Management from School of Oriental and African Studies (SOAS), London. His strong academic foundation, coupled with his extensive professional experience, equips him with a global outlook on business strategy and operational efficiency.

In May 2020, Mr. Tariq was appointed as an Independent Director on the Board of Faysal Bank Limited, where he brings expertise in corporate governance, strategic planning, and financial oversight. His prior board experience includes a successful tenure (2015–2018) with Nimir Industrial Chemicals Ltd. Currently, he serves as a director on the boards of Nimir Trading (Pvt) Ltd., Nimir Chemicals Pakistan Limited, and Nisar Synthetic Ltd.

Mr. Tariq has also completed the Directors' Training Program at Lahore University of Management Sciences (LUMS).

Beyond his professional endeavors, Mr. Tariq is deeply passionate about contributing to society. He actively supports multiple charitable initiatives, demonstrating his dedication to fostering positive change and uplifting underserved communities.

With a proven track record of leadership, strategic foresight, and an unwavering commitment to excellence, Mr. Mohsin Tariq continues to make a significant impact in both the corporate and social spheres.

Ms. Fatima Asad Khan
Director

Fatima Asad-Said, CEO of Abacus, an international technology, outsourcing, and consulting firm, drives digital transformation for businesses across various industries and geographies. With over 26 years of experience, she has advanced progressive solutions in corporate governance, digital transformation, AI, data and cloud services, human capital management, enterprise solutions, and project leadership across multiple sectors.

Ms. Asad-Said's professional journey began at Coopers & Lybrand International, followed by Pricewaterhouse Coopers, after completing her MBA from LUMS. Her leadership journey includes serving on various Boards such as Lahore University of Management Sciences (LUMS), Faysal Bank, Kashf Foundation, Interloop Limited, Bata Pakistan, Kaarvan Crafts Foundation, and Pakistan Center for Philanthropy. She is also a certified Corporate Director from Harvard Business School and a member of the Diversity & Inclusion Hub Leadership Council as well as the Women Executives of Boards Forum.

Recognized as a champion for impactful change, Ms.Asad-Said has earned prestigious accolades, including the Top IT Female Export Award from the President of Pakistan and the Platinum Award for Top Women Entrepreneur in Tech at the IT & ITES Exporters Awards 2024. She also contributes as a member of the IT & Telecom Advisory Committee, tasked with boosting IT exports by aiding the government in developing a strategic, long-term roadmap for the sector. These achievements demonstrate her relentless commitment to advancing Pakistan's IT landscape and delivering IT excellence across four different continents.



Ms. Sadia Khan
Director

Sadia Khan is a seasoned fintech executive with over twenty years of industry experience largely on the product development and technology side. Out of the total experience, 12 years have been at COO, CEO, and board level roles. Most recently, Sadia was CEO of AutoSoft Dynamics, a Made-In-Pakistan product-based company providing globally competitive core banking and related software.

Under Sadia's leadership AutoSoft's customer base has grown and today its solutions power both leading local banks within Pakistan and global banks in South Sudan, Zambia, Bahrain, and Afghanistan. She has led several successful core banking and lending system migrations (Faysal Bank, Al Baraka Bank, Sindh Bank, PMRC), mobile wallet implementations (Finca Microfinance Bank, Allied Bank), and treasury system installations (Bank of Punjab, National Bank of Pakistan, Askari Bank).

Sadia has extensive experience in managing large scale software development and technology projects. Under her leadership, AutoSoft Dynamics developed the digital banking technology for Pakistan's first smartphone based mobile wallet (SimSim) and subsequently, Allied Bank's mobile wallet solution.

In 2022, Sadia led AutoSoft's acquisition by Contour Software (Private) Limited, an indirect subsidiary of Constellation Software, Inc., a publicly traded company on the Toronto Stock Exchange (TSX: CSU) with a market capitalization of $36 Billion and over 16,000 employees.

Sadia has a bachelor's degree in Computer Science from Rutgers University, USA. She serves on the board of directors of Kashf Foundation, Naseeb Online Services (Rozee.pk), Naseeb Networks and Digital Devices Impex (Pvt) Ltd.

Senior Management Profiles





Mr. Yousaf Hussain
President & CEO

Mr. Yousaf Hussain has 31 years of professional experience, primarily at ABN AMRO Bank where he held multiple senior managerial positions including those within the Corporate / Credit and Transaction Banking functions. He has been with Faysal Bank since August 2008, with a significant contribution to the franchise in his previous positions as Chief Risk Officer, Regional Corporate Banking Head-North and Head of Special Assets Management Group. His experience also includes a senior role with Samba Bank and earlier assignments with Mashreq Bank and Mobilink / Motorola. Mr. Yousaf Hussain has a Bachelor of Science degree in Electrical Engineering and has done his MBA from Lahore University of Management Sciences.

Mr. Raheel Ijaz
Chief Operating Officer

Mr. Raheel Ijaz has over four decades of work experience. Before assuming this position, he accumulated a rich banking experience in institutions like MCB Bank Limited as Group Head Compliance and Controls, Country Head Sri Lanka, Head Corporate North & Public Sector; United Bank Limited as Regional Chief Executive North and also held key positions in Faysal Bank, Prime Commercial Bank and Emirates Bank International. His last role with Faysal Bank Limited was as Head Compliance. Mr. Raheel Ijaz holds an MBA degree from Quaid-e-Azam International University.





Mr. Shuja Haider
Head Treasury & ECM

Mr. Shuja Haider is a seasoned professional with over two decades of experience within the dynamic landscape of major national and international financial institutions in Pakistan and the Middle East. His diverse expertise encompasses Treasury and Risk Management, Asset and Liability Management, Foreign Exchange, Capital Markets and Derivatives, in both conventional and Islamic products. Currently serving as the Group Head of Treasury & ECM at Faysal Bank, he adeptly manages a team overseeing diverse financial aspects, from foreign exchange to Equity Capital Markets. He also serves as a director at Faysal Islami Currency Exchange Company (Pvt.) Limited. Mr. Haider's exceptional proficiency and leadership qualities have played an instrumental role in building a strong treasury team and setting up the treasury functions of 'Pak Brunei'.

Prior to joining Faysal Bank Limited, Mr. Shuja Haider has held senior positions at prominent financial institutions such as Al-Rajhi Banking and Investment Corporation in Riyadh, National Bank of Pakistan, Pak-Brunei Investment Company and Soneri Bank. His remarkable experience and tenure at these organizations of great repute is a testimony of his unwavering commitment to excellence and noteworthy contribution to the industry at large. Mr. Haider holds a Master's degree in Business Administration.

Mr. Syed Majid Ali
Chief Financial Officer

Mr. Majid Ali is serving as the Chief Financial Officer (CFO) since August 01, 2008. He is also overseeing the strategy function of the bank. He has been a pivotal figure in Faysal Bank Limited's (FBL) transformation into a full-fledged Islamic Bank and has overseen the bank's financial strategies during this significant transition.

A fellow member of the Institute of Chartered Accountants of Pakistan, Mr. Ali brings over 29 years of experience in finance and accounting within the banking sector. His prior roles include CFO positions at Saudi Pak Commercial Bank Limited and Emirates Bank International PJSC's Pakistan operations. He also served as a partner at KPMG Taseer Hadi & Co., where he gained extensive experience in mergers and acquisitions within the banking industry.

Beyond his responsibilities at FBL, Mr. Ali contributes to the broader financial community as an Independent Director at the Central Depository Company of Pakistan Ltd. He is also a member of the Pakistan Business Council and the Overseas Investors Chamber of Commerce & Industry.

In recognition of his leadership and contributions, Mr. Ali was honored with the Finance Leader (South) award by the Institute of Chartered Accountants of Pakistan.

His strategic financial oversight has been instrumental in guiding FBL through its successful conversion to Islamic banking, ensuring robust financial health and compliance with Shariah principles. He also serves as a director at Faysal Asset Management Limited.





Mr. Nasir Islam
Head, Internal Audit

Mr. Nasir Islam is a fellow member of the Institute of Chartered Accountants of Pakistan. He is a senior professional with more than 32 years of Banking experience having lead Internal Audit, Compliance and Finance functions. Mr. Islam has also been leading Business Process Re-engineering, Change Management and Acquisition / Integration projects. He has been working as a Senior Executive in senior management committees and been instrumental in formulation and implementation of the risk and control environment including the creation of various risk and control committees allowing senior executives to understand and mitigate risk issues across their respective areas / functions. He has also been working with Board and its Committees in implementing good Corporate Governance practices and setting up corporate governance, risk management and compliance policies within the organization.

Mr. Jaudat Hussain
Head Retail Banking

Mr. Jaudat Hussain brings with him over 28 years of professional experience in Retail, Commercial and Consumer Branch Banking. Prior to joining Faysal Bank he has served at key positions in Standard Chartered, MCB , United Bank , NIB Bank and Habib Bank. Prior to his current appointment as Head Retail Banking, he has also held the position of Head Branch Distribution at Faysal Bank. He holds a Master of Business Administration degree from Indiana University of Pennsylvania, USA, and International Capital Markets Qualifications from Securities Institute London, U.K. He also serves as a director at Faysal Islami Currency Exchange Company (Pvt.) Limited.





Mian Salman Ali
Chief Risk Officer

Mr. Salman Ali brings with him a banking experience of over 21 years in large local and multinational banks. During his career, he has held various leadership/supervisory roles in business and control functions. Mr. Ali has a diversified experience in the field of Corporate Banking, Commercial / SME Banking & Credit / Risk Management and serves as a director at Faysal Asset Management Limited. Prior to joining Faysal Bank, he has been associated with ABN AMRO Pakistan and Allied Bank. Mian Salman holds a Master's of Business Administration degree from Lahore School of Economics. He is also a certified Islamic Banking Professional from NIBAF.

Mr. Muhammad Aurangzeb Amin
Company Secretary & Head, Legal

Mr. Aurangzeb Amin brings with him over 28 years of experience in the Financial Sector and Legal Consultancies both in Pakistan and in the USA. During his career, he has worked with NIB Bank and Pak-Kuwait Investment Co. as Company Secretary and Head Legal. He has also worked with law firms locally and internationally, namely Orr, Dignam & Co. and Surridge & Beecheno. He has a Master of Laws degree from Temple University, USA.





Syed Muhammad Fraz Zaidi
Head Operations

Mr. Fraz Zaidi brings with him over 20 years of experience in the financial services sector, where he has held leadership roles in Finance, Risk Advisory and Strategy. Prior to joining Faysal Bank Limited, he has been associated with organizations such as H & H Exchange Co. (Pvt.), A. F. Ferguson & Co. and United Bank Limited. His last assignment was Head Operational Risk & Basel-II Division at United Bank Limited. Mr. Fraz Zaidi is a Chartered Accountant from the Institute of Chartered Accountants, Pakistan and serves as a Chairman at Faysal Islami Currency Exchange Company (Pvt.) Limited.

Mr. Monis Mirza
Head Human Resources

Mr. Monis Mirza has over 28 years of leadership experience in Human Capital Management, Mergers & Acquisitions, Cultural Integration and Business Growth in multiple geographies. During his career, he has held key positions in Procter and Gamble (P&G), Standard Chartered Bank in Pakistan and Tenova Canada. He remained Director of Human Resources and a Management Committee member for SCB Pakistan for over a decade, and helped the bank manage organic and inorganic business growth, drive productivity through engagement and organizational design efficiencies. His last assignment was with HRS Global as Chief Executive Officer – Recruiting. Mr. Monis Mirza acquired his B.E. Electrical Engineering degree from University of Buffalo, USA and MBA degree in Human Resources from Institute of Business Administration, Karachi. He has also completed an advance diploma in Human Resources from McMaster University, Canada.





Mr. Bashir Ahmed Sheikh
Head Special Assets Management

Mr. Bashir Ahmed Sheikh has five decades of diversified domestic as well as international banking experience of Operations, Corporate Banking, Commercial/Retail Banking, Investment and Risk Management, with a proven record of superior performance throughout his career. He has strong skills in Syndications, Advisory Services, Acquisitions, Mergers, Privatizations, Agriculture Financing, Remedial Management, Compliance and dealing with the Regulators amid other relevant agencies. Before joining Faysal Bank Limited in 2018, he has been associated with United Bank Limited, Union National Bank, BCCI, Indus Bank, Askari Bank, Faysal Bank and Bank Alfalah. His last assignment was Group Head Special Assets Management at Bank Alfalah. Mr. Bashir Ahmed Sheikh holds a graduation degree from University of Punjab. He is also a Graduate of Executive Development Program, Johnson Graduate School of Management, USA.

Mr. Muhammad Faisal Shaikh
Head Shariah Compliance & Advisory

Mr. Muhammad Faisal Shaikh has over 24 years of experience in the field of Shariah Structuring, Compliance and Shariah Compliant Product Development. He played key role in the Islamic conversion process of Faysal Bank and ensured smooth conversion of the bank's business. Prior to joining Faysal Bank Limited, he was associated with BankIslami Pakistan Ltd. and Meezan Bank Ltd. He has been instrumental in the development of various pioneering Islamic Corporate & Consumer Banking Products and Sukuk structures in Pakistan He led the team which converted conventional assets and liabilities of KASB Bank Ltd. after its acquisition by BankIslami Pakistan Ltd. Prior to this, his team structured acquisition and conversion of Citibank's conventional housing finance portfolio by BankIslami Pakistan Ltd. He was an active member of the team responsible for conversion and merger of Pakistan operations of Societe Generale into Meezan Bank Ltd. He has also served as a member of different advisory committees of State Bank of Pakistan on Islamic Banking. Mr. Shaikh is a graduate of Institute of Business Administration, Karachi.





Mr. Aneeq Malik
Head Consumer Finance

Mr. Aneeq Malik is a solutions-focused banker with over 23 years of rich experience overseeing the compliance function, branch operations and consumer finance. Prior to joining Faysal Bank Limited, he has been associated with banks like ABN AMRO and MCB. Mr. Aneeq Malik is recognized for being both reactive to developments in the regulatory and governance environment and proactive in areas related to compliance education and training. Highly adept in identifying gaps and / or risk exposure in operations as well as developing and implementing strong systems of check and balances. He holds a graduation degree from Punjab University, Lahore. He is a certified expert in Corporate Governance & Leadership Skills from Pakistan Institute of Corporate Governance (PICG). He is also certified from NIBAF in Islamic Banking. He is on the Board of Directors of Faysal Islami Currency Exchange Company (Pvt.) Limited and M/s. 1Link (Guarantee) Ltd., as a nominee director from Faysal Bank Limited as well.

Mr. Abadullah
Chief Compliance Officer

Mr. Abadullah brings with him over three decades of diversified experience of Branch Banking, Trade, Operations and Compliance. Prior to joining Faysal Bank Limited, he has been associated with Standard Chartered, ANZ Grindlays and United Bank Limited. His last assignment with SCB was as Head Corporate Service Delivery. Prior to his current appointment as Chief Compliance Officer, he has also held the position of Head Operations at Faysal Bank Limited. Mr. Abadullah has been instrumental in implementing various projects and had led teams which migrated core banking systems in Faysal Bank. He is a certified GRC professional from GRCP International and diploma holder from Institute of Bankers in Pakistan. He holds a Master of Business Administration (Finance) degree from IBA, University of Punjab and is a certified director from ICMA Pakistan.



Syed Hasan Jafri
Head Information Technology

Mr. Hasan Jafri brings with him over 39 years of diversified experience in both financial and non-financial sectors. Mr. Jafri is an accomplished technology professional having experience in Networking, Software design, Product development, Information security, Internet and Telecommunication technologies. Prior to joining Faysal Bank, he has been associated with organizations such as Shahnawaz Limited, Karachi Stock Exchange, Arif Habib Corporation, Summit Bank and Allied Bank Limited. His last assignment was Group Head Information Technology at Allied Bank Limited. Mr. Hasan Jafri holds a Master of Information Technology degree from PIMSAT, Karachi.

Mr. Ali Waqar
Head Corporate & Investment Banking

Mr. Ali Waqar has over 22 years of professional experience, primarily in the field of Corporate & Investment Banking, and Commercial Banking. Throughout his professional career, he has been instrumental in driving the organization's profitability through a diverse mix of transactions including Structured Finance, Project Finance, Mergers & Acquisitions and Derivatives. He has served at key positions in leading multinationals as well as local organizations including ABN AMRO Bank N.V., Barclays Bank Plc. and Faysal Bank Limited. Prior to his current assignment, Mr. Ali Waqar spearheaded Faysal Bank's Regional Corporate Banking franchise for 9 years as the 'Corporate Head-Central' where he contributed significantly towards sustainable portfolio and revenue growth. He is on the Board of Directors of Faysal Islami Currency Exchange Company (Pvt.) Limited and Faysal Asset Management Limited. Mr. Waqar holds an M.Sc. degree in Economics and Finance from Lahore School of Economics.



Mr. Amin ur Rehman
Chief Digital Officer

Mr. Amin ur Rehman has a rich experience of over 22 years in both financial and non-financial sectors and holds a Hons and Master's degree from Institute of Business Administration. Having worked in the Banking industry, Public Utility and Global Payment Schemes, he has a diversified exposure where prior to joining Faysal Bank, he was associated with UBL, Visa Worldwide, K-Electric, Atlas Bank and HBL. His experience in the digital domain includes collaborating with Fintechs in developing their go-to-market strategy and has played a key role in expanding digital merchant acceptance while driving business sustainability. At Faysal Bank, he is currently spear-heading the digital transformation journey by focusing on increasing the Bank's digital foot-print and create digital enablement for key business verticals across the Bank.

Shariah Board - Profiles

Mufti Muhammad Mohib ul Haq Siddiqui
Chairman – Shariah Board

Mufti Mohib ul Haq is a prominent and a well-recognized Shariah scholar of international repute. His credentials include a specialized degree in Shahadat-ul-Aalamia (Masters in Arabic and Islamic Studies) and Al-Takhassus fial-Iftaa' (Specialization in Islamic Jurisprudence and Fatwa) from the esteemed Jamia Darul Uloom, Karachi, under the guidance of Justice Retd. Mufti Taqi Usmani

Mufti Mohib ul Haq has a diversified experience of more than 22 years in Islamic Finance Industry. He has been associated with Faysal Islamic Banking since 2011, as the Shariah Advisor, prior to his appointment as the Chairman Shariah Board. He is also a Shariah Board Member of Bank Alfalah Limited and Bank Al Habib Limited.

Previously, he has served as the Shariah Advisor / Shariah Board Member at various Financial Institutions which include:

- Takaful Pakistan Limited
- Royal Bank of Scotland Berhad, Malaysia
- JS Islamic Mutual Fund

Mufti Mohib ul Haq has significant research experience related to Islamic Finance and other Shariah related subjects. Further, he is also a member of the State Bank of Pakistan's Committee for Shariah review, standardization of Islamic products and processes, and formalization of Accounting & Auditing Organization for Islamic Financial Institutions ("AAOIFI") Shariah standards for the Pakistan banking industry. He is also an experienced lecturer and trainer in the field of Islamic Finance, Fiqh and Islamic Financial Laws at various institutions which include:

- Jamia Darul Uloom, Karachi
- Centre for Islamic Economics ("CIE")
- National Institute of Banking and Finance ("NIBAF") – SBP
- Institute of Cost and Management Accountants of Pakistan ("ICMA")
- Institution of Business Administration- Centre for Excellence in Islamic Finance ("CEIF")

Dr. Mufti Khalil Ahmad Aazami
Shariah Board Member

Dr. Mufti Khalil Ahmad Aazami is a renowned Shariah Scholar in the Islamic Banking industry. Dr. Aazami has graduated from Jamia Darul Uloom, Karachi. He obtained his Shahadat-ul-Aalamia (Masters in Arabic and Islamic Studies) and Al-Takhassus fi al-Iftaa' (Specialization in Islamic Jurisprudence and Fatwa) from Jamia Darul Uloom, Karachi, under the guidance of Justice Retd. Mufti Taqi Usmani. He holds a Ph.D. in "Islamic Jurisprudence" from University of Karachi.

Dr. Aazami is working with Bank Alfalah Limited-Islamic Banking since 2003 in the capacity of Shariah Advisor and now serving as Chairperson Shariah Board since 2015. He is also a Shariah Board Member of National Bank of Pakistan-Islamic Banking and Faysal Bank Limited.

Dr. Aazami has served as Shariah Advisor / Shariah Board Member in different financial institutions including:

- Takaful Pakistan Limited (2005 - 2014)
- Alfalah GHP Islamic Fund (2007 - 2014)

Dr. Aazami has significant research experience related to Islamic Finance and other Shariah related subjects. Furthermore, he is the member of AAOIFI Shariah Standards Committee (Karachi). He is an author of numerous publications. He is also an experienced lecturer and trainer in the field of Islamic Finance, Economics, Fiqh, Islamic Financial Laws and General Islamic Science at various institutions which include:

- Jamia Darul Uloom, Karachi
- Centre for Islamic Economics ("CIE")
- National Institute of Banking and Finance ("NIBAF") – SBP
- Sheikh Zayed Islamic Centre - University of Karachi
- Institution of Business Administration- Centre for Excellence in Islamic Finance ("CEIF")

Mufti Abdul Basit
Resident Shariah Board Member

Mufti Abdul Basit has been serving as a Resident Shariah Board Member at Faysal Bank Limited since 2024. Prior to this role, he held the position of Shariah Board Member at Faysal Bank Limited since 2021.

Mufti Abdul Basit holds both contemporary and religious academic qualifications. He obtained a Shadat-ul-Aalamia (Masters in Islamic Studies & Arabic) from the esteemed Jamia Darul Uloom, Karachi, under the guidance of Justice Retd. Mufti Taqi Usmani and Takhassus Fiqh-ul-Muamlaat from Jamia Tur Rasheed, Karachi. Additionally, he holds a graduation degree in Commerce from the University of Karachi.

With wide-ranging professional and educational experience, Mufti Abdul Basit brings valuable expertise to his roles. He possesses extensive experience in Islamic Banking. Furthermore, he has a significant background in teaching, having served as a Permanent and Visiting Faculty Member at renowned institutions such as;

- Sheikh Zyed Islamic Centre – University of Karachi
- IBA – CEIF (Centre for Excellence in Islamic Finance)
- NIBAF (National Institute of Banking & Finance – SBP)

Mufti Abdul Basit is a Certified Shariah Adviser & Auditor (CSAA) recognized by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain. He has also completed the NIBAF Islamic Banking Certificate Course – Capacity Building of Shariah Scholars organized by the NIBAF (National Institute of Banking & Finance – SBP). Additionally, he is a certified professional trainer accredited by The International Association for People & Performance Development (IAPPD) and registered as a Shariah Advisor with the Securities and Exchange Commission of Pakistan (SECP).

Mufti Muhammad Najeeb Khan
Shariah Board Member

Mufti Muhammad Najeeb Khan is esteemed as a prominent Shariah scholar, boasting a distinguished educational background with specialized degrees in Shahadat-ul-Aalamia and Al-Takhassus fial-Iftaa' from the esteemed Jamia Darul Uloom, Karachi, under the mentorship of Justice Retd. Mufti Taqi Usmani.

His extensive experience in the Islamic Finance Industry last twenty-five years is evident through his multifaceted roles. Currently, he serves as a Chairman Shariah Board Bank Makrama Limited and as well as Shariah Board Member of Faysal Bank Limited, and as a Shariah Advisory Board member for UBL's United Composite Islamic Fund . Additionally, he was holding the esteemed position of Chairman Shariah Board at Sind Bank Limited and acts as an advisor and member to various financial institutions including Habib Bank AG Zurich, Habib Metropolitan Bank , Shariah Board SECP furthermore he served Educational Institution including Hira Foundation School, Hira Institute of Emerging Sciences, and the Centre for Islamic Economics, Syndicate member of NED University Karachi.

Mufti Najeeb actively contributes to the development and standardization of Islamic finance practices, serving on several committees including the Shariah Committee for Shariah Standard Pakistan Chapter AAOIFI, and the Committee of Islamic Accounting Standards. He has been an integral part of the Committee on Accounting and Auditing Standards for Interest-Free Modes of Financing and Investments in ICAP since 2003. Additionally, he plays a significant role in halal standards, serving as Vice Chairman of the Technical Committee on Halal Pharma Standards and Senior Member National Halal Standards Committee and Member Technical Committee on Halal Conformity Assessment Standard, Chairman of the Shariah Board for the Halal Awareness and Research Council.

His commitment to education and training is evident through his involvement as a trainer with prestigious institutions such as NIBAF (SBP), IDB, IBA, LUMS, Karachi University, and the Halal Committee of OIC. Internationally, Mufti Muhammad Najeeb contributes to the development of Islamic education curriculums in Daru Uloom College of Victoria and lectures at institutions such as U.M.M.A Centre and Islamic Centre in Victoria, Australia. He also serves as an advisor in Islamic finance to various financial institutions in Australia and is a Senior Member of Majlis Ulama in Australia.

Mufti Muhammad Najeeb Khan's diverse portfolio of engagements underscores his dedication to advancing Islamic finance principles globally and promoting education in the field.

Dr. Mufti Muhammad Hassan Ashraf Usmani
Shariah Board Member

Dr. Mufti Muhammad Hassan Ashraf Usmani, son of Justice ® Mufti Mohammed Taqi Usmani, is an esteemed scholar renowned for his profound expertise in Islamic finance. With a robust educational background, he holds a Ph.D. in Islamic Finance, specializing in AAOIFI Shariah Standards. Additionally, he has acquired specialized degrees in Shahadat-ul-Aalamia and Al-Takhassus fial-Iftaa' from the prestigious Jamia Darul Uloom, Karachi, under the guidance of Justice Retd. Mufti Taqi Usmani.

Presently, Dr. Usmani serves as a Shariah Board Member at Faysal Bank Limited and Atlas Asset Management Company. Notably, he has previously held positions as the Chairman Shariah Board and Resident Shariah Board Member at Sindh Bank Limited. In addition to his banking engagements, Dr. Usmani contributes to academia as an instructor in various Shariah subjects and assumes administrative responsibilities at Jamia Darul-Uloom Karachi. Moreover, he provides advisory services to a range of institutions, including the Kashif Iqbal Thalassemia Care Center and the Centre for Islamic Economics. Furthermore, he holds the position of Assistant Professor and Head of Department for the Islamic Banking and Finance program at Greenwich University.

Dr. Hassan Usmani plays a pivotal role in shaping Islamic finance standards in Pakistan, serving as a member of the State Bank of Pakistan's Committee for Shariah review and standardization of Islamic products and processes. He is actively involved in the formalization of AAOIFI Shariah standards for the banking industry.

As an accomplished author, Dr. Hassan Usmani has published numerous research papers on Islamic finance and related Shariah subjects, reinforcing his expertise in the field. His multifaceted contributions underscore his commitment to advancing Islamic finance principles and promoting excellence in academia and industry alike.

Mufti Muhammad Uzair Qasim
Shariah Board Member

Mufti Muhammad Uzair Qasim is a well-known Shariah scholar. He is a graduate of Jamia Darul Uloom, Karachi, where he obtained his Shahadat-ul-Aalamia (Masters in Arabic and Islamic Studies) and Takhassus Fil Iftaa' (Specialization in Islamic Jurisprudence and Fatwa) under the guidance of Justice Retd. Mufti Taqi Usmani. After completing his Takhassus, he earned a Postgraduate Diploma in Islamic Banking and Takaful from the Center for Islamic Economics (CIE), Karachi.

He also holds an MBA degree with majors in Banking and Finance from the Institute of Business Management (IoBM), Karachi and has earned the "Certified Shariah Advisor and Auditor (CSAA)" certification from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain.

He is registered as a Shariah Advisor with the Securities and Exchange Commission of Pakistan and prior to his appointment as Shariah Board Member, he has been associated with Faysal Bank Limited since 2022, where he initially worked as a Shariah Scholar, playing a key role in facilitating the bank's Shariah compliance especially in corporate & investment banking transactions and bank-wide Shariah related trainings.

Since 2017, Mufti Uzair has been actively involved in Shariah advisory, Shariah compliance, issuing fatwas, as well as teaching and training in various institutions.

Attendance of Shariah Board Meetings during the year 2024

Attended by / Meeting Date	15-01-24 (34th)	08-05-24 (35th)	30-09-24 (36th)	15-12-24 (37th)
Mufti Muhammad Mohib ul Haq Siddiqui	✓	✓	✓	✓
Dr. Mufti Khalil Ahmad Aazami	✓	✓	✓	✓
Mufti Abdul Basit	✓	✓	✓	✓
Mufti Muhammad Najeeb Khan	—	✓ (Appointed on January 30, 2024)	✓	✓
Dr. Mufti Muhammad Hassan Ashraf Usmani	—	✓ (Appointed on January 30, 2024)	✓	✓
Mufti Muhammad Uzair Qasim	—	—	—	✓ (Appointed on January 30, 2024)



SCFR (PK) 1
Highest Shariah Rating Attainable

Islamic International Rating Agency.



Board Committees and Terms of Reference

Board Audit & Corporate Governance Committee (BACGC)

The BACGC, appointed by the Board, assists in the following areas as per Corporate Governance and SBP instructions:

- Reviewing and recommending Accounting and Financial policies.
- Assessing the integrity of reporting and internal controls.
- Ensuring financial statement accuracy and Board information needs.
- Considering and recommending appointment of External Auditors.
- To review activities and performance of the bank's Internal Audit function and External Auditors.
- Reviewing compliance by the bank with legal and regulatory requirements.
- Reviewing status of compliance with code of corporate governance.
- Review and monitor compliance with shariah governance framework of SBP.
- Ensure senior management maintains effective internal controls for financial, operational, and compliance purposes.
- Review Bank's statement on internal control systems prior to endorsement by the Board.
- Review significant regulatory examination reports.
- Initiate special projects or investigations as directed by the Board
- Monitor corporate governance trends and recommend changes to the Board.
- Review and resolve apparent and potential conflict of interests including reviewing of insiders trading in accordance applicable rules and laws.
- Ensure that the Bank adopts, maintains and applies appropriate disclosure management as per Stock Exchanges listing regulations and State Bank of Pakistan requirements.
- Oversee the implementation of the Ethics & Whistleblower Policy.
- Review and update the Committee's Terms of Reference annually.
- Meet separately with management or others as deemed necessary for discussions.
- Addressing other Board-defined responsibilities

Recruitment, Nomination & Remuneration Committee (RN&RC)

- To ensure that overall staff agenda complies to all regulations, governances and laws as applicable from time to time through various regulators.
- To ensure that HR policies and practices are in line with the market dynamics and business objectives of the Bank
- To design competitive compensation programs that attract, retain and motivate staff to achieve business objectives of the organsation, while enhancing and sustaining shareholder value.
- To review the implementation of the revised State Bank's remuneration guidelines and ensure that remuneration policy is aligned with the requirements of the guidelines.
- To periodically examine the Bank's remuneration policy.
- To review and recommend the HR policies of the Bank to the Board. Ensure development of new policies to help attract, retain, develop and motivate talent.
- To review the Management Structure/Organogram of the Bank.
- To review and recommend the selection/ appointment/ reappointment, evaluation, compensation, increments, performance bonuses, fringe benefits, including retirement benefits, and terms and conditions of service agreement of the CEO to the Board.
- To review and recommend to the Board the selection, evaluation and compensation of key executives of the Bank.
- To review and confirm the Job Descriptions of key executives, review and recommend the appointment and promotions of all key executives.
- To investigate and recommend resolutions to the Board of major violations of the code of business conduct and ethics that may relate to personnel or internal controls relating to human resource policies or benefits.

- To consider/review and recommend to the Board, the remunerations to be paid to the non-executive Directors of the Bank for attended Board and Board Committee meetings.

- To review and monitor the overall Human Resource budget including learning and development.

- Appointment / recommend to Board the induction of Directors on Board of FBL.
- To assess the performance of the Board and its Committees.

- To look after any other matters relating to Human Resource Management.

Board Risk Management Committee (BRMC)

Following is the broad summary of the areas covered in the BRMC's TORs:

- Oversee the adequacy and effectiveness of the Bank's risk management framework, including principles, policies, methodologies, systems, structures, processes, procedures and people as well as adherence to regulatory requirements within the risk management function.

- Review current and potential future risk exposures of the Bank, including determination of risk appetite and tolerance.

- Review and recommend to the Board overall risk appetite and tolerance of the Bank in relation to credit risk, market risk, liquidity risk and operational risk - including trade-based money laundering risk, Shari'ah non-compliance risk, environmental and social risk, legal risk, outsourcing risk, etc.

- Review and monitor multiple stress and scenario testing of the Bank's credit, market, and liquidity risk exposures, in conformity with the regulatory guidelines.

- Review the reports generated by the Risk Management function, including assessments of the credit portfolio, capital adequacy, market risk, liquidity risk, operational risk, information security, and business continuity planning.

- Ensure that a system is in place to identify and report any exceptions to the approved risk appetite/limits and to take timely corrective measures.

- Review the Bank's strategy from a risk perspective and ensure that it is prepared in accordance with the Bank's policies.

- Review the Bank's risk policies on a periodic basis to ensure that these adequately cover the requisite risk parameters and regulatory standards and recommend them to the Board for consideration and approval.

Board Sustainability & Development Committee (BSDC)

The Board Committee on Sustainability and Development (BSDC) was established by the Board of Directors on April 25, 2024 to oversee ESG initiatives and ensure alignment with regulatory requirements. Following is the broad summary of the areas covered in the BSDC's TORs:

- Develop and review the Bank's sustainability and development policies, integrating Islamic principles of social responsibility, environmental stewardship, and economic development.

- Review the implementation of Environmental, Social, and Governance (ESG) practices, including oversight of Corporate Social Responsibility (CSR) activities. This entails evaluating the Bank's compliance with the applicable regulatory framework and promoting sustainability, philanthropic initiatives, charitable donations, and social welfare activities.

- Review Diversity, Equity and Inclusion (DEI) initiatives undertaken by the Bank, ensuring alignment with best practices.

- Oversee the implementation of Banking on Equality initiatives aimed at reducing gender disparity in financial services.

- Evaluate financial inclusion efforts and strategies to expand access to banking for underserved and unbanked populations.

- Ensure that the Bank's social initiatives and activities are aligned with the United Nations Sustainable Development Goals (UN SDGs).

- Review initiatives aimed at reducing the Bank's own environmental and social impact, promoting sustainable business practices.

- Review the concentration of the advances portfolio in relation to customers' environmental and social risk profiles and oversee its allocation to acceptable risk categories, ensuring alignment with the Bank's sustainability objectives.

- Encourage innovation and research in sustainable finance and development, exploring new products, services, and partnerships to advance the Bank's sustainability agenda.

- Review the progress of learning and development initiatives and capacity-building efforts aimed at fostering sustainable practices and promoting a culture of sustainability within the organization.

- Assist the Board in meeting sustainability and development related requirements in line with SBP and SECP guidelines.

IT Committee

- The "BITC" shall be responsible for establishing a comprehensive enterprise technology governance framework which defines the leadership, organizational structures and processes to ensure that the technology sustains and extends the enterprise's strategies and objectives.

- The committee will review IT Department Organization structure and IT personnel to ensure that requisite skill sets required for Technology Governance, Service Management, MIS, Information Security and Technology Risk Management are sufficient and up-to-date.

- "BITC" will have the delegated authority from the Board to deliberate and authorize IT Strategic initiatives realizing institutional goals and objectives; alignment of policies, procedures, projects, programs, , acquisition, outsourcing, service Delivery, transparency, development, deployment and use of technology including management of all related risk, mission critical business operations with businesses and bank's strategy; and advising on investment decisions with adequate standards, security and risk reviews in light of major technological/regulatory developments and receive necessary, relevant and timely reports for submission to Board on an ongoing basis for its review and approvals.

- The "BITC" shall act as a supervisory body and will be mainly responsible for advising and reporting to the Board on the status of technology activities and digital initiatives undertaken by the bank. These reports shall enable the Board to make decisions without having to be involved in routine activities.

- The committee shall present recommendations related to Information Technology, Information Security and Digital strategies to the Board for approval.

- The committee shall review and monitor IT disaster recovery /contingency plan, adequacy of contingency centers and results of business continuity tests post DR drill.

- The committee shall oversee and monitor execution of IT and Digital Strategy and directs the preparation and implementation of plans and policies to ensure that the use of technology meets business products and objectives and that compliance to policies and performance against these plans is monitored ensuring attainment of strategic goals and objectives in-line with corporate governance policies and practices.

- Any new policy and / or amendment in existing policies related to Information Technology, Information Security and Digital Banking will be first reviewed and recommended by the "BITC" before submission to the Board for approval.

- Oversee, recommends and monitoring of annual IT budget in response to and part of the annual business planning / budgetary exercise.

- The committee shall ensure that IT risk management strategies are aligned and integrated with the Enterprise Risk Management Function; designed and implemented to achieve security, reliability, resiliency, interoperability and recoverability of data/information and information assets, systems/information security and stability such as ability to effectively respond to wide scale disruptions, including cyber-attacks and attacks on multiple critical infrastructure sectors.

- The committee shall receive periodic updates from IT Steering Committee to monitor all technology- related projects approved by the Board.

- The committee may prioritize IT investments and recommend on proceeding with proposed IT projects and programs.

- Periodically inform BoD on the latest development on cyber security action plan its implementation status and a summary report on major threats and attacks faced by the institution and their estimated impact on its operations.

- The Committee shall ensure that resource gaps (people, process & technology) identified by the management are adequately and timely fulfilled.

- The Committee shall approve and receive periodic updates on major technology- related projects that may have significant impact on bank's operations, earning or capital. Further, the board shall also define the criteria for major projects.

- The committee shall review progress of the various IT projects within the allocated budgets and time frame.

- All the cloud based arrangements/ services shall be approved by Board IT Committee.

Board Strategy Committee (BSC);

- Conduct regular reviews quarterly and provide recommendations to the Board concerning the Bank's Vision and Mission statements, as well as its strategic goals and objectives.
- Evaluate and advise the Board on the Bank's Strategic Plan and overall strategy.
- Assess matters of strategic significance and offer recommendations to the Board on key issues such as mergers and acquisitions, exploration of new business opportunities, strategic partnerships and alliances, adjustments to business and operating models, potential growth and expansion opportunities, technological advancements, marketing strategies, and initiatives aimed at enhancing customer experience.
- Support management in the formulation of the Bank's Corporate Strategy by reviewing and discussing the strategic direction, initiatives, key performance indicators (KPIs), and associated risks with the management team.
- Assess the processes for the development, approval, and modification of the Bank's strategy and Strategic Plan.
- Evaluate key issues, risks, and external developments impacting the Bank's strategy, and advise management on adopting viable and appropriate options based on management's recommendations. Additionally, review tactical adjustments to the strategic plan and initiatives in response to these key issues, risks, and external developments as proposed by management.
- Monitor the progress of the Bank's strategic plan and key performance indicators (KPIs) to ensure alignment with the Bank's strategic goals.
- Review, assess, and provide recommendations on performance measurement and recognition practices to ensure they remain aligned with the Bank's strategic objectives.
- Review and recommend updates on the annual branch network expansion plans, including international operations, establishment of companies/offices in new overseas locations, and submit recommendations to the Board for approval.
- Review and recommend Shariah Board reports, ensuring compliance with the SBP Shariah Governance Framework, for Board approval.
- Review and recommend matters related to shareholders and related parties to the Board, in consultation with the Chairman.
- Evaluate, review, and provide recommendations on the Bank's resource allocation plan to ensure alignment with the Bank's strategic objectives.
- Engage external consultants and seek expert advice on critical strategic matters and plans, whenever necessary.

Shariah Board

- To review and approve all the procedure manuals, product programs/structures, process flows, related agreements, marketing advertisements, sales illustrations and brochures so that they are in conformity with the rules and principles of Shariah.
- To take up and discuss with management all the significant and unresolved issues raised by Shariah compliance, internal Shariah audit, external Shariah audit and SBP's inspection report on Shariah Compliance and if necessary shall include all the significant outstanding issues in their annual Shariah Board Report.
- To issue annual Shariah Board report which will be placed before FBL BOD & will be published in FBL's annual report. The report will be based on the findings and reports of internal Shariah audit, external Shariah audit, Shariah compliance review and SBP Shariah Inspection. Furthermore, it shall also cover FBL IBD's Shariah compliance environment and conditions.
- To review the periodical report submitted by Head SCD on the Shariah compliance environment of FBL-IBD.
- To review the reports of Internal Shariah Audit, External Shariah Audit, Shariah Compliance Review and SBP Shariah Compliance Inspection, which shall be submitted to SB for consideration and prescribing appropriate enforcement action.
- To review the periodical report submitted by Head SCD on the Shariah compliance environment of FBL-IBD.
- To review the reports of Internal Shariah Audit, External Shariah Audit, Shariah Compliance Review and SBP Shariah Compliance Inspection, which shall be submitted to SB for consideration and prescribing appropriate enforcement action.
- To review and approve the Islamic Banking training plans.
- SB may discuss all the significant and unresolved issues with SBP inspection team during their on-site inspection.
- To review internal Shariah audit plan and to review & approve the scope, methodology, Internal Shariah audit manual and format of internal Shariah audit report.

- To undergo and attend training sessions and orientation programs related to the applicable legal and regulatory framework, banking, finance, treasury operations etc. to improve their understanding of such matters in the context of an Islamic Banking Institution (IBI).

- To ensure that engagements of the RSBM other than FBL shall not hinder his activities at the Bank.

- The SB shall not delegate any of its roles and responsibilities prescribed in the Shariah Governance framework to any other person or any of its members.

- To perform and finalize appraisal of SCD, including Head SCD.

- To refer any Shariah issue for seeking opinion from SBP Shariah Advisory Committee.

- Review responses to Shariah related queries of FBL-IBD's clients regarding FBL-IBD's products and services as submitted by SCD.

- To discuss the significant and unresolved issues with SBP inspection team during their on-site inspection.

- To assist and advise SCD in its review of the proposals to be submitted to the SB.

- RSBM of the bank shall not serve in any capacity whatsoever, at any other IBI.

- RSBM of the bank may serve as member of Shariah Board of upto two IFIs, with prior approval of SB.

- RSBM shall not hold any administrative and/or full-time position with any organization / institution other than the FBL.

- All meetings shall be chaired by the SB Chairman and in his absence one of the Shariah Scholar members, other than Resident Shariah Board Member, shall be elected as the acting Chairman to preside over the meeting.

- The minutes of the meeting shall be submitted to Islamic Banking Department of SBP for record, within 15 days of its approval/confirmation. Further, the minutes shall be made available to the BOD, SBP inspection teams, internal/external auditors on request, enabling them to appreciate and understand the rationale and background of the SB rulings, decisions and fatawa.

- The SB shall ensure that the minutes of the meeting are properly recorded, incorporating necessary details of all deliberations, decisions, rulings and fatawa issued alongwith rationale and difference of opinion or dissenting note, if any.


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• Serving you better with our widest range of Shariah compliant products
• Growing network of 750+ Islamic Branches in more than 300 cities across Pakistan
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Board Meetings and Attendance

Attendance of Board of Directors Meetings during the year 2024

Attended by / Meeting Date	07-02-24	06-03-24	25-04-24	28-08-24	24-10-24	21-11-24
Mian Muhammad Younis	✓	✓	✓	✓	✓	✓
Ahmed Abdulrahim Mohamed Abdulla Bucheery	✓	✓	✓	✓	✓	✓
Yousaf Hussain	✓	✓	✓	✓	✓	✓
Juma Hasan Ali Abul	✓	✓	✓	✓	✓	✓
Imtiaz Ahmad Pervez	✓	✓	✓	✓	✓	✓
Ali Munir	✓	✓	✓	✓	✓	✓
Abdulelah Ebrahim Mohamed Al Qasimi	✓	✓	✓	✓	✓	✓
Fatima Asad Khan	✓	✓	✓	✓	✓	✓
Mohsin Tariq	✓	✓	✓	✓	✓	✓
Sadia Khan	✓	✓	✓	✓	✓	✓
Abdulla Abdulaziz Ali Taleb	✓	✓	Resigned on April 2, 2024	—	—	—

Attendance of Recruitment, Nomination and Remuneration Committee Meetings during the year 2024

Attended by / Meeting Date	06-02-24	24-04-24	27-08-24	23-10-24	20-11-24
Ahmed Abdulrahim Mohamed Abdulla Bucheery	✓	✓	✓	✓	✓
Juma Hasan Ali Abul	✓	✓	✓	✓	✓
Fatima Asad Khan	✓	✓	✓	✓	✓
Mohsin Tariq	✓	✓	✓	✓	✓
Sadia Khan	✓	✓	✓	✓	✓

Attendance of Board Strategy Committee Meetings during the year 2024

Attended by / Meeting Date	01-01-24	05-02-24	23-04-24	26-08-24	22-10-24
Mian Muhammad Younis	✓	✓	✓	✓	✓
Ahmed Abdulrahim Mohamed Abdulla Bucheery	✓	✓	✓	✓	✓
Juma Hasan Ali Abul	✓	✓	✓	✓	✓
Fatima Asad Khan	✓	✓	✓	Leave of Absence	✓
Imtiaz Ahmad Pervez	✓	✓	✓	✓	✓
Yousaf Hussain	✓	✓	✓	✓	✓

Board Audit & Corporate Governance Committee Meetings during the year 2024

Attended by / Meeting Date	05-02-24	23-04-24	26-08-24	22-10-24	20-11-24
Ali Munir	✓	✓	✓	✓	✓
Ahmed Abdulrahim Mohamed Abdulla Bucheery	✓	✓	✓	✓	✓
Juma Hasan Ali Abul	✓	✓	✓	✓	✓
Mohsin Tariq	✓	✓	✓	✓	✓

Attendance of Board Risk Management Committee Meetings during the year 2024

Attended by / Meeting Date	06-02-24	24-04-24	27-08-24	23-10-24
Imtiaz Ahmad Pervez	✓	✓	✓	✓
Abdulelah Ebrahim Mohamed AlQasimi	✓	✓	✓	✓
Ali Munir	✓	✓	✓	✓
Yousaf Hussain	✓	✓	✓	✓
Abdulla Abdulaziz Ali Taleb	✓	—	—	—

Attendance of Board IT Committee Meetings during the year 2024

Attended by / Meeting Date	05-02-24	23-04-24	26-08-24	22-10-24	20-11-24
Sadia Khan	✓	✓	✓	✓	✓
Abdulelah Ebrahim Mohamed AlQasimi	✓	✓	✓	✓	✓
Yousaf Hussain	✓	✓	✓	✓	✓
Mohsin Tariq	—	—	✓ (Appointed on April 25, 2024)	—	—
Abdulla Abdulaziz Ali Taleb	✓	—	—	—	—

Attendance of Board Sustainability & Development Committee Meetings during the year 2024

Attended by / Meeting Date	20-05-24	23-10-24
Mian Muhammad Younis	✓	✓
Abdulelah Ebrahim Mohamed AlQasimi	✓	✓
Fatima Asad Khan	✓	✓
Saida Khan	✓	✓
Yousaf Hussain	✓	✓

Board Meetings held outside Pakistan

No meetings were held outside Pakistan during the year 2024.

Role of the Board of Directors

The Board of Directors (BOD) is responsible for the oversight of Management, risk management, human capital management and overall strategy along with setting goals and targets for the profitability and growth of Faysal Bank Limited (the Bank). It accomplishes this function by setting the annual budgets, various other initiatives and targets and monitoring the same on a periodic basis. The Board has formed various Board Committees for a specialized and focused approach. It provides business and strategic leadership and direction for the Management within a framework of prudent and effective controls. The Board has set the Vision and Mission Statement of the Bank and promotes the collective vision of the Bank's purpose, its culture, its values and also demonstrates ethical leadership. The collective wisdom of the Board is translated into its decisions which form the basis for Management to achieve its targets. One of the primary roles of the Board is to enhance the shareholder value.

The Board is concerned with strategic matters and overseeing the business of the Bank in light of emerging risks and opportunities, on a regular basis and also involved in establishing and reviewing the strategies, yearly targets and financial objectives of the Bank. All the strategic decisions of the Bank have been taken by the Board.

Significant Issues/Matters discussed/approved by the Board of Directors:
During the year 2024, the Board of Directors deliberated upon and/or approved the following Significant Issues / Matters:

- Annual General Meeting of the Bank and drafting, supervising and disseminating various reports and communications to the Shareholders of the Bank.
- Focus on Environmental Social and Governance (ESG) targets and forming a Board Committee for continued oversight on ESG targets.
- Periodic Dividend payout and continued oversight on various performance indicators of the Bank to ensure a robust return to the shareholders.
- Annual Budget for the year 2025.
- Bank's Policies including periodic reviews and amendments thereto.
- Formulation and Implementation of the Bank's Growth and Strategic Plan.
- Budget for FY 2024 and its implementation status.
- Periodical review of Terms of Reference ("TORs") of Board's Sub-Committees.
- Un- Consolidated and Consolidated Financial Statements of the Bank on Quarterly, Half-yearly and Annual basis together with Directors' and Auditors' Reports along with Statement of Compliance of the Code of Corporate Governance.
- Related Party Transactions of the Bank.
- Oversight and supervision of the HR and staffing of the Bank.
- Management Letter issued by the External Auditors of the Bank and its compliance status.
- Performance evaluation of the Board's Sub-Committees.
- Matters as recommended by Board's Sub- Committees.
- Appointment of External Auditors of the Bank for the year 2024.
- Various SBP Inspection Reports along with Action Plan thereon.
- Performance Evaluation of the Board and its Sub-Committees.
- Various strategic equity investments by the Bank.
- Oversight on Fraud & Forgery matters..
- Profitability of various Business Functions of the Bank.
- Oversight and performance review of the Bank's group companies.
- Write-offs/Waivers approved at Different Authority Levels and recoveries thereto.
- Status and implications of all material law suits filed by and against the Bank.
- Annual Branch Expansion Plan of the Bank; Keeping up-to-date on significant Laws, Rules and Regulations and taking necessary decisions in respect thereof as required.
- Implementation status of the significant regulations issued by the State Bank of Pakistan or the Securities & Exchange Commission of Pakistan.
- Oversight and performance review of the Bank's group companies.
- Write-offs/Waivers approved at Different Authority Levels and recoveries thereto.
- Status and implications of all material law suits filed by and against the Bank.
- Annual Branch Expansion Plan of the Bank; Keeping up-to-date on significant Laws, Rules and Regulations and taking necessary decisions in respect thereof as required.
- Implementation status of the significant regulations issued by the State Bank of Pakistan or the Securities & Exchange Commission of Pakistan.

Role of the President and CEO

In the dynamic eco-system of Islamic Banking, the President and CEO of Faysal Bank serves as a visionary architect and leader, extending the role of the position beyond conventional leadership and management, and is critical in charting a course towards the growth, sustainability, and unparalleled excellence of the Bank as the Best Islamic Bank in the industry. The President and CEO's position demands an individual of exceptional caliber and character, equipped with a profound level of understanding of the financial eco-system, unwavering dedication to the Vision, Mission, and Values of the Bank, the ethos and principles of Islamic Banking and corporate governance, and the adeptness to lead the organization through the challenges and opportunities of a tough economic and competitive environment, rapidly changing technological eco-system, and stringent, multifaceted regulatory frameworks.

- The President and CEO leads as the linchpin of the organization. The position converts the strategic blueprints of the Board of Directors into actionable and impactful agendas and leads the establishment of strategic, business, operational, and regulatory compliance objectives of the organization, in order to ensure the growth and sustainability of the Bank's profitability, market share, regulatory standing, and unique identity in the market as the Best Islamic Bank.

- The President and CEO embodies the fundamental and strong level of trust between the Bank and its stakeholders, which include the Bank's sponsors, its customers, and a diverse range of stakeholders. The position must lead by example, ensuring that the Bank's business and operational mandates establish high benchmarks for excellence in a customer-centric business.

- Fundamental to the President and CEOs mandate is the nurturing and inculcation of a corporate ethos and culture based upon the divine guidance of the Shariah, and reflected through the implementation of policies, procedures, and Islamic values across the organization, thereby cultivating a culture of transparency and accountability that creates a strong internal foundation upon which the organization can grow, and establishes a unique Islamic identity of the Bank in the market. This oversight extends to all spheres of interaction, encompassing the Bank's rapport with its Board, shareholders, employees, clientele, stakeholders, and regulatory entities. The President and CEO is a staunch advocate for a culture that focuses on ethical conduct, defined by its core values of Faith & Belief, Integrity, Teamwork, Innovation, and Care, whilst staunchly promoting diversity, equity, inclusion, and belonging across the organization, ensuring that these principles are integral components of the organisation's fabric.

- The President and CEO must also lead the development and achievement of the executive team's performance objectives, establishing rigorous performance metrics, conducting periodic evaluations to evaluate performance across the board, and providing leadership and guidance, to drive performance excellence, and ensure alignment of Group specific objectives with the overarching strategy of the Bank.

- In safeguarding the Bank against multiple risks emanating from a rapidly changing environment, the President and CEO meticulously lead the curation of strategies that mitigate financial, business, operational, technological, and reputational vulnerabilities and establish the risk appetite of the Bank. The position is also instrumental in crafting and executing crisis management protocols that adeptly navigate unforeseen adversities that affect the performance, regulatory strength, and market image of the Bank. The CEO also facilitates external oversight assignments, collaborating with external specialists in a range of disciplines as required.

- The President and CEO is also at the forefront of increasing a culture of innovation across the organization, through driving emphasis on continuous innovation and optimization initiatives that enable organizational agility, transactional convenience, internal process optimization, cost-efficiencies, transition to digital solutions, and enable the delivery of an exceptional customer experience, thereby ensuring that the Bank remains equipped to deal with the challenges of a rapidly changing technological eco-system, and challenging customer expectations.

- The President and CEO also has a pivotal role in sustaining the regulatory strength of the Bank, by driving the criticality of regulatory compliance across the organization and engaging with multiple stakeholders and regulatory authorities in order to accentuate the regulatory soundness of the Bank. This entails spearheading initiatives that provide assessments related to the Bank's level of Shariah compliance, risk mechanisms, internal audit, and regulatory compliance. This facet of the position takes on added prominence in light of the Islamic regulatory framework, which has a profound impact on the identity, operations, and sustainability of the organization.

- The President and CEO also leads as the public relations and social responsibility ambassador of the Bank. The position leads the development and execution of a wide range of initiatives that proliferate and strengthen the corporate and Islamic identity of the Bank in the market, whilst ensuring that the Bank contributes to the development of the nation and its people. As the leader of the only full-fledged conversion to an Islamic Bank, the President and CEO also serves as an ambassador and advocate of this strategic initiative for the Banking industry.

- The President and CEO of Faysal Bank stands as a central figure in propelling the organization towards a future marked by adherence to the fundamental principles and values of Shariah, sustainable growth, business and operational excellence, and stringent regulatory adherence. The position requires a forward-thinking luminary, poised to tackle emerging challenges, whilst steadfastly upholding the Bank's legacy of excellence and integrity.

Annual Evaluation of the Board of Directors

In line with the best practices of the corporate governance FBL's Board since 2012 has conducted self-evaluation exercise on an annual basis by engaging Pakistan Institute of Corporate Governance (PICG) as an external facilitator which is the lead on Corporate Governance and has a team of consultants to conduct Board evaluations for companies and banks.

SBP Guidelines on Performance Evaluation of Board of Directors were implemented in August 2016 and accordingly, the FBL's Board in compliance thereof has conducted its self-evaluation to comply the same.

The evaluation covered various aspects of the performance of the Board including but not limited to: Board's role, Committees' performance, Training, Strategy, Risk Management, and Board Meetings. The evaluation covered:

- The Board as a whole
- Individual Director (Independent, Non-Executive and CEO)
- Board Committees

The evaluation was carried out using quantitative method based on subjective assessment, and was conducted via questionnaires developed by the consultants in conformance with the State Bank of Pakistan's Guidelines on Performance Evaluation of Board of Directors. The quantitative technique has the advantage of being specific and measurable. Measurement scale used in FBL's board evaluation is the summated rating on a scale of 1-10 depending on how strongly they agree or disagree with a given statement. The use of this method ensures specific and measurable data that can be benchmarked over time.

Director's Orientation

As and when new Director is elected or appointed on the Board, the Company Secretariat provides an orientation pack consisting on below mention documents:

1. Minutes of Board of Directors Meeting during the one year
2. Minutes of Board Committees during the one year
3. Minutes of Annual General Meeting during the last three years
4. Memorandum and Articles of Association of the FBL
5. Terms of Reference of Board Committees
6. Code of Conduct of FBL
7. Banking Companies Ordinance, 1962
8. Prudential Regulations
9. Companies Act, 2017
10. Code of Corporate Governance 2019
11. Corporate Governance Regulatory Framework 2021
12. Rule Book of Pakistan Stock Exchange
13. Any other relevant document if required

If desired by the incoming Director, we also arrange meetings with the Group Heads.

At the start of every three years Board of Director terms, we conduct the Directors Orientation Workshop through Pakistan Institute of Corporate Governance (PICG).

The Bank arranged Directors Orientation Workshop for newly elected Board Members through PICG on September 27, 2023.

Director's Training

As of December 31, 2024 the Bank is compliant in respect of the Directors' Training Requirement as laid down in the Code of Corporate Governance.

Out of Ten (10) Directors, the following Nine (9) Directors are certified and have completed mandatory Directors Training Program:

1 Mian Muhammad Younis

2. Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery

3. Mr. Yousaf Hussain – President & CEO

4. Mr. Ali Munir

5. Mr. Juma Hasan Ali Abul

6. Mr. Abdulelah Ebrahim Mohamed AlQasimi

7. Ms. Fatima Asad Khan

8. Mr. Mohsin Tariq

9. Ms. Sadia Khan

Mr. Imtiaz Ahmed Pervez has attended the Directors' Training, however his final test is pending.

Additionally, the Bank also arranged the following Training for the Board of Directors during the year 2024:

1 Driving Environmental, Social and Governance (ESG) conducted by Pakistan Institute of Corporate Governance on April 25, 2024

2 Islamic Investment Areas i.e, SUKUKS Structure, it's model for GOP, Ijara, and other areas/opportunities for investment in Islamic Banking in Pakistan and at International level by Chairman Shariah Board of Faysal Bank Limited on October 24, 2024

Oversight over Internal Controls & Systems

The Internal Audit (IA) in Faysal Bank limited (FBL) is an independent, objective assurance and consulting services activity designed to add value and improve the Bank's internal control environment. It helps the bank to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

Human Resources

At Faysal Bank, we strongly believe that our employees are our greatest asset and are at the heart of our success. Our commitment to their growth, well-being, and engagement reflects our vision of creating a thriving, high-performance culture.

The Human Resource (HR) function at the Bank is structured into specialised units, each playing a vital role in supporting our strategic objectives. These units work both independently and collaboratively to ensure that our initiatives align with the Bank's broader goals. By focusing on areas such as recruitment, training, performance management, rewards, and employee well-being, HR helps drive the Bank's culture of excellence, ensuring to build an empowered team ready to meet the challenges of a rapidly evolving financial environment.

Our Culture

We are committed to fostering a culture that is not only **safe and inclusive** but also firmly aligned with **Shariah principles**. This ensures that every employee feels respected, valued, and guided by ethical and professional standards in their daily work.

- **Faith & Belief** guides us in upholding Islamic values across all aspects of our work, emphasising honesty, humility, and trust in Allah's plan.
- **Care** helps us create a compassionate and supportive environment by fostering empathy, active listening, and trust.
- **Integrity** is the foundation of our culture. We prioritise transparency, steer clear of misleading practices, and uphold accountability, fairness, and honesty in all our interactions.
- **Teamwor**k strengthens our believe in open, respectful communication and collaboration.
- **Innovation** enables us to foster a culture of creativity and idea-sharing.

Our values shape our actions, promoting a culture of excellence, respect, and continuous improvement. HR serves as the driving force behind this culture, grounded in the belief that greater staff engagement leads to superior business outcomes. Our employee engagement strategy is built upon three strategic pillars, each deeply rooted in our core values, to promote and sustain a culture of growth and success.



HR Advisory & Employee Engagement

Our HR Advisory serves as a key strategic partner in navigating the complex landscape of talent management. By focusing on critical areas such as employee retention, succession planning, strategic alignment with business goals, engagement, retention, and comprehensive career development programmes, we are building a workplace culture that not only attracts and retains top talent but also drives us toward sustained success and growth.

We understand that a strong workforce is essential for long-term achievement, and as such, our HR Advisory plays a vital role in shaping strategies that ensure the right talent is in place at every level of the Bank. Through proactive management of employee turnover and creating clear paths for career advancement, we are ensuring that our team members remain engaged, motivated, and committed to their roles. Additionally, our emphasis on succession planning ensures that we are continuously preparing future leaders to take on critical positions, contributing to the long-term success and sustainability of the Bank.

Business Strategy - Design and Implementation:

In close partnership with the businesses, our HR advisory team has successfully translated organisational objectives into practical HR initiatives. This alignment ensures that our workforce is not only equipped with the necessary skills and expertise but also positioned to play a pivotal role in driving the Bank's success.

By integrating HR strategies with our broader goals, we ensure that every element of talent management—from recruitment to employee development—is directly aligned with business objectives. Our HR initiatives are designed to enhance the skills, capabilities, and performance of our employees, empowering them to make meaningful contributions to the Bank's growth and long-term vision.

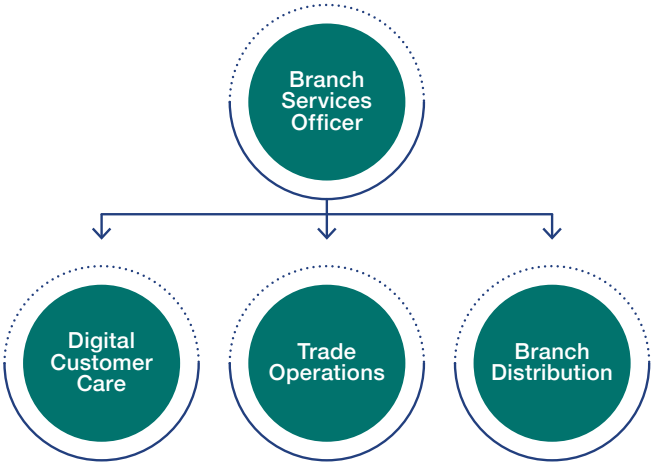
Career Development Programmes:

To empower our employees in shaping their career trajectories, we have launched a range of comprehensive career development programmes. These initiatives include skill-building workshops, mentorship opportunities, and a wealth of educational resources designed to support continuous growth. In 2024, we proudly promoted 1,920 employees as part of our commitment to fostering career advancement. By investing in the professional development of our team, we not only support their personal growth but also strengthen the capabilities critical to the Bank's ongoing success.

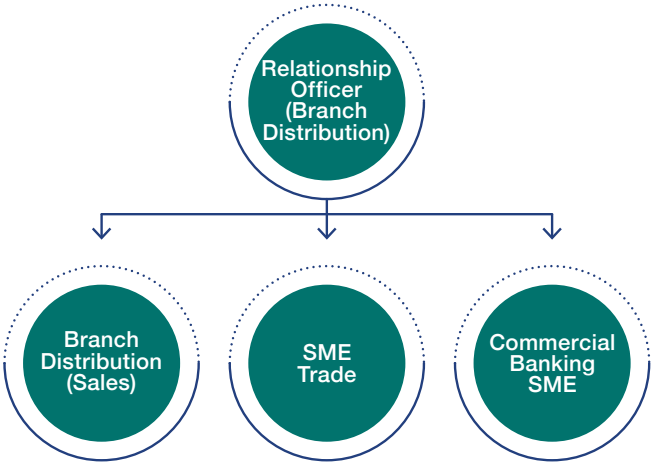
To further enhance career progression, we offer cross-functional pathways, providing employees with the opportunity to diversify their skills and explore new roles within the Bank. A few examples of these pathways include:

Branch Operations:

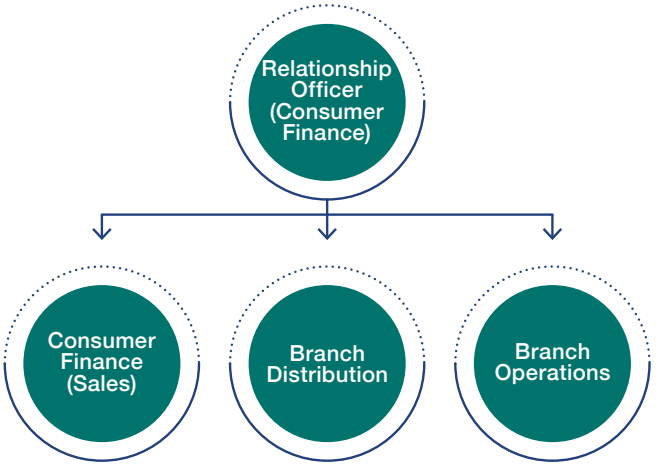




Branch Distribution:



Consumer Finance (CF):



Retention Strategies:

Our HR Advisory team has played a crucial role in developing and executing effective attrition control strategies. By conducting thorough analyses and engaging with employees through various activities, we have identified key factors contributing to attrition and implemented targeted interventions to address these challenges. As a result of these focused efforts, we have been able to achieve lower than industry voluntary attrition rate over the years .

Employee Engagement:

At the Bank, creating a positive and transparent work environment is a central focus of our Human Resources strategy. We recognize our employees as vital stakeholders and are dedicated to cultivating an environment where they feel empowered to express themselves openly and contribute to our growth. To ensure continuous improvement and assess the strength of our culture, we regularly evaluate employee engagement through an independent survivor, providing ample opportunities for our staff to share their feedback and insights.

Following are few initiates conducted during 2024

Building High-Performance Teams: Ittehad Summit:

As part of our continued commitment to fostering a high-performance culture, the HR Function successfully launched "Ittehad Summits" across multiple regions of Pakistan. This strategically designed programme focused on cultivating highly synergised and unified teams among our Branch network. The Summits were hosted in key cities, including Quetta, Hyderabad, Sukkur, Bahawalpur, Lahore, Rawalpindi, Abbottabad, and Gujranwala, creating an engaging platform for employees from diverse locations to come together and collaborate.

The 'Ittehad Summit' is a powerful reflection of our core values and our commitment to excellence. Anchored by the slogan (اتحاد سے منزل تک), the Summit underscored the vital role of unity, collaboration, and collective achievement in driving the Bank's success. The positive impact on our corporate culture has been remarkable, and we are excited to continue these transformative sessions in 2025.

Value in play: Teamwork, Faith & Belief











Back to School Donation Drive:
We believe that all school children should have access to school essentials. In light of our strong commitment and desire to give back to the community, a donation drive was organised from August 1, 2024 for one week in Karachi, Lahore, Islamabad & Multan region in collaboration with Indus kai Sitaray.

The donation that was collected through Back-to-School drives pan Pakistan at our branches and regional offices. Donations were made to Indus Kai Sitaray, a noble initiative under the Indus Hospital & Health Network (IHHN).

Value in play: Care





Giving Back to the Community: *Faysal Bank Limited's Blood Drive Initiative*
As part of our ongoing commitment to corporate social responsibility (CSR), the Bank had the privilege of organising blood drives across key cities, including Karachi, Lahore, and Islamabad. This heartfelt initiative underscored our core values of care, compassion, and community well-being. In collaboration with reputable hospitals and Thalassemia centers, we ensured that our efforts directly benefited those in urgent need of blood, making a tangible and meaningful impact on countless lives.

The Blood Drive initiative not only highlighted our dedication to giving back to the community, but also inspired a strong sense of social responsibility among our employees. It served as a powerful reminder of the difference we can make when we come together for a greater cause. We take immense pride in the positive difference we have made and are committed to continuing these initiatives in the future.

Value in play: Care





Cricket Tournament: *Embodying Core Values through Sportsmanship*

Following the overwhelming success of last year's event, the Bank took the 'Cricket Champions League' to new heights, expanding it across different regions. This exciting initiative was designed to ignite teamwork and camaraderie amongst our employees, while celebrating the essence of our core values. Teams were formed across various departments, each creatively named after one of our core values, turning the tournament into a vibrant celebration of collaboration, competition, and excellence. More than just a sporting event, it became a platform to reawaken and embody these values in a dynamic, spirited environment, engaging both new and seasoned staff. The Champions League was not just about cricket—it was about fostering a unified culture of shared purpose and unwavering commitment to our Bank's ideals.

Values in play: Faith & Belief and Teamwork





Go Karting: *Embodying Team Building and Stress Management*

As part of our ongoing commitment to providing unique and engaging experiences for our staff, the Bank organised an exclusive Omni Go-Karting event in Lahore this year. This carefully curated event was designed to offer an exciting break from the daily routine while serving as a valuable team-building opportunity. It allowed staff members to step outside the workplace, unwind, and engage in friendly competition on the track. The event not only provided a thrilling experience but also fostered collaboration, strengthened interpersonal connections, and reinforced the spirit of teamwork within the Bank. It was an ideal blend of professional development and recreation, contributing to a more cohesive and motivated workforce.

Values in play: Faith & Belief and Teamwork



Integrative Physical & Emotional Health

A comprehensive training programme, held in Islamabad, was designed to raise awareness about the importance of detoxifying from the various factors that influence our daily lives, including dietary habits, exercise routines, stress management, and sleep patterns. By incorporating evidence-based practices and promoting positive behavioral changes, the session equipped participants with practical tools to enhance their overall well-being. Delivered as an engaging, interactive workshop, the event featured insightful presentations, dynamic group discussions, and hands-on demonstrations, ensuring a highly interactive experience that fostered meaningful learning and personal growth.

Values in play: Care and Teamwork

Empowering Women through Sports: *Faisalabad Women's Throwball Tournament*

A cross-functional "Throwball Tournament" for females was organised in Faisalabad, aiming to promote teamwork and collaboration across different departments. We strongly believe that employee engagement activities like these offer a valuable opportunity for staff members to interact outside of their usual work settings. Such initiatives help strengthen relationships, improve communication, and foster a sense of unity among colleagues from diverse functions. By encouraging participation in sports and team-building events, we create an environment where employees can connect, collaborate, and enhance their overall work dynamics, ultimately contributing to a more cohesive and engaged workforce.

Values in play: Care



Celebrating Team Spirit and Culture: *Mango Fiesta Event*

To infuse the workplace with joy and create a festive atmosphere, we celebrated the mango season by hosting a Mango Party in August for the Consumer Finance and Risk staff. This vibrant, fun-filled event was designed to boost morale and foster stronger connections among employees. By coming together to enjoy this seasonal treat, we not only created a lighthearted and enjoyable environment but also provided an opportunity for staff to engage in a relaxed, friendly setting. The event helped strengthen team bonds, enhance collaboration, and contribute to a positive, inclusive workplace culture.

Values in play: Care and Teamwork



Children's Day Celebration

The Bank marked Children's Day by offering a special opportunity for employees to connect with their children in a meaningful and memorable way. The event provided children with the chance to interact with our management team, creating a truly unique experience. The celebration focused on bringing Islamic stories to life through fun, interactive methods that were designed to inspire, educate, and captivate the children's imaginations. It was an event that not only strengthened bonds within families but also fostered an environment where learning and enjoyment flourished together.

Values in play: Care



Team Building Activities – Breaking Silos

This event, organised for the female staff of Digital Customer Care, was a challenging and dynamic exercise aimed at fostering unity and collaboration. It provided participants with valuable opportunities to connect on a deeper level, strengthening relationships and breaking down silos within the team.

Values in play: Care, Teamwork



Performance Management: *Aligning Compensation with Excellence*

Our reward strategy is grounded in the 'pay for performance' philosophy. To support this approach, we have developed a comprehensive Remuneration Policy that is carefully aligned with the regulations and guidelines established by the State Bank of Pakistan.

Spot Rewards

To foster a culture of immediate recognition and appreciation, the Bank has a' Spot Rewards' policy in place. This initiative empowers us to acknowledge and reward our employees' for their outstanding achievements, promptly. It offers a dynamic platform to celebrate exceptional performance on a 'one-off' basis, ensuring that noteworthy contributions are recognised without delaying the annual performance review cycle.

CEO's Club

The 'CEO's Club' is a prestigious recognition programme at the Bank, exclusively designed to honor employees who achieve a '5' (highest) rating in their annual appraisals. Membership in this elite club is a testament to the recognition of highest performance levels and is valid for one year up until the next performance appraisal cycle. This programme recognises exceptional achievements and inspires continual excellence among our staff.





Talent Management: *Acquisition to Development*

Talent Acquisition:

Talent Acquisition has played a pivotal role in driving the Bank's strategic growth and ensuring its continued success by attracting top-tier talent that aligns with our core values and long-term objectives. This year, the team leveraged innovative recruitment strategies and utilised various platforms to enhance both the efficiency and quality of the hiring process, further cementing its contribution to the Bank's operational success and future growth.

A key focus for the Talent Acquisition team in 2024 was the execution of targeted diversity and inclusion hiring programmes. These initiatives were designed to foster a more diverse and equitable workforce while ensuring that recruitment efforts reached a broad spectrum of talent. The team has made significant progress in gender diversity, with female hires representing 21.82% of the total hires. In addition to this, we are proud to announce that we have successfully onboarded 18 talented individuals from our **Qabil Internship Programme**. Through this initiative, we aim to create a more diverse, inclusive, and supportive workplace where every individual, regardless of ability, has the opportunity to thrive and succeed. This achievement reflects the Bank's continued commitment to creating a more inclusive and diverse workplace, aligning with its strategic diversity goals. Additionally, campus outreach campaigns were intensified, with the team visiting prominent universities such as LUMS, NED University, SZABIST, IBA, IoBM, and Iqra University, among others, to engage with emerging talent at career fairs. These university visits were an integral part of the recruitment strategy, helping the Bank tap into a wide pool of potential candidates from various academic backgrounds.

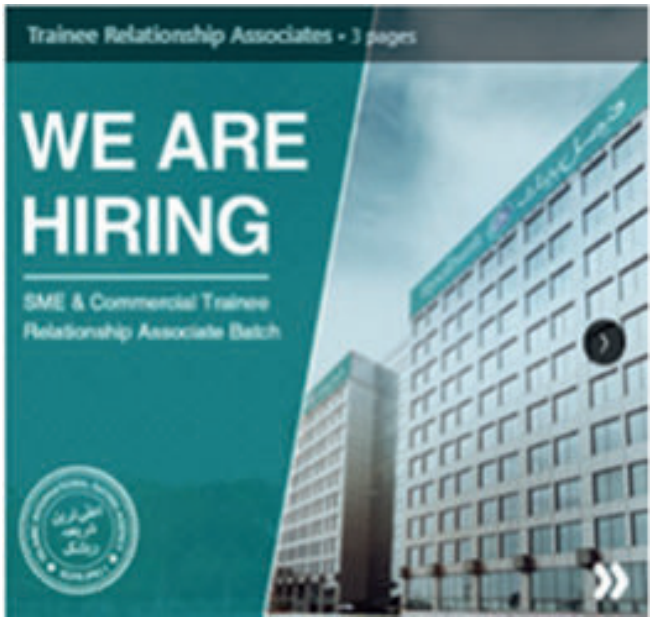
The recruitment efforts also included hiring for a variety of roles across different levels, from entry-level positions to specialised and leadership roles. Specific batches recruited included Trainee Branch Services Officers, Service Ambassadors, Trade and SME specialists, among others. However, one of the most notable accomplishments was the successful onboarding of the Management Trainee batch, launched under the **Faysal Islami AGHAAZ – Management Trainee Programme**. This milestone is significant, as the MTO programme plays a crucial role in identifying and nurturing our future leaders, ensuring a steady flow of talent ready to step into management positions.

In addition to recruitment, the Talent Acquisition team placed a strong emphasis on building and strengthening the Bank's employer branding. By ensuring a positive and seamless candidate on-boarding experience throughout the hiring process, the team attracted and retained top talent who resonate with our values and vision. This approach has resulted in a steady pipeline of skilled professionals, well-equipped to support the Bank's operational excellence and its readiness for future growth.

Through its focus on innovation, diversity, and a commitment to the candidate experience, the Talent Acquisition function has not only filled critical positions but has also contributed significantly to the Bank's ongoing transformation and its ability to adapt to a rapidly evolving financial landscape. This strong foundation will continue to support our strategic goals and ensure that it remains competitive and well-positioned for future success.









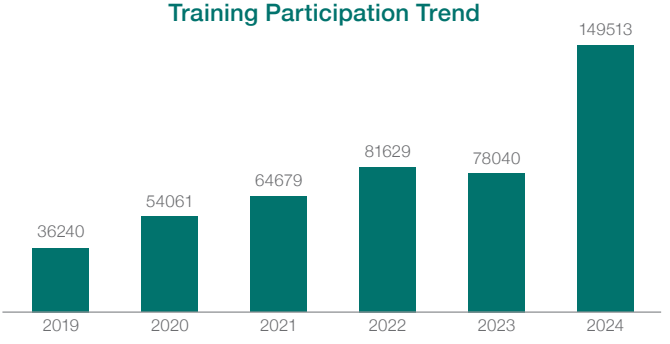
Learning and Organisational Development (L&OD) at Faysal Bank: A Catalyst for Growth in 2024

As we grow and transform, the Learning and Organisational Development (L&OD) function plays a central role in equipping employees with the skills, knowledge, and mindset to navigate the evolving financial landscape. In 2024, L&OD at the Bank continued to build on its strong foundation, fostering a culture of continuous learning, innovation, and inclusivity while strategically aligning with our business goals.

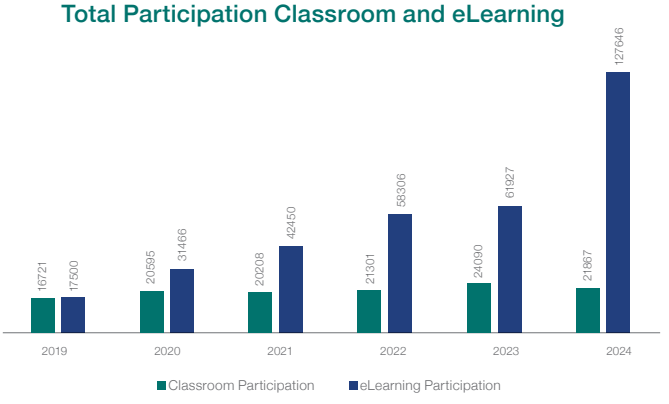
Learning and Development offers a diverse range of learning formats to foster comprehensive development, including classroom training, e-learning, blended learning programmes, on-the-job training, coaching, and mentoring initiatives. These approaches ensure holistic learning opportunities for our staff.

This year, leveraging our new app-based Learning Management System (LMS), **Faysal eCademy**, we trained over 100,000 participants—a remarkable increase compared to last year. The LMS has significantly enhanced accessibility and convenience, enabling a more than 40% increase in our training outreach this year.

Training Participation Trend



Total Participation Classroom and eLearning



Overall our learning strategy focuses on enhancing professional expertise, fostering leadership development, and promoting a culture of continuous improvement to empower employees and drive organisational success. We have divided our learning offerings into six key pillars, closely aligned with the Bank's strategic business objectives. This year, a new pillar on digital literacy and machine learning has been introduced to address emerging technological trends and capabilities



Islamic Skill Development. A strategic business objective to enhance Islamic banking expertise through a comprehensive training programme to bridge the knowledge gap in Islamic finance and ensure participants are well-versed in Sharia-compliant banking principles and practices. Through collaborations with esteemed institutions like **IBA-CIEF and the National Institute of Banking & Finance**, we provide comprehensive certifications to enhance our employees' understanding of Islamic finance. Over 3700 employees attended the in-class Islamic refresher programmes and certifications demonstrating our commitment to mastery of Islamic banking services.

Role-Based & Regulatory Trainings at the Bank aim to equip employees with a comprehensive understanding of regulatory requirements relevant to their specific roles and the overall industry standards. The signature **Jumpstart Induction Program** remained a cornerstone of our onboarding strategy, complemented by e-learning modules offering 24/7 accessibility where more than 2000 new hires were trained this year. In 2024, significant progress was made in equipping staff with the knowledge and skills required to deliver exceptional customer service. Signature organisational development initiatives such as the Emerging Branch Service Manager Programme was also launched this year where 200 BSOs across the country are now part of a trained pool to become Branch Service Managers. Such programmes provide clear career pathways for front-line staff, fostering both functional expertise and leadership development.

Batch hiring and training are pivotal to our strategy, ensuring a robust talent pipeline for the Bank. This year, we successfully re-launched the **Management Trainee Programme – Faysal Aghaaz**, to meet strategic talent needs, with 20 Management Trainees joining the team. This initiative underscores our commitment to nurturing future leaders for middle and senior management roles while offering graduates an exciting opportunity in a stable, fast-growing industry. Additionally, the **Trainee Branch Service Ambassador Programme** was strategically enhanced to align with and support the Bank's service agenda.



Sales & Service Transformation aims to revolutionise the sales and service operations within FBL through strategic transformation initiatives. The programme aims to elevate customer satisfaction, streamline processes, and boost sales performance by integrating advanced technologies, innovative strategies, and customer-centric approaches. **Faysal Bank Sales Leadership Academy** for branch distribution team was launched this year to support the way of life in branch network and has been the corner stone in transforming the sales leadership of the branch network. More than 500 branch managers attended the programme and adopted this as a way of life. Initiatives like **Serving with Joy** and **Elevating Customer Care** brought teams together to foster collaboration and break silos where about 2000 front line employees attended the service culture programme. Initiatives like the *Kaun Banega Service Champion* competition celebrated talent and product knowledge, reflecting our dedication to fostering a culture of continuous improvement.







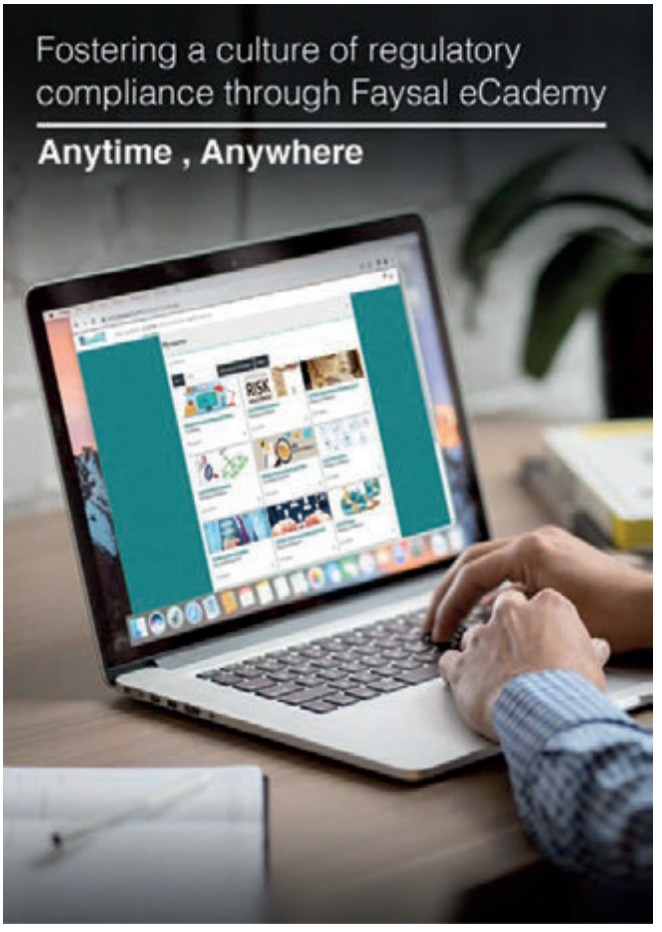
Managerial and leadership development focuses on cultivating high-performing managerial and leadership capabilities among potential and current managers. The programme focuses on enhancing strategic thinking, decision-making, and team leadership. Programmes like the **Faysal Bank LUMS Leadership Programme (FLDP)** equipped middle and senior managers with skills to navigate dynamic challenges, while the **Manager Development Boot Camp (MDBC)** honed the capabilities of supervisors. Other signature programmes like **Leadership Stalwarts** (Competency Based Leadership Development Programme) and collaborations with institutions like South East Asia Leadership Academy (SEALA) reflected our focus on leadership development, ensuring our leaders are prepared to guide the Bank towards sustained growth.

DEI & Culture trainings focuses on our strategic objective to build an inclusive and diversified working environment, our focus is on educating and equipping our employees with the knowledge and skills needed to embrace diversity, foster inclusivity, and cultivate a sense of belonging for all. Platforms like the **Amal Women Leadership Mentoring Programme** supported the career progression of high-potential women employees, with structured mentoring and career monitoring to ensure impactful outcomes. **Mindfulness workshops, motivational speaking sessions, and engagement activities** created a culture of well-being and inclusivity, while initiatives like the **Ittehad Summit** emphasized teamwork and collaboration across business and operations teams.

Digital Literacy, AI & Machine Learning has been introduced as a new learning pillar in the Bank to focus on advancing digital literacy, artificial intelligence (AI), and machine learning competencies to nurture a forward-thinking and dynamic workforce.

Digitalisation of the Learning at Faysal Bank:
E- Academy:

Deploying the Moodle Learning Management System (LMS) — named as **Faysal eCademy** — at the Bank has significantly transformed how employees' access and engage with learning resources. Unlike the previously used system, Moodle's cloud-based platform enables employees to access training materials anytime, anywhere through both its mobile application and browser interface. Furthermore, Moodle's user-friendly interface, customisable features, and robust tracking capabilities empower the Bank to efficiently deliver, manage, and monitor training programmes, fostering a culture of continuous learning and professional growth. With advanced learning technologies such as interactive content, online assessments, and gamified e-courses, the effectiveness and impact of digital learning at the Bank have increased significantly.



The use of Faysal eCademy for the **Blended Jumpstart** Programme for new hires has proven highly effective in delivering courses to new employees in a structured and engaging manner. As a versatile LMS, Moodle seamlessly integrates both online and offline learning components, ensuring a smooth and efficient onboarding experience. New hires now benefit from accessing structured learning modules, interactive content, quizzes, and essential resources at their convenience through Moodle's mobile app or browser. This flexibility accelerates the onboarding process, ensuring employees transition smoothly into their roles while centralising and streamlining training delivery. Consequently, the platform ensures consistency in learning outcomes while reducing administrative overhead.



Faysal eCademy also offers extensive advantages in managing classroom learning services and enhancing the overall training experience. The platform has enabled the learning managers to efficiently schedule, organise, and track classroom-based sessions while ensuring participants come prepared with pre-class materials. Classroom Learning Team has supplemented the in-person sessions with online activities, assignments, and assessments, creating a cohesive blended learning environment. Furthermore, the system supports the Bank's commitment to environmental sustainability by promoting a paperless approach in alignment with its accelerated ESG vision.

By leveraging Faysal eCademy, the Bank can now monitor learner progress and evaluate course effectiveness in real-time. Learning is now consistent, scalable, and engaging that also aligns with our staff development goals.

Workplace Integration & Benefits:
We believe in contributing to our staffs' better lifestyle. For this reason, HR has formulated following policies to provide monetary benefits to staff:

Policy Development and Implementation:
The unit is instrumental in the development and implementation of comprehensive HR policies that serve as a guiding framework for all employees. We aim to ensure that these policies are in-line with the industry's best practices by constantly keeping in touch with regulatory requirements as well as the evolving employee needs.

At Faysal Bank, we place the utmost importance on the health, job satisfaction, and work-life balance of our employees. To further support their well-being, we have introduced significant updates to our HR policies this year. These changes reflect our continuous commitment to creating a workplace where employees feel valued, supported, and empowered to succeed both personally and professionally. By implementing these updates, we are reaffirming our dedication to the care and satisfaction of our staff, while fostering an environment that prioritises their overall happiness and work-life balance. Some of our policies are detailed as under:

New Flexible Benefit: Bank Provided Cars
We firmly believe that the path to success is built upon the well-being and satisfaction of our employees. As our most valuable asset, we are always exploring innovative ways to demonstrate our commitment to their growth and happiness. By offering flexible, dynamic, and premium benefits, we strive to position the Bank as the "Employer of Choice" in the industry.

In line with our ongoing dedication to enhancing employee welfare, we are excited to introduce a significant new benefit that empowers our team. As part of our continuous efforts to support our employees' professional and personal needs, we introduced "Bank-Provided Cars" for employees in RVP to EVP grades. This initiative underscored our commitment to providing a range of benefits that enhance the work-life balance and convenience of our valued staff members.



Education Subsidy for Children:
The Bank understands the vital role education plays in shaping the future of our employees' children. To support our staff in managing their children's educational expenses, we have implemented a policy that ensures the quarterly payment of educational fees. In response to the rising cost of living and the growing impact of inflation, we have recently doubled the subsidy amount to help ease the financial burden on our employees. This year, approximately 1,600 employees have benefited from this initiative, underscoring our commitment to the well-being of our employees and their families. By investing in their futures, we aim to foster a supportive, caring environment that extends beyond the workplace.

Staff Personal Finance – Enhanced limits:
To better support employees during emergencies or significant life events, the Bank has increased the entitlement for Islamic Personal Finance. This enhanced benefit offers greater financial flexibility for situations like medical emergencies, family responsibilities, or major life changes, ensuring employees have access to necessary resources without added stress. By expanding this benefit, we aim to provide greater security and ease, reinforcing our commitment to the financial well-being and stability of our staff during challenging times.

Enhanced Limits for Staff Auto Finance:
To better support our employees' transportation needs and improve their overall quality of life, the Bank has implemented significant updates to the staff auto finance policy for employees in grades OG III to AVP. These changes are aimed at offering greater financial assistance and flexibility, making it easier for staff to acquire vehicles and enjoy the convenience and reliability of dependable transportation.

Hospitalisation Takaful:
The Bank is deeply committed to ensuring the well-being of its employees and their families by providing enhanced healthcare benefits. In line with this commitment, the management has raised the age limit for unmarried dependent male children to 25 years, extending coverage to support their health needs for a longer period. Furthermore, female children will now be covered under the healthcare plan until marriage. These improvements reflect our ongoing dedication to the welfare of our employees and their families, ensuring they have access to comprehensive healthcare support when they need it most

Education Assistance Programme:
We are committed to the continuous professional growth and development of our employees. We actively encourage our full-time, confirmed staff to pursue further education while balancing their careers with us. To support this, we offer a reimbursement programme for course and examination fees for part-time evening courses at accredited local universities, business schools, and institutes. This initiative highlights our

dedication to fostering lifelong learning, empowering our employees to enhance their skills and advance in their careers, while strengthening our talent pool for the future.

Childcare Allowance:

Faysal Bank provides a monthly childcare allowance as part of our continued efforts to support our female workforce, particularly working mothers. This allowance helps cover daycare expenses for their children. In 2024, this initiative benefited 200 of our female employees, underscoring our commitment to fostering an inclusive and supportive work environment, especially for women at the bank.



Staff House Finance - Step-up facility:

In our commitment to providing unparalleled financial solutions to staff, we have designed a House Finance Policy that not only meets but exceeds industry standards with its unique features of **One-Year Repayment Holiday**. Providing homeowners with the flexibility to defer house finance allows individuals and families to settle into their new homes without the immediate burden of mortgage payments. Moreover, our commitment to provide long-term financial well-being extends beyond the first year. From the second year onward, our employees benefit from **subsidised repayments** that are tailored to make homeownership more affordable and sustainable.



Hajj Offering:

The Bank annually awards Hajj packages to its employees, continuing our tradition of spiritual support. This year, as in previous years, we are honoured to have sponsored 10 fortunate employees including 1 PWD to undertake this blessed journey, reflecting our commitment to the holistic well-being of our team. In recognition of the unique needs and considerations of our employees with disabilities, we have extended this offer also to their caregivers.



Health Benefits:

We are concerned about the welfare of our employees as well as their family members. For this, the Bank has the following health care policies that cover our employees and well as their family members:

- Group Life Takaful
- Pay continuation to deceased staff's family for 2 years
- Group Hospitalisation Takaful
- Mammography for female staff
- Executive Check-ups

Leave Policies:

- The Bank is committed to providing work-life balance in all aspects. The principal intent of the Leave policy is to provide employees time off for recovery, relaxation, and recreation purposes. The Bank is providing leaves to its employees in the following categories:
- Annual Leaves: To provide a reasonable break from work for a healthy work-life balance.
- Casual Leaves: To meet any emergency need.
- Sick Leaves: To support in case of any medical exigencies.
- Hospitalisation Leaves: Staff is entitled over and above of their sick leave to avail hospitalisation leave, in case of any medical emergency/hospitalisation.
- Maternity Leaves: Maternity Leave are granted to a female employee for a period of 90 (Ninety) calendar days, with full pay.
- Iddat Leaves: To facilitate employees w.r.t an unforeseen incident, "Iddat Leave" is available.
- Pilgrimage Leaves: On account of performing Hajj for Muslims and respective "holy places" for staff practicing other religions.



Digital HR

At the Bank, we are continuously integrating cutting-edge technology with our HR processes to provide employees with a seamless, agile platform for all their HR needs. This on-the-go solution ensures that our staff can access essential HR services anytime, anywhere, empowering them to manage their tasks efficiently and with ease.

HR Connect:

The Bank is committed to driving innovation and operational excellence by taking a strategic step toward enhancing our service offerings through the implementation of HR Connect, our cutting-edge HR software. This advanced platform has not only streamlined internal processes but has also significantly elevated the overall service experience for our employees.

HR Connect empowers employees to efficiently manage their HR-related activities with ease and autonomy. From accessing salary details and taxation information to updating personal profiles, employee confirmation, submitting leave requests, applying for internal job postings, processing transfers, claiming reimbursements, applying for financing, opting for Bank provided car facility, and managing resignations, the software provides a centralised, user-friendly platform for all HR functions. By reducing turnaround times and offering a transparent, real-time workflow, HR Connect ensures a seamless and responsive experience, allowing employees to track the status of their requests with clarity. This system covers the entire employee lifecycle, from onboarding to final settlement, reflecting our commitment to supporting our team at every stage of their journey with Faysal Bank.

HR Operations & Employee Relations:

The HR Function at Faysal Bank is supported by a dedicated Operational Risk Unit, responsible for overseeing day-to-day risk mitigation activities in accordance with regulatory requirements and the Bank's internal Standard Operating Procedures (SOPs). This unit plays a critical role in ensuring operational compliance and minimising risk. Furthermore, it actively contributes to the development of staff policies, drawing on industry best practices to ensure that Faysal Bank remains aligned with evolving market dynamics. Through these efforts, the unit helps position the Bank as an employer of choice, fostering a work environment that attracts and retains top talent

Operational Risk:

Our HR Operational Risk and Policies Unit is equipped with a comprehensive risk management framework, meticulously designed to identify, assess, and mitigate potential risks within human resources operations. This proactive approach ensures that our HR processes are fully aligned with industry best practices, regulatory requirements, and the Bank's internal policies. By fostering a strong culture of compliance and accountability, the unit plays a crucial role in maintaining operational integrity and safeguarding the Bank's interests.

HR Service Desk:

Our 'HR Service Desk' acts as a centralised hub of support, offering a comprehensive range of services designed to address employee queries, resolve concerns, and streamline communication between staff and the HR department. Whether it's answering questions about policies, assisting with benefits, or providing guidance on HR-related matters, our HR Service Desk ensures that employees receive timely, accurate, and efficient assistance.

This initiative is a cornerstone of our commitment to creating an exceptional employee experience, offering personalised support that fosters trust and transparency. By providing easy access to HR services and acting as a direct link between our employees and HR, the Service Desk enhances operational efficiency and reinforces our dedication to the well-being of our staff. Ultimately, it reflects our broader mission to cultivate a supportive, responsive, and engaging work environment where every employee feels valued and empowered



Employee Relations:

Our unwavering commitment to fostering workplace excellence is reflected in our comprehensive Employee Relations strategy, which is built on the principles of fairness, transparency, and continuous improvement. Over the past year, this approach has been instrumental in aligning with our CODE & Values, ensuring that every employee experiences fairness, ethical development, ongoing learning, and actively contributes to our collective success. Rather than focusing solely on punitive actions, our strategy serves as a catalyst for professional growth, demonstrating our dedication to the well-being of our team. In addition, our diverse range of employee enrichment initiatives, including professional development workshops, highlights our commitment to nurturing a positive workplace culture. By emphasising open communication, learning, and holistic well-being, we strive to create an environment where every employee can thrive, driving our organisation towards sustained excellence underpinned by strong ethical principles.

For Diversity, Equity & Inclusion (DEI) refer to Section 4, Sustainability Reporting and Corporate Social Responsibility (CSR) page 69

Disclosure Relating to Remuneration Policy

Purpose And Scope

The Bank has developed a fair, objective, transparent and sound Remuneration Policy that is aligned with risks and responsibilities of Financial Intermediation.

The scope of Remuneration Policy covers all employees across the Bank who are materially responsible for risk taking or risk controlling activities.

Objectives

Following are the main objectives of Remuneration Policy:

- To promote and be consistent with sound and effective risk management and not encourage risk-taking that exceeds the risk thresholds of the Bank.
- To ensure that the remuneration practice is in line with the Bank's objectives, taking into consideration all major risks that the Bank may face, and promotes and supports long-term sustainable performance.
- To align remuneration with risk appetite and with the conduct expectations of the Bank, regulators and stakeholders; and
- To attract, retain and motivate highly qualified employees, but also reward those who promote corporate values with incentives correlated to the long-term value generation.

Governance Framework

The Bank's Governance Framework with respect to the aforementioned Guidelines, aims at guaranteeing an appropriate control on remuneration practices, ensuring that decisions are taken with sufficient independence and in an informed way, by such authorities and functions, to which different responsibilities are delegated.

The Board of Directors (BOD) reviews, approves and monitors implementation of the Bank-wide remuneration policy, based on the recommendations of Recruitment, Nomination and Remuneration Committee (RNRC). In addition, the BOD through RNRC, shall review remuneration structure including composition of fixed and variable remuneration of President & CEO, Chief Operating Officer (COO) and Senior Management (excluding Head Internal Audit). Whereas BOD through Board Audit & Corporate Governance Committee (BACGC) reviews Head Internal Audit's remuneration structure including composition of fixed and variable remuneration.

The RNRC oversees the Bank's remuneration program along with its other approved Terms of Reference. One of its key responsibilities is to approve the list of employees identified as MRTs and MRCs, in accordance with the specified criteria.

The President & CEO provides support to HR in the development and implementation of Remuneration policy amid review and recommend compensation structures of the Senior Management Team and approve structures for other MRTs/MRCs. The President & CEO also reviews and recommends to RNRC, malus application for withholding deferred compensation of MRTs/MRCs (including Senior Management), in case of any event resulting in loss to the Bank that is directly attributable to the respective MRT/MRC.

The Business groups and support functions provide adequate support to HR in implementation of this policy.

HR bears primary responsibility for the development, dissemination, coordination and consistent application of the Remuneration policy. Some of its key responsibilities include; Determination of compensation structures, deferrals percentages and periods for all MRTs and MRCs; and Finalization of the deferral pool mechanism through an established Fund and ensuring close coordination with the Trustees of Fund, for deferral compensation management.

MRT/MRC Inclusion Criteria

The inclusion criteria have been developed in accordance with the Guidelines and applicable best practices, and comprise of two sections, namely, the Qualitative and Quantitative MRT/MRC criteria.

Qualitative Inclusion Criteria

The following qualitative criteria has been applied for identification of MRTs and MRCs:

- President & CEO and COO;
- Heads of critical functions responsible for managing business amid risks and controls; and
- Members of the Senior Management;
- CEO of Faysal Asset Management Limited (a subsidiary of FBL).
- Members of critical Management Committees;

Quantitative Inclusion Criteria

The Bank has carried out detailed assessment of individuals subjecting the Bank to significant risks. The materiality of significant risks has been determined through the quantitative criteria for each major risk type i.e., i) Credit Risk; ii) Market Risk; iii) Operational Risk; iv) Liquidity Risk; and v) Financial Expenditure Approval Authority.

Annual MRT/ MRC Assessments

HR conducts risk assessments for identification of MRTs and MRCs as per the quantitative and qualitative criteria and present to the President & CEO for review and recommending to the BACGC/RNRC for onward submission to BOD for approval.

Compensation Structure

The Bank offers a compensation structure with a balanced mix of fixed and variable elements, in order to encourage behaviors focused on the achievement of long-term sustainable results, as detailed below: -

Fixed Remuneration

Fixed remuneration comprises of base salary (including annual increment therein) and role-based fixed allowances, if applicable. Fixed remuneration shall not vary with performance and is payable, in accordance with HR Policies.

Variable Performance Based Remuneration Variable remuneration takes into account Bank's performance, Group's performance, business unit/ product's performance and individual's performance. Underachievement of financial performance, taking excessive or undue risks, customer experience, audit/internal controls/compliance issues etc. are generally considered for determining risk-adjusted variable remuneration.

Other Benefits

Other benefits are awarded on the basis of individual employment contracts and local market practices. These may include staff financing, expense allowances/ reimbursements, life takaful, medical care and relocation allowances etc. These benefits shall not be subject to deferment requirements for MRTs and MRCs.

Performance Measurement of MRTs And MRCs

Performance management is a core people management process at FBL which aligns individual performance objectives with the Bank's strategy and priorities, to achieve sustainable and successful performance. Significant points of Performance Management are given below: -

Risk-adjusted Balanced Scorecards for Performance Evaluation of MRTs/ MRCs FBL has developed risk-adjusted balanced scorecards for all MRTs and MRCs for their performance measurement, which ensures establishing a correlation between and alignment of risks and rewards. These risk-adjusted balanced scorecards are prepared at individual levels, incorporating various financial, non-financial/ qualitative and risk-adjusting factors.

The performance measurement through risk-adjusted balanced scorecards is also subject to application of an overriding/adjusting factor by the relevant scoring authorities/ assessors to account for any circumstances not in control of the individual MRT/MRC whose performance is being assessed.

Further, the assessor may also consider reducing, or zero rising the variable compensation of the individual MRT/MRC, in case the individual does not achieve reasonable minimum/hurdle score in any of the critical factor, category or on an overall basis. In addition to reducing or zero rising variable compensation, disciplinary action may also be initiated in case of significant adverse performance against any risk adjusting factor.

Deferral Mechanism

A certain portion of variable compensation of the MRTs and MRCs is subject to mandatory deferrals for a defined period, thus creating alignment between the employees' and stakeholders' interests and reinforcing that compensation is appropriately linked to longer-term sustainable performance.

Deferral Period & Percentages

The deferred amount is withheld for a defined period whereas remaining portion of the variable compensation is paid upfront to the MRT/MRC. The deferred remuneration vests proportionately over the deferral period following the year of variable remuneration award. The deferred portion of the variable remuneration along with the interest accrued shall be paid to the MRT/ MRC on vesting, proportionally through yearly installments, during the deferred period in case no malus triggers are applicable. In case of malus and where accountability has been determined, the entire or certain portion of the deferred remuneration is withheld and not paid to the MRT/MRC on it becoming due.

Settlement of Deferred Remuneration

As mentioned above, the amount withheld shall be paid proportionately during the deferral period, even if that individual is no more an employee of the Bank. The Bank continues to make payment of the deferred amount proportionately for the remaining deferral period, regardless of whether the employee has resigned, or has been retired or terminated, except in case of malus. However, the entire deferred remuneration shall be paid immediately in the event of death.

Shariah Board Members' Remuneration

The services of Shariah Board members have been acquired on fixed period contract basis. They are provided a fixed remuneration comprising of monthly honorarium and allowances/other benefits along with award of Bonus based on their performance, as per their respective contracts. The Other Benefits may include expense allowances / reimbursements, medical care, life takaful, etc.

Policy for Security Clearance of Foreign Directors

Foreign Directors elected on the Board of Bank requires security clearance from Ministry of Interior through SECP. All legal formalities and requirements have been met in this regard.

Governance Practices Exceeding Legal Requirements

FBL respects the country's laws and ensures meticulous compliance of applicable laws, rules & regulations. We have successfully adapted our practices to reflect the changing standards of evolving governance regulations. We are committed to the highest standards of corporate governance. We meet corporate governance legal requirements in Pakistan, as well as the best practices recommended by PSX and SECP.

Following are some of the practices of the Bank which exceed the minimum legal requirement:

- The Board has constituted 5 board Sub- Committees vis-à-vis the requirement of having 4 board committees and has also from time to time formed board committee(s) for specific assignments along with specific targets in order to carryout different roles & responsibilities.
- The Bank has only one Executive Director (President & CEO) though permitted two executive directors by SBP and four (one third of the Board as executive directors) under Listed Companies (Code of Corporate Governance) Regulations – 2019.
- The Board receives and accordingly, reviews the detailed performance report of each Board Committee on a periodic basis.
- The Board receives and considers a detailed report on every meeting of the Board Committees from the Chairmen of the Board Committees.
- The Bank has a comprehensive Code of Conduct along with mechanism for implementing and monitoring the same and has taken necessary steps to disseminate it throughout the Bank along with its supporting policies and procedures.
- The Board has given specific mandate with requisite authorities and powers to the Board Audit & Corporate Governance Committee to monitor and oversee the corporate governance practices, procedures, ethical standards and controls along with legal and regulatory compliances in the Bank.

Conflict of Interest

The Bank has adopted robust policies and procedures with respect to identifying, reporting and managing conflicts of interests, and the situations that may lead to it. The directors hold fiduciary duties of care and loyalty to the Bank and to protect the shareholders. One of the key duties includes not placing oneself in a position where the directors' personal interest may possibly conflict with their duty to the company.

Conflict of interest may arise in several situations, and in order to identify, report and manage any possible conflict the Board has adopted several measures which include:

- A policy and procedural framework.
- Board Members and Executive Management disclose their interests, including their interests in other entities, on a periodic basis.
- Board Members at the start of every meeting confirm to the Chairman whether or not they have any conflict with respect to any agenda item to be discussed in the Board Meeting.
- A Board Member in a conflict of interest situation exits the Boardroom when such a matter is being deliberated upon and refrains from deliberating and discussing on the said issue.
- Any other measure which may be appropriate in light of legal and regulatory guidelines.

Director's Interest in Significant Contracts and Arrangements

None of the Directors have any [direct/personal] interest in significant contracts and arrangements of the Bank. However, every director of the Bank who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, either ongoing or forthcoming, discloses the details of her or his involvement during a Board meeting, adhering to regulatory guidelines. A director with such an interest refrain from participating or voting during the deliberations of the Board meeting related to that particular contract or arrangement.

Related Party Transactions

The Board of Directors has approved Policy for Related Party Transactions. The Bank's policy is to conduct all the related party transactions on an arm's length basis in the normal course of business. If a transaction is not conducted on arm's length basis, then specific approvals or ratifications are required by the Board on recommendation of the Board Audit & Corporate Governance Committee (BACGC) of the Bank in order to avoid any potential conflict of interest.

The policy specifies that all transactions entered into with related parties shall require Board's approval on the recommendation of the BACGC of the Bank, which is chaired by an independent director of the Bank except for those held with employees as per their terms of employment or a policy of the Bank.

Every director (including their relatives) of the Bank who is in any way, whether directly or indirectly, concerned or interested in any contract or arrangement entered into, or to be entered into, by or on behalf of the Bank shall provide information about the nature of his concern or interest in the form specified and shall cause it to be disclosed at the meeting of the board held immediately after the date of the notice. No director of the Bank shall, as a director, take any part in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Bank, if he/ she is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his/ her presence count for the purpose of forming a quorum at the time of any such discussion or vote.

During the year, the Bank has entered into transactions and contracts with the related parties i.e. subsidiary company, associates, post-employment benefit plans for the Bank's employees, Key Management Personnel (KMPs), close family members of KMPs and other related entities. Those transactions include financing to , and deposits from the related parties, , acceptances and off balance sheet transactions and provision of other banking and financial services that are carried out in the ordinary course of business on an arm's length basis at commercial rates, except for the transactions that KMPs have availed under HR policy of the Bank. 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.

During the year, no contract or arrangement has been entered into with related parties other than in the ordinary course of business on an arm's length basis.

The Bank has made detailed disclosures about related party transactions in its financial statements annexed with this annual report.

Policy for Safety Records of the Company

Record management is a methodological approach to controlling the maintenance and disposition of an organization's records. Record management ensures that valuable records evidencing an organization's activities that have legal, financial, administrative, or historical value are protected and accessible, while expired records are systematically destroyed. Thus, for this purpose, Faysal Bank has signed an agreement with a service provider to put in place comprehensive processes, controls, and guidelines as per ISO-15489 standard for handling, protection, retention, retrieval and disposition of recorded business information generated daily, which are of ongoing importance to FBL's overall service capability and regulatory compliance. In addition, we take the safety and security of our customers' records very seriously. We have implemented a number of policies and procedures to ensure that all bank records are kept confidential and secure at all times. These measures include the use of secure servers and databases, frequent password updates, and strict access controls for employees. In addition, we have trained all of our staff on the proper handling and protection of sensitive information. We are committed to ensuring the safety of our customers' bank records and taking all necessary steps to protect their privacy.

Whistle Blowing Policy

FBL is committed to maintain a culture of the highest ethics, integrity, transparency and competence in its business & customer handling and ensures compliance with its Code of Conduct & Code of Ethics. FBL provides open and safe workplace environment for employees & third parties and encourages and any other person who has a genuine concern about any wrongdoings or misconducts to raise through dedicated whistle blow channels, thereby maintaining public trust and confidence in the integrity and professionalism of the services provided by the Bank.

Reportable Matters

FBL does not want to condone and become party to the inappropriate conduct, unethical behavior, fraudulent activities. If an employee, customer or any third party forms a reasonable suspicion; that any of the criminal and unethical conducts have taken place / is taking place / intend to carry out any wrongdoing in the future, then they should immediately speak up.

During the year, 05 cases were reported through Whistle Blow channels.

Whistle Blow Channels

FBL provides, employees & third parties with access to specific, independent, confidential and secure means to Speak Up.

- Email: whistleblowdesk@faysalbank.com
- Whistle Blow Hot Line: 021-38733000
- Intranet: https://www.faysalbank.com/en/whistle-blowing/
- Postal address: "Whistle Blow Desk Faysal House, Business Compliance, Compliance Function, 2nd Floor, ST02 Shahrah-e-Faisal Karachi, Pakistan"

All Speaking Up disclosures are recorded, reviewed and independently investigated by concerned Functions. It may also be noted that of based on false statements and facts are not entertained.

Protection For Whistle Blowers

Faysal Bank will take all reasonable steps to protect whistleblowers from any retaliation, victimization, harassment or penalization that might arise because of whistle blowing and sharing substantial evidences. Speaking Up disclosures, including the identity of the whistle blower and the subject of the Speaking Up disclosure, will be kept confidential.

Reporting To EC & C&FRC & BACGC

The Ethics sub-Committee (EC), Compliance & Fraud Risk Committee (C&FRC) and Board Audit & Corporate Governance Committee (BACGC) have an oversight on issues related to unethical conduct and whistleblowing complaints. For EC & C&FRC & BACGC consumption, whistle blow complaints along with update on investigations/resolution is quarterly reported.

Enterprise Resource Planning

How it is designed to manage and integrate the functions of core business processes/modules like finance, HR, supply chain and inventory management in a single system;
An ERP system consists of software components, or modules, each of which focuses on a distinct business process. ERP is distinguished from standalone applications by its central database that records information from the business transactions and other actions carried out in the modules, and by integration that allows the modules to communicate with each other and with the common database. In Faysal Bank we are using ERP for procure to pay cycle, fixed assets recording and corporate financial reporting.

Management support in the effective implementation and continuous updation;
Faysal Bank management continuously reviews process flows for effective implementation and updates are incorporated as and when required.

Details about user training of ERP software;
Training employees to use ERP system effectively, is critical to the success of any implementation or upgrade project. FBL conducts user training session to ensures the efficient and effective use of the ERP system by the employees. Training gives users the opportunity to understand their work's relation to other functional areas.

How the company manages risks or control risk factors on ERP projects;
The impact of risks on project outcome are determined with the involvement of the representatives of both project team as well as the ERP implementation partner. They devised mitigating strategies for each risk through brainstorming, which are conducted by the project manager. The project manager has overall responsibility for managing all risks and discussing closing actions, due dates, priorities and risk impacts to ensure that risks are being actively managed. High probability and high impact risks are escalated to be analyzed and resolved.

How the company assesses system security, access to sensitive data and segregation of duties.
Segregation of Duties are achieved by restricting user access to conflicting activities within the application. It is essential to rely on a reliable information system and to ensure security of the data. In FBL user management and roles assignment are managed by an independent team. Any activity with respect to user management is duly approved by concerned authority. In FBL Oracle E Business Suite is operated on private network to prevent access of financial data from outside.

Evaluation at the Board Level External Consultant

Evaluation at the Board level is carried out on annual basis through M/s Pakistan Institute of Corporate Governance (PICG) which is an external independent evaluator

Investors' Grievances Policy

The Board of Directors, President & CEO and Company Secretary ensure that all the Material and price-sensitive information is disclosed in compliance with the regulatory requirements which includes Financial Results, entitlement of corporate information, significant change in financial conditions, current and expected business performance etc.

With respect to shareholder related matters the Bank has appointed a reputable and experienced share registrar services. In addition, contact details of the designated personnel of the Bank for assisting the shareholders and handling their requests and complaints are also prominently displayed in the relevant section of the Bank's website.

Details of Executive Director is serving as Non-Executive Director

Mr. Yousaf Hussain, P&CEO serving as non-executive director on the following companies:

- Pakistan Institute of Corporate Governance.
- The Institute of Bankers Pakistan
- Pakistan Business Council
- Pakistan Banks' Association
- Faysal Assets Management Limited - Chairman
- Overseas Investors Chamber of Commerce & Industry (OICCI) - President.

Presence of the Chairman of the Audit Committee at the AGM

All Board of Directors along with the Chairman Audit Committee presented in the AGM held on March 6, 2024

Report of the Board Audit and Corporate Governance Committee

The Board Audit and Corporate Governance Committee ("BACGC or Committee") of Faysal Bank Ltd ("FBL or Bank") comprises four directors having experience and knowledge of Banking, Corporate Governance, Corporate Social Responsibility, Finance, Asset Management, Audit & Accounting. Out of the four members, two are Independent Directors and two are Non-Executive Directors. The Chairman of BACGC is an independent director. The Terms of Reference of BACGC ("TORs") have continuously been revised and updated as and when required by regulatory guidelines and/or best international practice with the approval of the Board of Directors ("BOD or Board") of FBL. Accordingly, in 2024 the TORs were reviewed and approved by the BOD.

The Committee focused on FBL's financial statements, related party transactions, effectiveness of FBL's Internal Control Environment, Compliance Risk Management, Operational Risk Management Framework and application of Regulatory & International Accounting and Auditing Standards as well as compliance requirements of Corporate Governance best practices, controls over risk areas of provisions and risk of fraud in revenue recognition. The Committee also supervised and monitored the status and implementation of IFRS No. 9, by the management of FBL and showed its satisfaction to the progress during the year as per SBP's guidelines. The Committee reviewed and approved the Internal Audit Strategy, Audit Charter, Annual Internal Audit plan, Internal Audit Manual, , and the Annual Compliance Plan, as per requirements of SECP's Code of Corporate Governance ("COCG"), SBP's Guidelines on Internal Audit Function and Compliance Risk Management Framework. The Committee ensured proper allocation of sufficient resources to both the Internal Audit and the Compliance functions, to enable both functions to successfully implement their annual plans and other activities. The Chief Audit Executive was given unrestricted access to approach BACGC to ensure proper and timely reporting in all concerned audit & compliance matters. The Committee convened four mandatory meetings and one additional meeting on need basis, during the year 2024.

Major activities undertaken by the BACGC to improve the overall performance of FBL during 2024 were as follows:

- BACGC reviewed and examined the unconsolidated and consolidated quarterly, semi-annual and the yearly Financial Statements for 2024, along with Director's review report of FBL, which were approved by the Board on its recommendation. BACGC reviewed all categories of related party transactions with assurance from management that all transactions were undertaken at arm's length basis and reviewed them and reported the same for Board's consideration, which were approved by the Board. The Committee also reviewed quarterly updates on capital expenditures against budget.

- BACGC also held detailed discussions with the externalauditors on audit scope for the year 2024 as well as on major observations made in their management letters and reviewed management's response thereto. The Committee ensured independence of the external auditors and their unrestricted access to FBL. The appointment of external auditors for the year 2024 and their fees were recommended to the Board and approved by the shareholders during its AGM held in March 2024 on its recommendation. BACGC also reviewed the Long Form Report on Shariah Compliance Environment as of December 31, 2023, issued by the external auditors.

- BACGC ensured that the management establishes and maintains adequate and effective Internal Control systems and processes and reviewed and monitored the implementation of the Annual Internal Audit Plan for the year 2024 and the Internal Audit Department's ("IAD") high risk observations along with the management's corrective action plan in accordance with targeted dates. The Committee also reviewed and approved the changes in the IAD Strategy for the period 2024-28 and aligned it with the overall strategy of FBL. The BACGC also reviewed the independence, adequacy and quality of IAD resources.

- BACGC reviewed and monitored the implementation of the Annual Compliance Plan for the year 2024 on a quarterly basis. The Committee also updated itself on AML/CFT procedures as per SBP regulations and Financial Action Task Force ("FATF"), recommendations along with quarterly review of the Foreign Account Tax Compliance Act ("FATCA"), Whistle Blowing Committee ("WBC) cases, and internal investigation findings and timely actions taken by the management. BACGC ensured that a proper and effective system for compliance with the laws, regulations of the State Bank of Pakistan and other regulatory authorities, exists at FBL.

- BACGC reviewed updates of Fraud and Forgery cases quarterly during the year, including fraud trends. Major findings of internal investigations in this area were deliberated upon and noted with satisfaction that appropriate measures were taken by the management in a timely manner.

- BACGC reviewed the implementation of effective Internal Controls over Financial Reporting ("ICFR") program across the Bank. An assurance was also given to BACGC that Policies adopted by the Bank were sufficient and appropriate, while information provided by the management is reliable. The Conduct Assessment Framework of the Bank as of December 31, 2023, was also reviewed.

- BACGC reviewed the quarterly Compliance of the SBP's inspection report and thematic review reports along with monitoring the compliance status of these reports.

- BACGC reviewed updates on the Bank's framework on Environmental, Social and Governance ("ESG") compliance and Corporate Social Responsibility (CSR) in the first quarter of 2024 and thereafter a separate subcommittee of the board was constituted for its oversight.

- BACGC also reviewed the report by the Company Secretary on conflict of interest, status of major lawsuits and update on new laws and regulations.

- BACGC conducted self-assessment of its performance for the year to comply with its TORs as per SECP Code of Corporate Governance, SBP guidelines and presented it to the Board. The Board appreciated the performance of the BACGC in their evaluation for that year.



Mr. Ali Munir
Chairman - BACGC

Independent Auditor's Review Report

To the members of Faysal 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 Faysal Bank Limited ('the Bank') for the year ended 31 December 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

As 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: 3 March 2025

Karachi

UDIN: CR202410188NG3kstUyP

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

Faysal Bank Limited
Year ended: December 31, 2024

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

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

Gender	Number
Male	08
Female	02

2. The composition of Board is as follows:

Category	Names
Independent Directors	Mr. Ali Munir
	Ms. Fatima Asad Khan (Female Director)
	Ms. Sadia Khan (Female Director)
	Mr. Mohsin Tariq
Non-Executive Directors	Mian Muhammad Younis
	Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery
	Mr. Juma Hasan Ali Abul
	Mr. Imtiaz Ahmad Pervez
	Mr. Abdulelah Ebrahim Mohamed AlQasim
Executive Director	Mr. Yousaf Hussain, President & CEO

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this 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 complete record of particulars of 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 (the Act) and these Regulations;

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

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

9. Presently out of Ten (10) Board of Directors, the following Nine (09) Directors are Certified and have Completed the Directors' Training Program:

1. Mian Muhammad Younis
2. Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery
3. Mr. Yousaf Hussain
4. Mr. Ali Munir
5. Mr. Juma Hasan Ali Abul
6. Mr. Abdulelah Ebrahim Mohamed AlQasimi
7. Ms. Fatima Asad Khan
8. Mr. Mohsin Tariq
9. Ms. Sadia Khan

Mr. Imtiaz Ahmad Pervez has attended and completed the Directors' Training Program, however the concluding test is pending.

The Bank had also arranged the following training for the Board of Directors in the year 2024:

- Driving Environmental, Social and Governance (ESG) conducted by Pakistan Institute of Corporate Governance on April 25, 2024.

- Islamic investment areas i.e., sukuks structure, it's model for GOP ijara, and other areas/opportunities for investment in Islamic Banking in Pakistan and at International level by Chairman Shariah Board of Faysal Bank Limited on October 24, 2024.

10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

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

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

a) Board Audit and Corporate Governance Committee

Mr. Ali Munir	Chairman / Independent Director
Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	Member / Non-Executive Director
Mr. Juma Hasan Ali Abul	Member / Non-Executive Director
Mr. Mohsin Tariq	Member / Independent Director

b) Board Risk Management Committee

Mr. Imtiaz Ahmad Pervez	Chairman / Non-Executive Director
Mr. Abdulelah Ebrahim Mohamed AlQasimi	Member / Non-Executive Director
Mr. Ali Munir	Member / Independent Director
Mr. Yousaf Hussain	Member / President and CEO

c) Recruitment Nomination and Remuneration Committee

Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	Chairman / Non-Executive Director
Mr. Juma Hasan Ali Abul	Member / Non-Executive Director
Mr. Mohsin Tariq	Member / Independent Director
Ms. Fatima Asad Khan	Member / Independent Director
Ms. Sadia Khan	Member / Independent Director

The Code requires that the chairman of the human resource and remuneration committee is to be an independent director. The composition of the Bank's Recruitment Nomination and Remuneration Committee (RNRC) is in line with the Corporate Governance Regulatory Framework issued by the State Bank of Pakistan which allows a non-executive director to be the Chairman in case the majority members of the committee are independent directors. Following the guidelines majority members of RNRC are independent directors, however, the Chairman of the RNRC is not an independent director.

d) Board Strategy Committee

Mian Muhammad Younis	Chairman / Non-Executive Director
Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	Member / Non-Executive Director
Mr. Juma Hasan Ali Abul	Member / Non-Executive Director
Ms. Fatima Asad Khan	Member / Independent Director
Mr. Imtiaz Ahmad Pervez	Member / Non-Executive Director
Mr. Yousaf Hussain	Member / President and CEO

e) Board IT Committee

Ms. Sadia Khan	Chairperson / Independent Director
Mr. Abdulelah Ebrahim Mohamed AlQasimi	Member / Non-Executive Director
Mr. Yousaf Hussain	Member / President and CEO

f) Board Sustainability & Development Committee

Mian Muhammad Younis	Chairman / Non-Executive Director
Mr. Abdulelah Ebrahim Mohamed AlQasimi	Member / Non-Executive Director
Ms. Fatima Asad Khan	Member / Independent Director
Ms. Sadia Khan	Member / Independent Director
Mr. Yousaf Hussain	Member / President and CEO

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

14. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:

a)	Board Audit & Corporate Governance Committee	Quarterly meetings
b)	Board Risk Management Committee	Quarterly meetings
c)	Recruitment Nomination and Remuneration Committee	Quarterly meetings
d)	Board Strategy Committee	Quarterly meetings
e)	Board IT Committee	Quarterly meetings
f)	Board Sustainability & Development Committee	Minimum of two meetings a calendar year

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

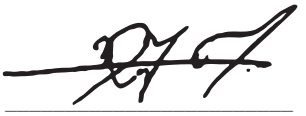
16. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Bank;

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

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

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S.No.	Non-mandatory Requirement	Reg. No.	Explanation
1.	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29.	The Bank has established a Nomination, Remuneration and Recruitment Committee (RNRC) of the Board which is in compliance of Regulation 28 and 29 of the Code as the function of a separate nomination committee has already been assigned to RNRC.



Karachi
Dated: February 20, 2025

Mian Muhammad Younis
Chairman

Report of Shariah Board

For the year ending December 31, 2024

بسم اللہ الرحمن الرحیم

الحمد للہ رب العالمین، والصلاۃ والسلام علی خاتم الانبیاء والمرسلین محمد المصطفیٰ الصادق الامین وعلی الہ واصحابہ اجمعین

الحمد للہ, Faysal Bank Limited ("the Bank") has completed second year of successful operations of being a full-fledged Islamic Bank.

During the year, the Shariah Board held four meetings to consider, deliberate, decide and supervise various Shariah related affairs of the Bank including review of various existing and new products, transactions, processes, policies, standard operating procedures and agreements. In compliance with Shariah Governance Framework, the Shariah Board ("SB") also met with Board of Directors ("BoD") twice this year to have a detailed briefing on Shariah compliance environment.

Following are the key developments for the year 2024:

Product Development

Under the guidance of SB, Product Development (PD) has worked for the enrichment of its product menu. On the liability side, Shariah Board approved products i.e. 'Khushaal Kisaan Current & Saving Accounts' based on 'Qardh' and 'Mudarabah', 'Special FCY Account for Hajj Group Organizer & Munazzam Companies' based on 'Qardh' and 'IT Exporter & Freelancer current account' based on 'Qardh'.

Shariah Structuring of Investment Banking Transactions

Shariah Board reviewed and approved 09 Investment Banking transactions whereby the Bank's Shariah Board served as the Shariah Advisor of these transactions. These transactions were structured on Shirkat-ul-Milk (Diminishing Musharakah - DM), Shirkat-ul-Milk (DM - Sale & Lease Back), Shirkat-ul-Aqd (Running Musharakah) and Istisna basis.

Shariah Compliance and Advisory (SCA)

To ensure the compliance of regulatory and SB's guidelines, under the guidance of SB, SCA reviewed Trade Finance and Business Services, Corporate and Investment Banking, Commercial & SME, Digital Banking, Consumer Financing (Auto, Mortgage, Takmeel), Agri Financing. Further, SCA reviews Tawarruq based products including Noor Card and Islamic Personal Finance on quarterly basis. SCA reviewed more than 200 branches excluding branches reviewed by Shariah audit across different regions of the bank. Moreover, SCA also reviewed the Pool management & Profit distribution mechanism on monthly basis.

During this period, all Bank-wide policies and procedures (new and renewal) presented, were reviewed by SCA and approved by Shariah Board.

During the year, in addition to standard general approved products, SCA obtained SB approvals on more than 700 customized process flows of various Islamic financing structures including Murabaha, Istisna, Tijarah, Running Musharakah, Diminishing Musharakah, Salam, etc. including that of SBP schemes like Islamic Export Re-Finance (IERF), Islamic long Term Financing Facility (ILTFF) and Islamic Finance for Renewable Energy (IFRE) etc.

Shariah Audits

Internal & external Shariah Audits were undertaken as per the requirement of Shariah Governance Framework. Internal Shariah Audit Unit carried out Shariah audits during the period for following functions i.e. SME and Commercial Banking, Branch Banking, Corporate and Investment Banking Group, Trade Business and Services, Human Resource, Special Assets Management, Tawarruq, Agri Tawarruq, Trade Finance and on quarterly basis Profit distribution and Pool Management calculations. Further, external Shariah audit was also carried out covering all relevant functions of the Bank.

Charity

In accordance with SBP guidelines and Shariah Non-Compliance Risk Management Framework following is the treatment the charity amount:

The cumulative opening balance of the charity fund was PKR 279.974 Mn and during the year an additional amount of PKR 223.950 Mn is added to the charity fund:

Charity Detail as follows		Amount in Million
a.	Delayed payment	PKR 177.933
b.	Shariah non-Compliant income	PKR 2.405
c.	Ring fenced Charity	PKR 27.926 (Including dividend purification income)

During this period, an amount of PKR 295.300 Mn was distributed to various charitable organizations. Details are available on Note 20.2.2.

Treatment of Ring-fenced portfolio

After conversion some residual conventional portfolio was carried forward and as per the transformation plan this conventional portfolio was ring fenced to avoid any comingling with Islamic portfolio. This portfolio is monitored by the Shariah Board also in accordance with the regulatory requirement. Accordingly, Shariah Board has issued guidelines for the portfolio management and is updated about the status on regular basis.

Capacity building and Awareness Sessions

For the growth in capacity building and awareness of human resource of the bank, various Islamic banking training programs were conducted by Learning and Development ("L&D").

Members of Shariah Board, PD, SCA facilitated in improvement of training material besides conducting various training and awareness sessions for Bank's staff. During the year, L&D organized more than 240 training sessions across the country to enhance the Shariah knowledge of Islamic products and services, wherein more than 9345 employees were trained under various online and classroom training programs. Further, specialized training programs for Islamic Banking - Level III, Ethica Certification and Islamic Banking International Trainings was also organized. In addition to in-house training programs, L&D also nominated staff for training programs including Certified Professional Trainer CPT by IAPPD, Islamic Finance Certified Practitioners (IFCP) by IBA and Revolutionize Banking with Artificial Intelligence and sponsored Certified Shariah Adviser and Auditor (CSAA) certifications from Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") Bahrain.

Additionally, in order to strengthen the overall Shariah compliance environment of the Bank, Shariah support officers have been associated with business (CIBG, CBSME, Agri etc.) and support functions (CAD, Trade, etc.).

Promotion and Marketing of Islamic banking products & services

During this period, various marketing promotional materials including printed and electronic brochures, TVCs were reviewed and approved by the SB.

Opinion of Shariah Board

While the Board of Directors and Executive Management are solely responsible to ensure that the operations of Faysal Bank Limited are conducted in a manner that comply with Shariah principles at all times, we are required to submit a report on the overall Shariah compliance environment of Faysal Bank Limited.

To form our opinion as expressed in this report, the Shariah Board has reviewed the Shariah Compliance review reports, internal and external Shariah audit reports.

Based on above, we are of the view that:

1. The Bank by and large complied with the Shariah rules and principles in the light of resolutions / Fatawa, rulings and guidelines issued by the SB.

2. During review, matters requiring corrective measure have been noted and were resolved by the Management or ensured to be rectified in future. Subject to the foregoing, in our opinion, the affairs of the Bank have been carried out in accordance with the directives, regulations, instructions and guidelines related to Shariah compliance issued by the SBP.

3. The Bank has a comprehensive mechanism in place to ensure Shariah compliance in their overall operations.

4. Bank has a well-defined system in place in the form of Shariah Compliance Review and Internal Shariah Audit to ensure that the earnings realized from sources or means prohibited by Shariah are credited to charity account and properly utilized for charitable purposes.

5. The allocation of funds, profit and loss distribution and pool management is generally in accordance with Shariah Rules & Principles and Pool Management guidelines of SBP.

6. Learning and development unit of the Bank is actively pursuing the training and development of human capital on Islamic Banking & Finance through various training programs to enhance the awareness of staff, Management and BOD for the products and processes of the Bank and importance of Shariah compliance.

7. Shariah Board was provided unhindered access of all required information along with adequate resources, enabling it to discharge its duties effectively.

8. The bank may explore integration of technology into its products and services to enhance customer experiences, improve efficiency, and strengthen operational agility.

And Allah Subhanahu wa ta'ala knows the Best.

Mufti Abdul Basit
Resident Shariah Board Member

Mufti Muhammad Uzair Qasim
Shariah Board Member

Mufti Muhammad Hassan Ashraf Usmani
Shariah Board Member

Mufti Muhammad Najeeb Khan
Shariah Board Member

Dr. Mufti Khalil Ahmad Aazami
Shariah Board Member

Mufti Muhammad Mohib ul Haq
Chairman Shariah Board

Dated: February 13, 2025 | 14 Shaban al-Mu'azzam, 1446 A.H.

شریعہ بورڈ رپورٹ

برائے اختتام پذیر سال 31 دسمبر 2024

بسم اللہ الرحمن الرحیم

الحمدللہ رب العالمین والصلوۃ والسلام علی خاتم الانبیاء والمرسلین محمد المصطفیٰ الصادق الامین وعلیٰ آلہ واصحابہ اجمعین۔

فیصل بینک لمیٹڈ ("بینک") نے ایک مکمل اسلامی بینک ہونے کے کامیاب آپریشنز کا دوسرا سال مکمل کر لیا ہے۔ سال کے دوران شریعہ بورڈ نے بینک کے مختلف شرعی امور پر غور و فکر اور ان کی نگرانی کے لیے چار اجلاس منعقد کئے جن میں متعدد موجودہ اور نئی مصنوعات، معاملات، اعمال، پالیسیوں، آپریشنز کے معیاری طریقہ کار اور معاہدات کا جائزہ لیا گیا۔ اس سال شریعہ بورڈ نے شریعہ گورننس فریم ورک کے تحت، بورڈ آف ڈائریکٹرز ("BoD") سے دو بار ملاقات کی۔ جس میں شریعہ کمپلائنس کے ماحول کے بارے میں تفصیل سے آگاہ کیا۔

سال 2024 کی اہم پیش رفت درج ذیل ہیں:

پروڈکٹ ڈیویلپمنٹ (مصنوعات کا ارتقاء)

شریعہ بورڈ کی رہنمائی میں پروڈکٹ ڈیویلپمنٹ، (PD) نے اپنے پروڈکٹس کی فہرست میں اضافہ کی طرف پیش رفت کی ہے جس میں لائیبلٹی سائڈ پر، شریعہ بورڈ نے قرض و مضاربہ پر مبنی 'خوشحال کسان کرنٹ و سیونگ اکاؤنٹ' اور قرض پر مبنی 'حج گروپ آرگنائزر و منظّم کمپنیز کے لئے اسپیشل FCY اکاؤنٹ' اور 'IT ایکسپورٹر و فری لانسر کرنٹ اکاؤنٹ' پروڈکٹس کی منظوری دی۔

انویسٹمنٹ بینکنگ کے عقود (ٹرانزیکشنز) کا شریعہ اسٹرکچر

شریعہ بورڈ نے 09 انویسٹمنٹ بینکنگ عقود (ٹرانزیکشنز) کا جائزہ لیا اور ان کی منظوری دی جس میں بینک کے شریعہ بورڈ نے ان عقود کے شریعہ ایڈوائزر کی خدمات انجام دی۔ یہ عقود، شرکۃ الملک (شرکت متناقصہ)، شرکۃ الملک (شرکت متناقصہ - سیل اینڈ لیز بیک) شرکۃ العقد (رننگ مشارکہ) اور استصناع کی بنیاد پر تشکیل دیے گئے تھے۔

شریعہ کمپلائنس وایڈوائزری (SCA)

ریگولیٹری اور شریعہ بورڈ کی ہدایات پر عمل درآمد کو یقینی بنانے کے لیے، شریعہ بورڈ کی رہنمائی میں، SCA نے ٹریڈ فنانس اور کاروباری خدمات، کارپوریٹ اور انویسٹمنٹ بینکنگ، کمرشل اور SME ڈیجیٹل بینکنگ، کنزیومر فنانسنگ (آٹو، ہاوس، تکمیل) اور ایگری فنانسنگ کا جائزہ لیا۔ مزید، SCA نے سہ ماہی بنیادوں پر نور کارڈ اور اسلامک پرسنل فنانس سمیت تورق پر مبنی مصنوعات کا بھی جائزہ لیا ہے۔ ساتھ ہی ساتھ SCA نے مختلف علاقوں میں شریعہ آڈٹ کے ذریعے جائزہ لی گئی بینک کی برانچوں کے علاوہ 200 سے زائد برانچوں کا جائزہ لیا۔ مزید یہ کہ SCA نے ماہانہ بنیادوں پر پول مینجمنٹ اور منافع کی تقسیم کے طریقہ کار کا بھی جائزہ لیا۔

اس دوران، SCA نے بینک کی تمام پالیسیوں اور طریقہ کار (جدید و تجدید شدہ) کا جائزہ لیا اور شریعہ بورڈ نے ان کی منظوری دی۔

دوران سال، SCA نے شریعہ بورڈ سے 700 سے زائد "صارفین کے لحاظ سے مخصوص پراسس فلوز" کی منظوری حاصل کی جو کہ مرابحہ، استصناع، تجارہ، رننگ مشارکہ، شرکت متناقصہ، سلم وغیرہ پر مشتمل ہونے کے ساتھ SBP کی اسکیمز جیسے کہ اسلامک ایکسپورٹ ری-فنانس (IERF) اسلامک لانگ ٹرم فنانسنگ فیسیلٹی (ILTFF) اور رینیوایبل انرجی کے لیے اسلامی فنانس (IFRE) وغیرہ پر مشتمل ہیں۔

شریعہ آڈٹ

شریعہ گورننس فریم ورک کے تقاضوں کے مطابق اندرونی اور بیرونی شریعہ آڈٹ کو انجام دیا گیا۔ انٹرنل شریعہ آڈٹ یونٹ نے اس مدت کے دوران درج ذیل شعبوں کے لیے شریعہ آڈٹ کو انجام دیا یعنی کہ SME اور کمرشل بینکنگ، برانچ بینکنگ، کارپوریٹ اور انویسٹمنٹ بینکنگ گروپ، ٹریڈ بزنس اینڈ سروسز، ٹریژری پروڈکٹس، ایگری فنانسنگ ہیومن ریسورس، اسپیشل ایسٹ مینجمنٹ اور سرمایہ کاری بنیادوں پر منافع کی تقسیم اور پول مینجمنٹ کے حسابات۔ مزید برآں، بینک کے تمام متعلقہ امور پر مشتمل ایکسٹرنل شریعہ آڈٹ بھی کیا گیا۔

چیریٹی

SBP اور شریعہ نان کمپلائنس رسک مینجمنٹ فریم ورک کی رہنما ہدایات پر عمل درآمد کے مطابق چیریٹی کی رقم درج ذیل ہے:

چیریٹی فنڈ کی مجموعی ابتدائی رقم 279.974 ملین روپے تھی اور سال کے دوران 223.950 ملین روپے کی اضافی رقم چیریٹی فنڈ میں شامل کی گئی۔

	صدقہ کی تفصیل	رقم کے اعداد و شمار (ملین میں)
1	ادائیگی میں تاخیر کی وجہ سے	177.933 روپے
2	شرعی اصولوں سے عدم مطابقت کی وجہ سے	2.405 روپے
3	رِنگ فینسڈ چیریٹی	27.926 روپے (بشمول ڈیویڈنڈ پیوریفیکیشن آمدنی)

اس عرصے کے دوران، 295.300 ملین کی رقم مختلف خیراتی اداروں میں تقسیم کی گئی۔ جس کی تفصیلات نوٹ 20.2.2 پر دستیاب ہیں۔

رِنگ فینسڈ پورٹ فولیو کا انتظام

اسلامی بینکاری کی طرف منتقلی کے بعد باقی ماندہ کنوینشنل پورٹ فولیو کو آگے لے جایا گیا تھا اور کنورژن کی منصوبہ بندی کے مطابق اس روایتی پورٹ فولیو کو اسلامی پورٹ فولیو کے ساتھ خلط ہو جانے سے بچانے کے لیے (رِنگ فینس) کر کے الگ کر دیا گیا تھا۔ شریعہ بورڈ اس پورٹ فولیو کی نگرانی بھی ریگولیٹری تقاضوں کے مطابق انجام دیتا ہے۔ اسی مناسبت سے شریعہ بورڈ اس پورٹ فولیو کے انتظام کے لئے اپنی ہدایات دے چکا ہے اور اس کی صورتحال کے بارے میں اسے مستقل بنیادوں پر مطلع کیا جاتا ہے۔

استعداد کار میں اضافہ اور آگاہی کے سیشنز

بینک کے انسانی وسائل کی استعداد کار میں اضافے اور آگاہی کے لیے، لرننگ اینڈ ڈیولپمنٹ ("L&D") نے متعدد اسلامی بینکاری تربیتی پروگرام منعقد کیے۔ شریعہ بورڈ، PD SCA کے اراکین، بینک کے عملے کے لئے متعدد تربیتی اور آگاہی سیشنز کے انعقاد میں سرگرم عمل رہے اور ساتھ ساتھ تربیتی مواد کو بہتر بنانے میں بھی معاونت فراہم کی۔ دوران سال L&D نے عملے کی اسلامی مصنوعات و خدمات سے متعلق شرعی آگاہی میں اضافے کے لیے ملک بھر میں 240 سے زائد تربیتی سیشنز کا انعقاد کیا جس میں 9345 سے زائد ملازمین کو متعدد آن لائن اور کلاس روم تربیتی پروگرامز کے ذریعہ تربیت دی گئی۔ مزید یہ کہ اسلامک بینکنگ لیول 3، ETHICA سرٹیفیکیشن اور اسلامک بینکنگ

انٹرنیشنل ٹریننگز کے لئے خصوصی تربیتی پروگرام منظّم کیا گیا۔ داخلی تربیتی پروگرامز کے علاوہ L&D نے IAPPD سے سرٹیفائیڈ پروفیشنل ٹریز IBA (CPT) سے اسلامک فنانس سرٹیفائیڈ پریکٹیشنرز (IFCP)اور Revolutionize Banking with Artificial Intelligenceاور اکاؤنٹنگ وآڈٹنگ آرگنائزیشن فار اسلامک فنانشل انسٹی ٹیوشنز ("AAOIFI")بحرین کی طرف سے اسپانسر کردہ سرٹیفائیڈ شریعہ ایڈوائزر وآڈیٹر (CSAA)سرٹیفیکیشنز" کے لیے بھی عملے کو نامزد کیا۔

مزید برآں، بینک کے شریعت سے ہم آہنگ مجموعی ماحول کے استحکام کی غرض سے شریعہ سپورٹ افسران کو کاروبار (CIBG CBSME Agriوغیرہ) اور سپورٹ فنکشنز (CAD Tradeوغیرہ) میں تعینات کیا گیا ہے۔

اسلامی بینکنگ پروڈکٹس وخدمات کا فروغ اور تشہیر

اس دورانیہ میں، مختلف مارکیٹنگ پروموشنل مواد بشمول پرنٹ شدہ اور الیکٹرانک بروشرز، TVCs کا جائزہ لیا گیا اور شریعہ بورڈ کی طرف سے منظوری دی گئی۔

شریعہ بورڈ کی رائے

چونکہ بورڈ آف ڈائریکٹرز اور ایگزیکٹیو مینجمنٹ سے اس امر کو اپنے طور پر یقینی بنانے کے ذمہ دار ہیں کہ فیصل بینک لمیٹڈ کے امور کی انجام دہی ہمہ وقت شریعت کے اصولوں سے ہم آہنگ ہو، اس لئے ہم سے فیصل بینک لمیٹڈ کے مجموعی ماحول کے شریعت سے ہم آہنگ ہونے پر ایک رپورٹ پیش کرنے کا تقاضہ کیا جاتا ہے۔ ہماری رائے قائم کرنے کے لئے، جس کی اس رپورٹ سے وضاحت کی گئی ہے، شریعہ بورڈ نے شریعہ کمپلائنس ریویو رپورٹس، انٹرنل اور ایکسٹرنل شریعہ آڈٹ رپورٹس کا تجزیہ کیا۔

مندرجہ بالا بنیاد پر ہمارا نقطہ نظر یہ ہے کہ :

1. بینک کے جملہ امور کو شریعہ بورڈ کی طرف سے جاری کردہ قرار دادوں، فتاویٰ جات، ہدایات واحکامات کی روشنی میں شریعت کے اصول وضوابط کے مطابق انجام دیا گیا ہے۔

2. جائزہ کے دوران کسی بھی قابل تصحیح مسئلہ کو نوٹ کیا گیا اور بذریعہ مینجمنٹ اس کو حل کیا گیا یا مستقبل میں اس کی تصحیح کو یقینی بنایا گیا ہے۔ ماقبل سے مربوط ہماری رائے میں بینک کے امور کو شریعہ کمپلائنس سے متعلق اسٹیٹ بینک پاکستان کی طرف سے جاری کردہ قرار دادوں، اصولوں، احکامات وہدایات کے مطابق انجام دیا گیا ہے۔

3. بینک، تمام تر امور میں شریعہ کمپلائنس کو یقینی بنانے کے جامع نظام کا حامل ہے۔

4. بینک، شریعہ کمپلائنس تجزیہ اور انٹرنل شریعہ آڈٹ کی صورت میں اس بات کو یقینی بنانے کا ایک مربوط اور جامع نظام رکھتا ہے کہ غیر شرعی ذرائع اور طریقوں سے حاصل شدہ آمدنی کو چیریٹی اکاؤنٹ میں منتقل اور صحیح طور سے خیراتی مقاصد میں خرچ کیا گیا ہے۔

5. فنڈز کی تعیین، نفع ونقصان کی تقسیم اور پول مینجمنٹ، بالعموم شریعت کے اصول وضوابط اور SBP کی پول مینجمنٹ سے متعلق ہدایات کے مطابق ہوئی ہے۔

6. بینک کا لرننگ اینڈ ڈیولپمنٹ یونٹ متعدد تربیتی پروگرامز کے ذریعہ اسلامی بینکاری ومالیات پر انسانی سرمایہ کی تربیت اور ترقی کے لئے سرگرم عمل ہے تاکہ بینک کی پروڈکٹس وطریقہ کار اور شریعہ کمپلائنس کی اہمیت پر عملے، مینجمنٹ اور BoD کی آگاہی میں اضافہ کیا جاسکے۔

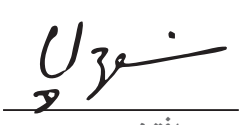
7. شریعہ بورڈ کو اپنی ذمہ داریوں سے بخوبی عہدہ برآں ہونے کے قابل بنانے کے لئے تمام مطلوبہ معلومات تک بلا رکاوٹ رسائی اور مناسب وسائل مہیا کئے گئے ہیں۔

8. بینک کو کسٹمر ایکسپیرینس میں بہتری، کارکردگی میں اضافہ، اور آپریشنز میں سرعت لانے کیلئے اپنی پروڈکس اور خدمات میں ٹیکنالوجی کی شمولیت پر غور کرنا چاہیے۔

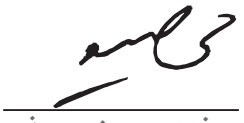
واللہ اعلم بالصواب



مفتی عبدالباسط
ریزیڈنٹ شریعہ بورڈ ممبر



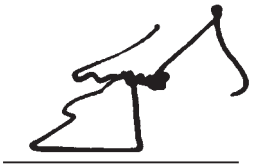
مفتی محمد عزیر قاسم
شریعہ بورڈ ممبر



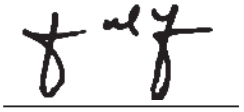
مفتی محمد حسان اشرف عثمانی
شریعہ بورڈ ممبر



مفتی محمد نجیب خان
شریعہ بورڈ ممبر



ڈاکٹر مفتی خلیل احمد اعظمی
شریعہ بورڈ ممبر



مفتی محمد محب الحق
چیئرمین شریعہ بورڈ

13 فروری 2025 | 14 شعبان المعظم 1446

Statement on Internal Controls

This statement is presented to comply with the instructions of the State Bank of Pakistan (SBP) issued vide BSD Circular No. 07 dated May 27, 2004, "Guidelines on Internal Controls" and OSED Circular No. 01 dated February 07, 2014, "Instructions on Internal Controls over Financial Reporting (ICFR)".

The Management of Faysal Bank Limited is responsible for establishing and maintaining an adequate and effective internal control system in the Bank. In this context, the Management has designed the Bank's Internal Control Program to provide reasonable assurance on the reliability of financial reporting, the effectiveness of operations, and compliance with applicable laws and regulations. Although the Internal Control Program is effectively implemented and monitored, there are inherent limitations in the effectiveness of any system, including the possibility of human error, system failure, circumvention, and overriding of controls. Even an effective internal control system can provide reasonable but not absolute assurance that the system's objectives will be achieved.

Policies and procedures covering diverse business and operational domains are meticulously crafted, continuously updated, and effectively communicated across all relevant levels of the organization. These policies receive formal approval from the Bank's Board of Directors (BoD), while the procedures are sanctioned by the Senior Management. The Bank's internal audit function plays a pivotal role in ensuring adherence to these policies and procedures, conducting rigorous compliance monitoring. Regular updates and compliance reports are provided to the Management and the BoD through the Board's Audit and Corporate Governance Committee, ensuring ongoing oversight and governance.

The Bank's Management has established a dedicated Internal Control Department (ICD) under the Compliance Function, tasked with executing both on-site and off-site evaluations of processes associated with Support Functions and branch operations. The ICD is integral to the ongoing monitoring and identification of operational deficiencies, ensuring that immediate corrective measures are implemented. This department is responsible for enforcing adherence to policies and procedures that have received formal approval from the Board of Directors (BoD) and Senior Management, thus fostering a robust internal control environment. Additionally, Management proactively addresses any discrepancies identified by regulatory bodies, the ICD itself, as well as internal and external auditors. These remedial actions involve targeted enhancements to the internal control framework to prevent the recurrence of identified issues and are rigorously overseen by the Compliance Committee.

The Bank has completed all stages of the ICFR roadmap, issued vide SBP's BSD Circular No. 05 dated February 24, 2009. The Bank has adopted the "COSO Internal Control Integrated Framework" in relation to its Internal Control Program to ensure consistency in the process of compliance with SBP's Internal Control Guidelines involving documentation, risk assessment, gap analysis, controls testing, controls implementation, and quality assurance/validation. Further, in the year 2017, SBP granted an exemption for submission of Long Form Report (LFR) through external auditors. Moreover, as per SBP's BSD Circular No. 01 dated July 06, 2021, banks were allowed to discontinue the annual submission of LFR or Annual Assessment Report (AAR) on the efficacy of ICFR to SBP. However, banks shall continue the preparation of AAR on the efficacy of ICFR under ICFR instructions/framework, and the Internal Audit Function will review and submit it to the Audit Committee for BoD approval, for the year ended December 31, 2024.

Additionally, the Bank has undertaken various initiatives to further strengthen internal controls, including but not limited to the implementation of continuous training and development programs for staff, and regular internal control reviews.

The Management is confident that through the adoption of these measures, the Bank's internal control environment is maintained at a satisfactory level.

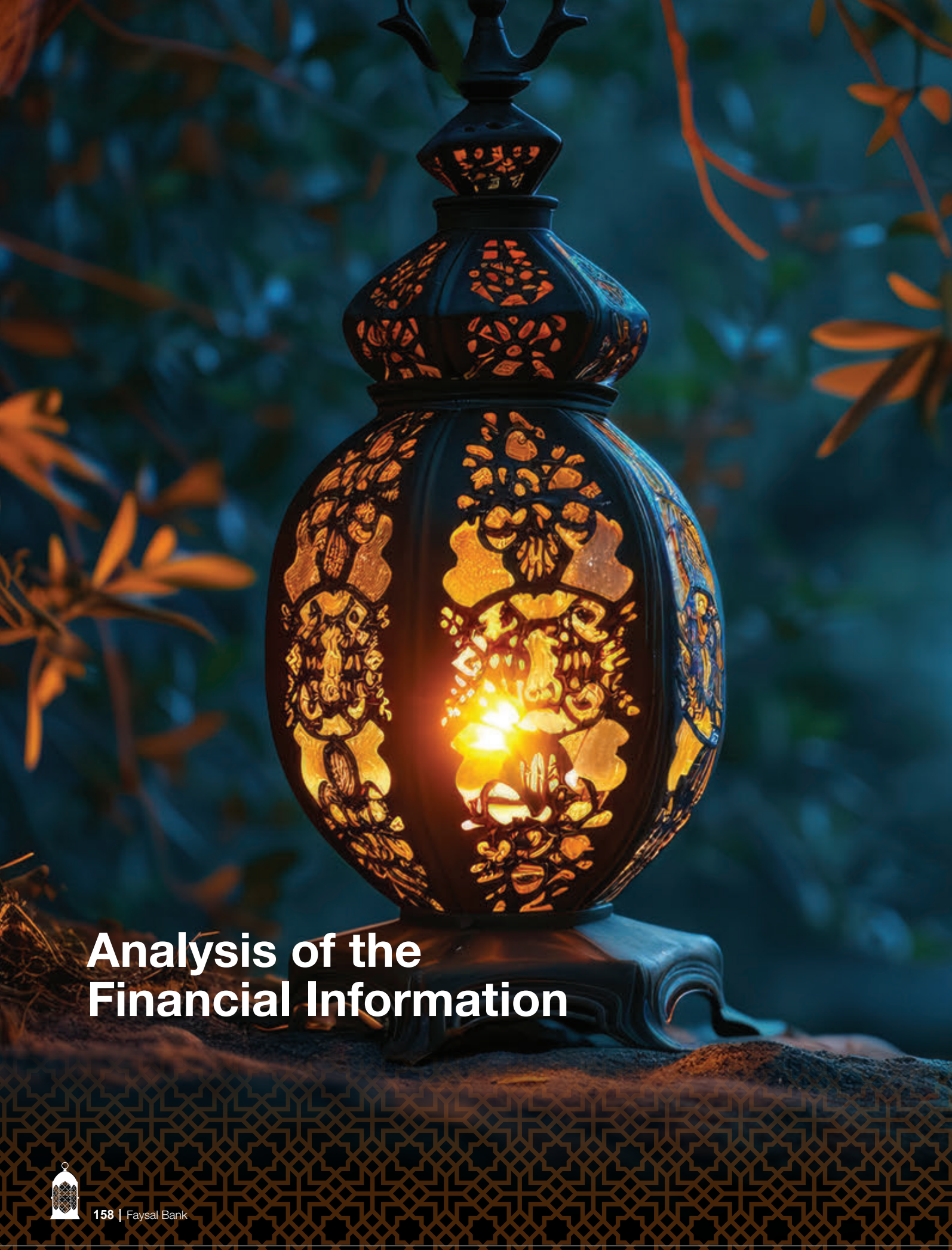
The BoD endorses the above-stated management evaluation of internal controls and the ICFR program.



Yousaf Hussain
President & CEO

Authorisation of Financial Statements by the Board of Directors

The financial statements for the year ended December 31, 2024 were authorised for issuance by the Board of Directors of the Bank on February 20, 2025.

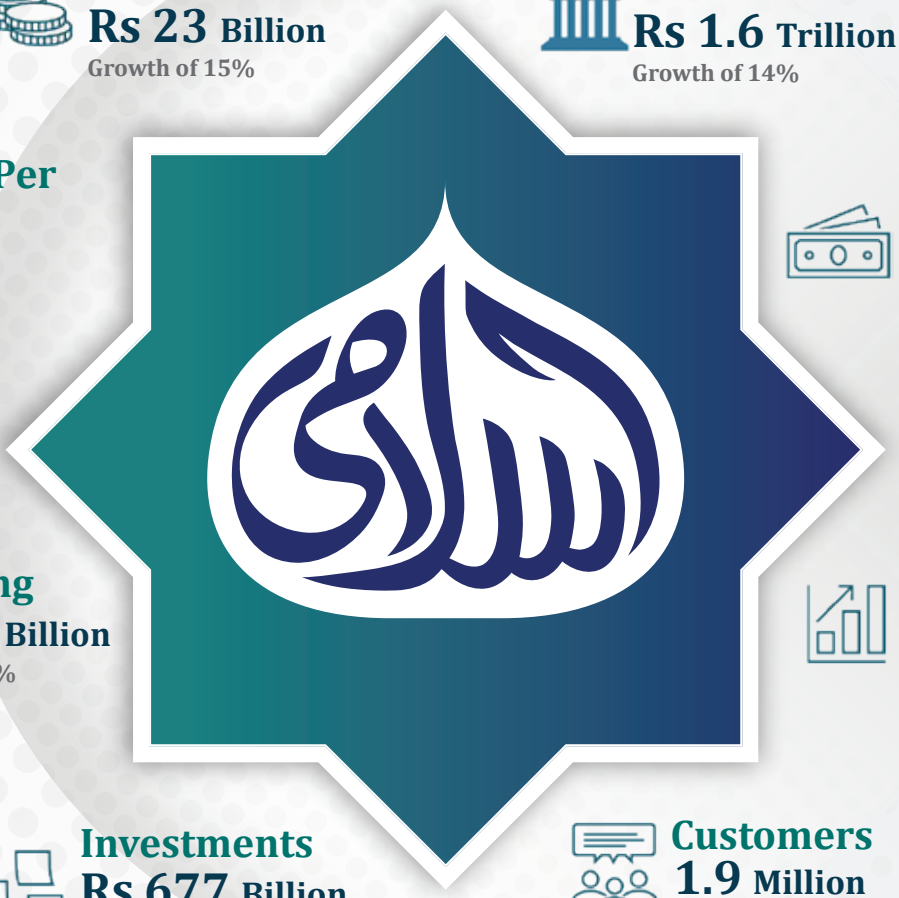


Analysis of the Financial Information

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Major Highlights



Profit after Tax
Rs 23 Billion
Growth of 15%

Total Assets
Rs 1.6 Trillion
Growth of 14%

Earning Per Share
Rs 15.2
Growth of 15%

Deposits
Rs 1 Trillion
Growth of 2.6%
Market share : 3.4%

Financing
Rs 634 Billion
Growth of 9.2%

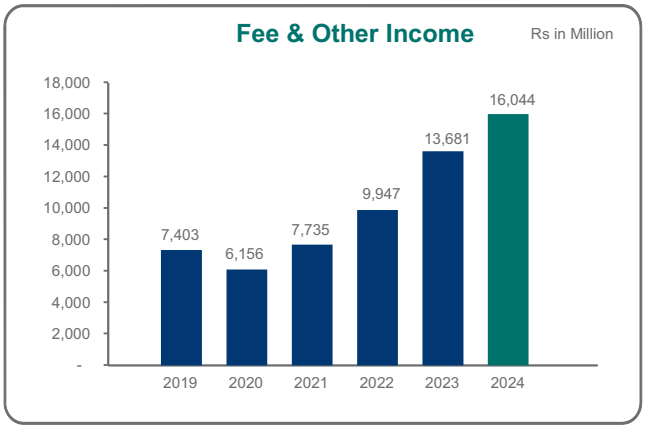
Shareholders' Equity
Rs 108 Billion
Growth of 20%

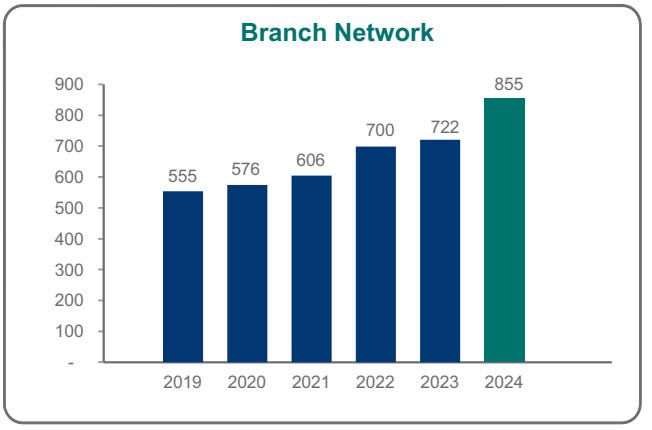
Investments
Rs 677 Billion
Growth of 15%

Customers
1.9 Million
Growth of 29%

Six Years' Financial Summary

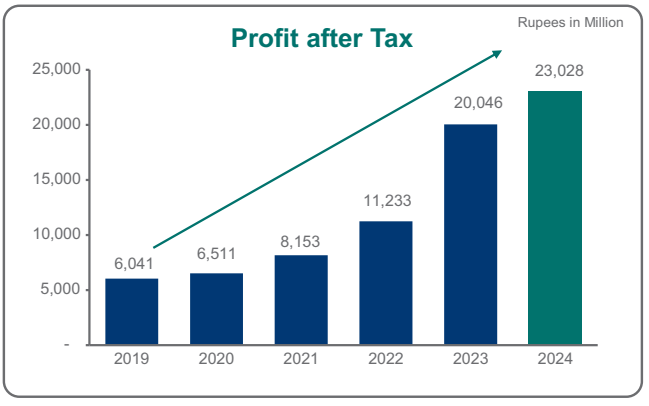
	2024	2023	2022	2021	2020	2019
Operational Results						Rs in Million
Profit / return earned	225,052	189,448	104,521	53,869	55,922	58,398
Profit / return expensed	144,669	118,395	64,533	28,035	31,388	37,278
Fee, commission, brokerage, Forex and other income	16,044	13,681	9,947	7,735	6,156	7,403
Dividend and capital gain / (loss) - net	1,483	(1,579)	(987)	774	2,075	(155)
Total income	97,745	83,155	48,947	34,343	32,765	28,367
Credit loss allowance and write offs - net	(2,464)	914	(940)	48	2,254	843
Operating and other expenses	49,802	40,820	27,494	20,887	19,740	17,333
Operating profit before tax and credit allowance	47,943	42,335	21,453	13,456	13,025	11,035
Profit before taxation	50,408	41,422	22,393	13,409	10,770	10,192
Profit after taxation	23,028	20,046	11,233	8,153	6,511	6,041
Cash dividend (Rs)	7.00	4.00	7.00	2.00	-	-
Statement of financial position						Rs in Million
Shareholders' equity	85,589	75,047	59,435	58,762	51,080	44,516
Surplus on revaluation of assets - net	22,772	15,151	10,649	7,062	9,027	10,748
Deposits	1,044,279	1,018,276	781,571	644,089	540,636	457,789
Due to financial institutions	280,443	166,887	150,134	111,190	58,447	72,747
Islamic financing and related assets	633,910	580,711	454,261	396,295	318,180	309,573
Investments	677,372	589,545	469,451	357,471	276,930	204,069
Total assets	1,565,283	1,370,074	1,074,353	869,612	709,958	629,853
Other key information						
Trade volumes						
- Imports - local (Rs in million)	21,210	62,615	72,106	72,686	24,310	31,825
- Imports - foreign (USD in million)	2,604	1,330	1,461	1,718	1,343	1,129
- Exports - local (Rs in million)	20,130	22,674	59,348	35,893	35,538	53,347
- Exports - foreign (USD in million)	567	510	402	423	370	373
Number of employees	9,824	8,787	8,011	7,120	6,803	6,938
Number of branches	855	722	700	606	576	555

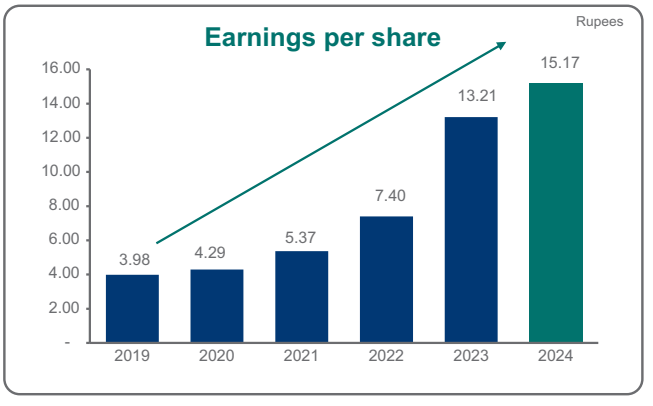


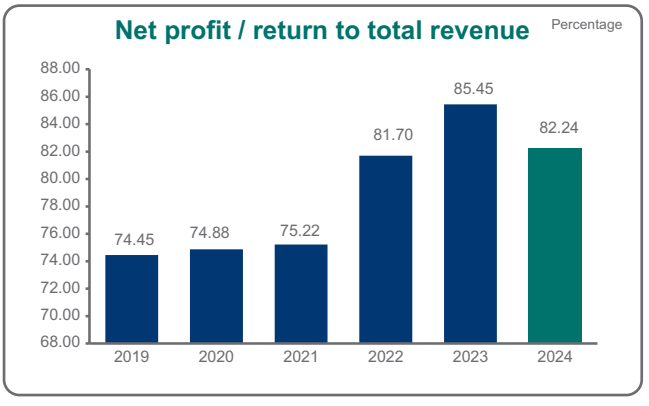


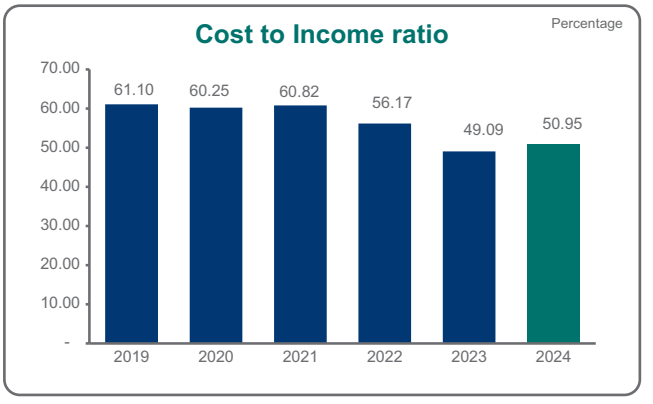
Six Years' Financial Summary

	2024	2023	2022	2021	2020	2019
Profitability ratios						
Profit before tax ratio (%)	22.40	21.86	21.42	24.89	19.26	17.45
Gross yield on earning assets (%)	17.16	16.19	11.20	7.15	9.35	11.37
Gross spread ratio (%)	71.40	37.51	38.26	47.96	43.87	36.17
Cost to income ratio (%)	50.95	49.09	56.17	60.82	60.25	61.10
Return on equity (ROE) (%)	28.67	29.81	19.01	14.84	13.62	14.57
Return on capital employed (ROCE) (%)	25.56	26.61	16.40	11.47	10.84	13.02
Shareholders' equity (Rs in million)	85,589	75,047	59,435	58,762	51,080	44,516
Return on share holder's fund (ROSF) (%)	58.89	55.19	37.68	22.82	21.09	22.89
Return on assets (ROA) (%)	1.57	1.64	1.16	1.03	0.97	0.98
Net profit / return to total revenue (%)	82.24	85.45	81.70	75.22	74.88	74.45
Net profit / return to total revenue (Times)	1.96	2.04	1.78	1.64	1.66	1.64



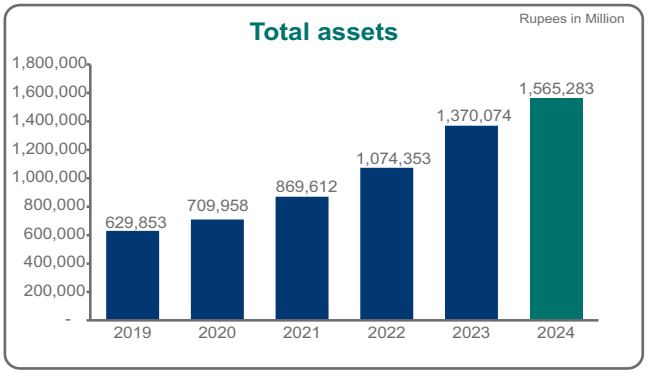


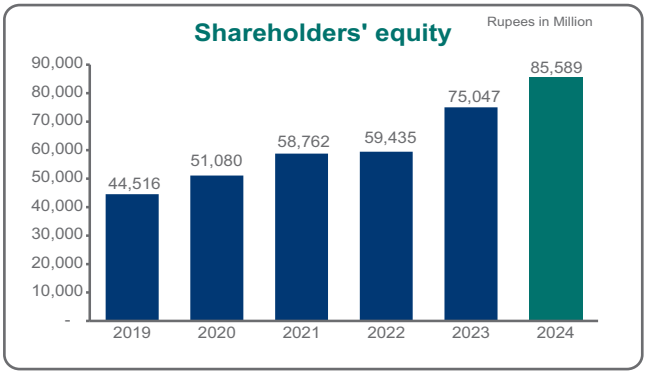


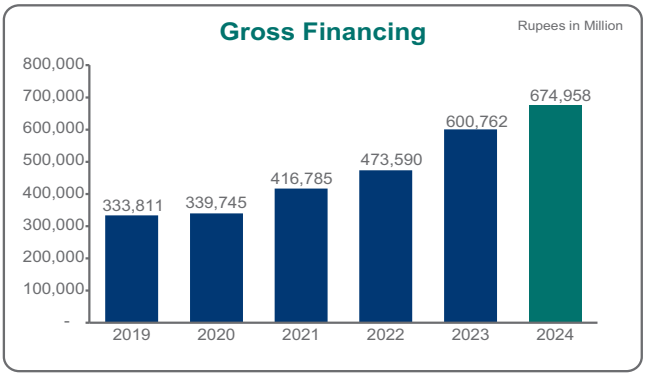


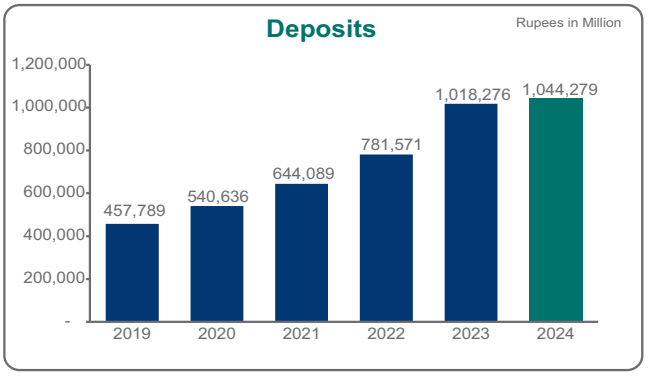
Financial Ratios

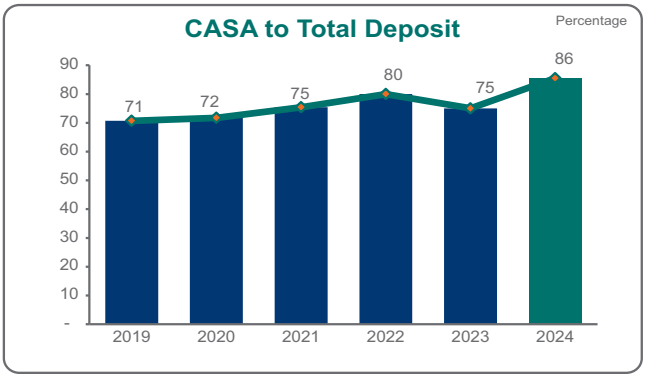
	2024	2023	2022	2021	2020	2019
Asset quality & Liquidity ratios						
Gross financing to deposits ratio (%)	64.63	59.00	60.59	64.71	62.84	72.92
Net financing to deposits ratio (%)	60.70	57.03	58.12	61.53	58.85	67.62
Current / Quick ratio (Times)	0.52	0.51	0.44	0.53	0.68	0.76
Cash to current liabilities (%)	7.49	6.92	5.99	7.77	9.81	10.94
Cashflow Coverage Ratio (%)	49.20	90.87	94.15	72.93	173.73	9.03
CASA to total deposits (%)	85.52	75.02	80.02	75.42	71.75	70.70
Gross Non-Performing financing to gross financing (%)	3.61	3.84	4.58	5.62	7.72	9.11
Non-performing financing to total financing (%)	3.84	3.97	4.78	5.91	8.24	9.82
Coverage ratio (specific provision to non-performing financing) (%)	89.12	83.14	85.52	83.50	78.74	77.20
Liquidity coverage ratio (Times)	1.59	1.53	1.79	2.14	2.11	1.42
Net stable funding ratio (%)	166.06	173.79	169.67	171.75	169.28	135.60

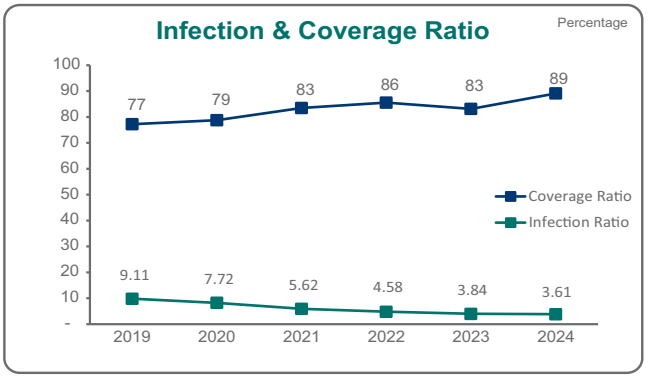






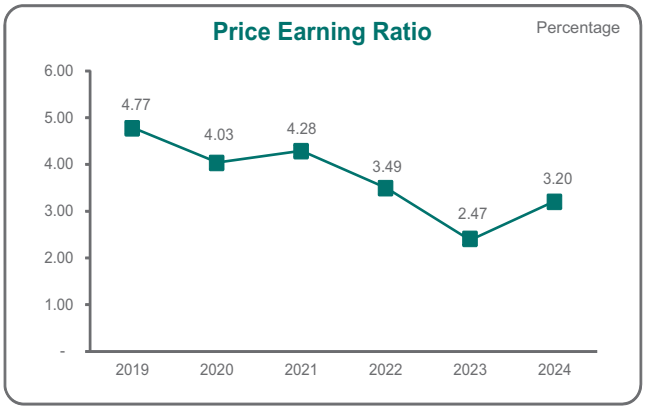


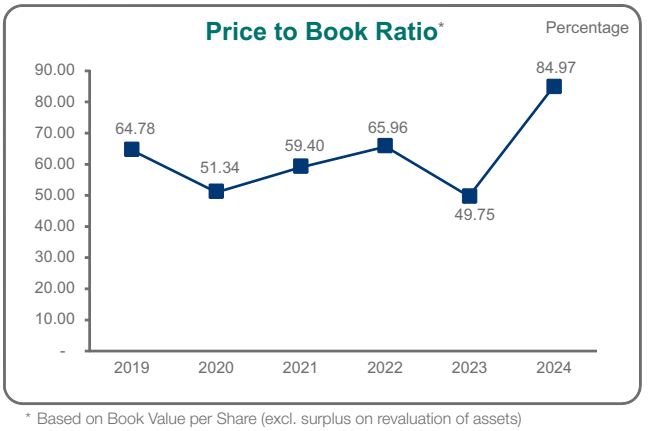




Financial Ratios

	2024	2023	2022	2021	2020	2019
Essential Financial Indicators						
Price earning ratio (%)	3.20	2.47	3.49	4.28	4.03	4.77
Earnings per share (EPS) (Rs)	15.17	13.21	7.40	5.37	4.29	3.98
Price to book ratio (%)	85.97	49.75	65.96	59.40	51.34	64.78
Dividend yield ratio (%)	14.44	16.26	27.10	6.52	-	-
Dividend payout ratio (%)	46.13	30.28	94.58	27.92	-	-
Cash Dividend Per share (Rs)	7.00	4.00	7.00	1.50	-	-
Market value per share at year end (Rs)	48.48	24.6	25.83	23.00	17.28	19.00
Book value per share (excl. surplus on revaluation of assets) (Rs)	56.39	49.45	39.16	38.72	33.66	29.33
Book value per share (Inc. surplus on revaluation of assets) (Rs)	71.40	59.43	46.18	43.37	39.60	36.41
Capital structure ratios						
Capital adequacy ratio (%)	16.54	17.46	15.47	17.53	18.67	19.14
Tier 1 capital adequacy ratio (%)	13.19	14.59	12.89	15.68	15.95	15.53
Leverage ratio (%)	4.70	4.57	4.50	5.46	5.96	5.86
Earning assets to total assets ratio (%)	83.77	85.42	86.89	86.68	84.24	81.55
Net assets per share (Rs)	71.40	59.43	46.18	43.37	39.60	36.41
Debt to Equity ratio (%)	2.59	1.85	2.14	1.69	0.97	1.32
Total assets turnover ratio (%)	6.66	6.07	4.56	3.95	4.62	4.50
Total assets to fixed assets turnover ratio (Times)	42.15	46.36	43.45	49.37	44.62	39.84
Net assets maturity wise (based on expected withdrawal pattern)						Rs in Million
Upto one month	120,342	(6,166)	(53,065)	19,003	(19,244)	34,478
Over one month to three months	104,331	(7,814)	(64,735)	(19,384)	90,164	49,393
Over three months to six months	395,968	452,716	352,874	21,191	12,636	9,434
Over six months to one year	(32,794)	(34,862)	32,085	14,893	19,777	10,450
Over one year to two years	(35,282)	(36,758)	(31,916)	52,336	3,236	9,811
Over two years to three years	(209,073)	(109,995)	(121,630)	866	12,090	7,916
Over three years to five years	(68,014)	(28,685)	(4,762)	132,775	20,982	(8,494)
Over five years to ten years	(191,156)	(163,337)	(64,556)	(69,800)	(19,673)	(11,405)
Over ten years	24,039	25,099	25,788	(86,057)	(59,861)	(46,319)
Total net assets	108,361	90,198	70,083	65,823	60,107	55,264





* Based on Book Value per Share (excl. surplus on revaluation of assets)

Horizontal Analysis

Statement of Financial Position

Rs in Million

	2024	2024 vs 2023	2023	2023 vs 2022	2022	2022 vs 2021	2021	2021 vs 2020	2020	2020 vs 2019	2019	2019 vs 2018
ASSETS												
Cash and balances with treasury banks	102,538	22%	84,037	50%	56,131	-4%	58,517	-2%	59,881	-1%	60,368	40%
Balances with other banks	5,539	206%	1,812	-35%	2,785	-21%	3,517	22%	2,879	2%	2,836	53%
Due from financial institutions	-	-	-	-100%	9,815	-	-	-100%	2,985	100%	-	-
Investments	677,372	15%	589,545	26%	469,451	31%	357,471	29%	276,930	36%	204,069	-5%
Islamic financing and related assets	633,910	9%	580,711	28%	454,261	15%	396,295	25%	318,180	3%	309,573	4%
Property and equipment	44,710	51%	29,555	20%	24,725	40%	17,614	11%	15,912	1%	15,811	36%
Right-of-use assets	13,290	24%	10,713	4%	10,309	18%	8,724	7%	8,127	-3%	8,373	0%
Intangible assets	2,600	11%	2,332	17%	1,985	14%	1,743	13%	1,541	4%	1,488	12%
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	85,323	20%	71,369	59%	44,891	74%	25,731	9%	23,524	-14%	27,335	-3%
	1,565,282	14%	1,370,074	28%	1,074,353	24%	869,612	22%	709,959	13%	629,853	5%
LIABILITIES												
Bills payable	39,170	137%	16,550	-22%	21,310	51%	14,123	4%	13,543	62%	8,356	-65%
Due to financial institutions	280,443	68%	166,887	11%	150,134	35%	111,190	90%	58,447	-20%	72,747	-26%
Deposits and other accounts	1,044,279	3%	1,018,276	30%	781,571	21%	644,089	19%	540,636	18%	457,789	12%
Lease liabilities	15,547	21%	12,868	9%	11,828	22%	9,728	14%	8,531	3%	8,320	-
Subordinated sukuk	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	12,982	165%	4,907	607%	694	17%	592	-63%	1,592	-42%	2,764	100%
Other liabilities	64,500	7%	60,388	56%	38,733	61%	24,066	-11%	27,103	10%	24,613	-2%
	1,456,921	14%	1,279,876	27%	1,004,270	25%	803,788	24%	649,852	13%	574,589	3%
	108,361	20%	90,198	29%	70,083	6%	65,824	10%	60,107	9%	55,264	27%
REPRESENTED BY												
Share capital	15,177	0%	15,177	0%	15,177	0%	15,177	0%	15,177	0%	15,177	0%
Reserves	17,866	14%	15,616	34%	11,675	-7%	12,613	14%	11,033	12%	9,831	12%
Surplus on revaluation of assets - net of tax	22,772	50%	15,151	42%	10,649	51%	7,062	-22%	9,027	-16%	10,748	111%
Unappropriated profit	52,546	19%	44,254	36%	32,582	5%	30,972	25%	24,870	27%	19,508	35%
	108,361	20%	90,198	29%	70,083	6%	65,824	10%	60,107	9%	55,264	27%

Horizontal Analysis

Profit and Loss Account

Rs in Million

	2024	2024 vs 2023	2023	2023 vs 2022	2022	2022 vs 2021	2021	2021 vs 2020	2020	2020 vs 2019	2019	2019 vs 2018
Profit / return earned	225,052	19%	189,448	81%	104,521	94%	53,869	-4%	55,922	-4%	58,398	66%
Profit / return expensed	144,669	22%	118,395	83%	64,533	130%	28,035	-11%	31,388	-16%	37,278	97%
Net profit / return	80,383	13%	71,053	78%	39,988	55%	25,834	5%	24,534	16%	21,120	30%
OTHER INCOME												
Fee and commission income	10,474	23%	8,518	29%	6,628	30%	5,094	32%	3,861	-6%	4,113	6%
Dividend income	413	24%	334	-42%	572	23%	464	23%	378	-11%	424	149%
Foreign exchange income	5,331	12%	4,758	67%	2,848	20%	2,379	14%	2,093	-26%	2,833	44%
(Loss) / income from derivatives	(146)	-270%	86	-55%	192	-868%	(25)	-152%	48	-73%	176	48%
Gain / (loss) on securities - net	1,070	-156%	(1,913)	23%	(1,560)	-603%	310	-82%	1,697	-393%	(579)	-1235%
Net gains / (loss) on derecognition of financial assets measured at amortised cost	(165)	0%	-	0%	-	0%	-	0%	-	0%	-	0%
Other income	385	20%	320	15%	279	-3%	287	86%	154	-45%	282	-30%
	17,362	43%	12,103	35%	8,959	5%	8,509	3%	8,231	14%	7,249	10%
Total income	97,745	18%	83,156	70%	48,947	43%	34,343	5%	32,765	15%	28,369	24%
OTHER EXPENSES												
Operating expenses	48,676	22%	39,814	47%	26,996	31%	20,605	6%	19,401	14%	17,068	15%
Workers welfare fund	1,029	16%	887	92%	461	68%	274	22%	225	-3%	233	35%
Other charges	97	-18%	119	222%	37	429%	7	-94%	114	245%	33	-63%
	49,802	22%	40,820	48%	27,494	32%	20,886	6%	19,740	14%	17,334	15%
Profit before credit loss allowance	47,943	13%	42,336	97%	21,453	59%	13,457	3%	13,025	18%	11,035	42%
Credit loss allowance and write offs - net	(2,464)	-370%	914	-197%	(940)	-2058%	48	-98%	2,254	167%	843	-300%
PROFIT BEFORE TAXATION	50,407	22%	41,422	85%	22,393	67%	13,409	24%	10,771	6%	10,192	24%
Taxation	27,379	28%	21,376	92%	11,160	112%	5,256	23%	4,260	3%	4,151	23%
PROFIT AFTER TAXATION	23,028	15%	20,046	78%	11,233	38%	8,153	25%	6,511	8%	6,041	25%
Basic / diluted earnings per share	15.17	15%	13.21	78%	7.40	38%	5.37	25%	4.29	8%	3.98	25%

Vertical Analysis

Statement of Financial Position

Rs in Million

	2024		2023		2022		2021		2020		2019	
ASSETS												
Cash and balances with treasury banks	102,538	6.6%	84,037	6.1%	56,131	5.2%	58,517	6.7%	59,881	8.4%	60,368	9.6%
Balances with other banks	5,539	0.3%	1,812	0.1%	2,785	0.3%	3,517	0.4%	2,879	0.4%	2,836	0.5%
Due from financial institutions	-	-	-	-	9,815	0.9%	-	-	2,985	0.4%	-	-
Investments	677,372	43.3%	589,545	43.0%	469,451	43.7%	357,471	41.1%	276,930	39.0%	204,069	32.4%
Islamic financing and related assets	633,910	40.5%	580,711	42.4%	454,261	42.3%	396,295	45.6%	318,180	44.8%	309,573	49.1%
Property and equipment	44,710	2.9%	29,555	2.2%	24,725	2.3%	17,614	2.0%	15,912	2.2%	15,811	2.5%
Right-of-use assets	13,290	0.8%	10,713	0.8%	10,309	1.0%	8,724	1.0%	8,127	1.1%	8,373	1.3%
Intangible assets	2,600	0.1%	2,332	0.2%	1,985	0.2%	1,743	0.2%	1,541	0.2%	1,488	0.2%
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	85,323	5.5%	71,368	5.2%	44,891	4.2%	25,731	3.0%	23,524	3.3%	27,335	4.3%
	1,565,283	100%	1,370,074	100%	1,074,353	100%	869,612	100%	709,959	100%	629,853	100 %
LIABILITIES												
Bills payable	39,170	2.5%	16,550	1.2%	21,310	2.0%	14,123	1.6%	13,543	1.9%	8,356	1.3%
Due to financial institutions	280,443	17.9%	166,887	12.2%	150,134	14.0%	111,190	12.8%	58,447	8.2%	72,747	11.5%
Deposits and other accounts	1,044,279	66.8%	1,018,276	74.3%	781,571	72.7%	644,089	74.1%	540,636	76.2%	457,789	72.7%
Lease liabilities	15,547	1.0%	12,868	0.9%	11,828	1.1%	9,728	1.1%	8,531	1.2%	8,320	1.3%
Subordinated sukuk	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	12,982	0.8%	4,907	0.4%	694	0.1%	592	0.1%	1,592	0.2%	2,764	0.4%
Other liabilities	64,500	4.1%	60,388	4.4%	38,733	3.6%	24,066	2.8%	27,103	3.8%	24,613	3.9%
	1,456,921	93.1%	1,279,876	93.4%	1,004,270	93.5%	803,788	92.4%	649,852	91.5%	574,589	91.2%
	108,361	6.9%	90,198	6.6%	70,083	6.5%	65,824	7.6%	60,107	8.5%	55,264	8.8%
REPRESENTED BY												
Share capital	15,177	1.0%	15,177	1.1%	15,177	1.4%	15,177	1.7%	15,177	2.1%	15,177	2.4%
Reserves	17,866	1.1%	15,616	1.1%	11,675	1.1%	12,613	1.5%	11,033	1.6%	9,831	1.6%
Surplus on revaluation of assets - net of tax	22,772	1.5%	15,151	1.1%	10,649	1.0%	7,062	0.8%	9,027	1.3%	10,748	1.7%
Unappropriated profit	52,546	3.4%	44,254	3.2%	32,582	3.0%	30,972	3.6%	24,870	3.5%	19,508	3.1%
	108,361	6.9%	90,198	6.6%	70,083	6.5%	65,824	7.6%	60,107	8.5%	55,264	8.8%

Vertical Analysis

Profit and Loss Account

Rs in Million

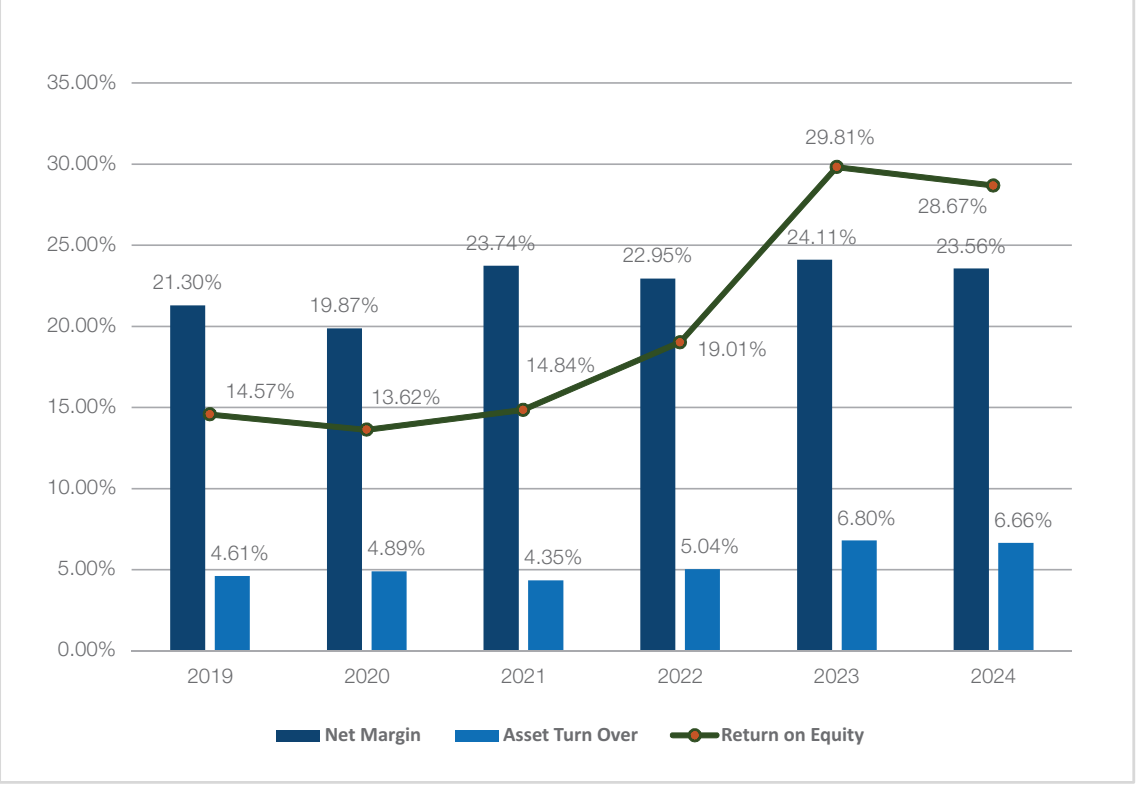
	2024		2023		2022		2021		2020		2019	
Profit / return earned	225,052	92.8%	189,448	94.0%	104,521	92.1%	53,869	86.4%	55,922	87.2%	58,398	88.9%
Profit / return expensed	144,669	59.7%	118,395	58.7%	64,533	56.9%	28,035	44.9%	31,388	48.9%	37,278	56.8%
Net Profit / return	80,383	33.1%	71,053	35.3%	39,988	35.2%	25,834	41.5%	24,534	38.3%	21,120	32.1%
OTHER INCOME												
Fee and commission income	10,474	4.3%	8,518	4.3%	6,628	5.8%	5,094	8.2%	3,861	6.0%	4,113	6.3%
Dividend income	413	0.2%	334	0.2%	572	0.5%	464	0.7%	378	0.6%	424	0.6%
Foreign exchange income	5,331	2.2%	4,758	2.5%	2,848	2.5%	2,379	3.8%	2,093	3.3%	2,833	4.3%
Income / (loss) from derivatives	(146)	-0.1%	86	0.0%	192	0.2%	(25)	0.0%	48	0.1%	176	0.3%
Gain / (loss) on securities - net	1,070	0.4%	(1,913)	-0.9%	(1,560)	-1.4%	310	0.5%	1,697	2.6%	(579)	-0.9%
Net gains / (loss) on derecognition of financial assets measured at amortised cost	(165)	-0.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other income	385	0.2%	320	0.1%	279	0.2%	287	0.4%	154	0.2%	282	0.4%
	17,362	7.1%	12,103	6.2%	8,959	7.8%	8,509	13.6%	8,231	12.8%	7,249	11.0%
Total income	97,745	40.2%	83,156	41.5%	48,947	43.0%	34,343	55.1%	32,765	51.1%	28,369	43.1%
OTHER EXPENSES												
Operating expenses	48,676	20.1%	39,814	19.8%	26,996	23.8%	20,605	33.0%	19,401	30.3%	17,068	26.0%
Workers welfare fund	1,029	0.3%	887	0.5%	461	0.4%	274	0.4%	225	0.4%	233	0.4%
Other charges	97	0.0%	119	0.1%	37	0.0%	7	0.1%	114	0.1%	33	0.1%
Total other expenses	49,802	20.4%	40,820	20.4%	27,494	24.2%	20,886	33.5%	19,740	30.8%	17,334	26.5%
Profit before credit loss allowance	47,943	19.8%	42,336	21.1%	21,453	18.8%	13,457	21.6%	13,025	20.3%	11,035	16.6%
Credit loss allowance & write-offs - net	(2,464)	-1.0%	914	0.5%	(940)	-0.8%	48	0.1%	2,254	3.5%	843	1.3%
PROFIT BEFORE TAXATION	50,407	20.8%	41,422	20.6%	22,393	19.6%	13,409	21.5%	10,771	16.8%	10,192	15.3%
Taxation	27,379	11.3%	21,376	10.6%	11,160	9.8%	5,256	8.4%	4,260	6.6%	4,151	6.3%
PROFIT AFTER TAXATION	23,028	9.5%	20,046	10.0%	11,233	9.8%	8,153	13.1%	6,511	10.2%	6,041	9.0%

DuPont Analysis

	2019	2020	2021	2022	2023	2024
Net Margin	21.30%	19.87%	23.74%	22.95%	24.11%	23.56%
Asset Turnover	4.61%	4.89%	4.35%	5.04%	6.80%	6.66%
Equity Multiplier - Times	14.83	14.02	14.38	16.45	18.18	18.27
Return on Equity	14.57%	13.62%	14.84%	19.01%	29.81%	28.67%

DuPont Analysis is a framework used to evaluate financial performance by breaking down Return on Equity (ROE) into three key components. Following are the main Dupont analysis highlights:

- The bank demonstrates strong profitability, efficiently converting revenue into profit.
- The bank's Asset Turnover highlights excellent use of assets to generate revenue.
- The Equity Multiplier reflects effective leverage, showcasing the bank's ability to deliver high returns for shareholders.
- Overall, the bank's performance is marked by efficiency and strong financial returns.



Quarterly Performance Review

	2024				2023			
	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr
	Rupees in Million							
STATEMENT OF FINANCIAL POSITION								
ASSETS								
Cash and balances with treasury banks	102,538	100,714	92,284	94,746	84,037	78,908	89,444	64,333
Balances with other banks	5,539	3,471	3,626	3,395	1,812	760	4,030	3,150
Due from financial institutions	-	20,000	-	11,000	-	-	25,500	1,500
Investments	677,372	649,836	623,598	646,604	589,545	550,429	481,439	466,953
Islamic financing and related assets	633,910	507,801	575,284	576,313	580,711	490,829	521,300	488,697
Property and equipment	44,711	39,160	33,685	32,497	29,555	38,107	36,066	35,697
Right-of-use assets	13,290	11,976	10,884	10,500	10,713	-	-	-
Intangible assets	2,600	2,286	2,344	2,379	2,332	2,233	2,078	1,956
Deferred tax assets	-	-	577	-	-	40	168	1,037
Other assets	85,323	111,785	75,869	97,048	71,368	88,963	68,838	69,792
	1,565,283	1,447,029	1,418,151	1,474,483	1,370,073	1,250,269	1,228,863	1,133,115
LIABILITIES								
Bills payable	39,170	13,632	17,753	12,375	16,550	15,169	20,703	13,757
Due to financial institutions	280,443	75,931	175,976	245,133	166,887	132,894	162,888	189,580
Deposits and other accounts	1,044,279	1,164,290	1,074,089	1,049,641	1,018,276	949,567	907,900	799,781
Lease Liabilities	15,547	14,537	13,348	12,826	12,868	-	-	-
Subordinated sukuk	-	-	-	-	-	-	-	-
Deferred tax liabilities	12,982	6,505	-	640	4,907	-	-	-
Other liabilities	64,500	68,318	43,692	63,673	60,387	73,961	62,011	59,645
	1,456,921	1,343,213	1,324,858	1,384,288	1,279,875	1,171,591	1,153,502	1,062,763
	108,361	103,816	93,293	90,196	90,198	78,678	75,360	70,352
REPRESENTED BY								
Share capital	15,177	15,177	15,177	15,177	15,177	15,177	15,177	15,177
Reserves	17,866	17,561	16,922	16,257	15,616	14,026	13,133	12,306
Surplus on revaluation of assets - net of tax	22,772	19,410	12,360	13,465	15,151	10,186	9,894	9,196
Unappropriated profit	52,546	51,668	48,835	45,297	44,254	39,289	37,156	33,673
	108,361	103,816	93,293	90,196	90,198	78,678	75,360	70,352
PROFIT AND LOSS ACCOUNT								
Profit / return earned	50,121	56,097	59,380	59,453	56,094	51,251	47,267	34,837
Profit / return expensed	(29,545)	(34,513)	(39,842)	(40,768)	(34,184)	(32,839)	(29,575)	(21,797)
Net Profit / return	20,576	21,584	19,538	18,685	21,910	18,412	17,692	13,040
Credit loss allowance & write-offs - net	(1,102)	(562)	(833)	32	(3,023)	1,612	960	1,365
Other income	5,213	3,258	4,227	4,663	5,164	2,245	2,163	2,516
Other expenses	15,198	12,513	11,250	10,840	12,790	9,988	10,076	7,954
Profit before taxation	11,692	12,891	13,349	12,477	17,308	9,057	8,819	6,237
Taxation	8,426	6,393	6,595	5,965	9,307	4,538	4,505	3,026
Profit after taxation	3,264	6,498	6,754	6,513	8,002	4,519	4,314	3,211

Cash Flow Statement - Direct Method

For the year ended December 31, 2024

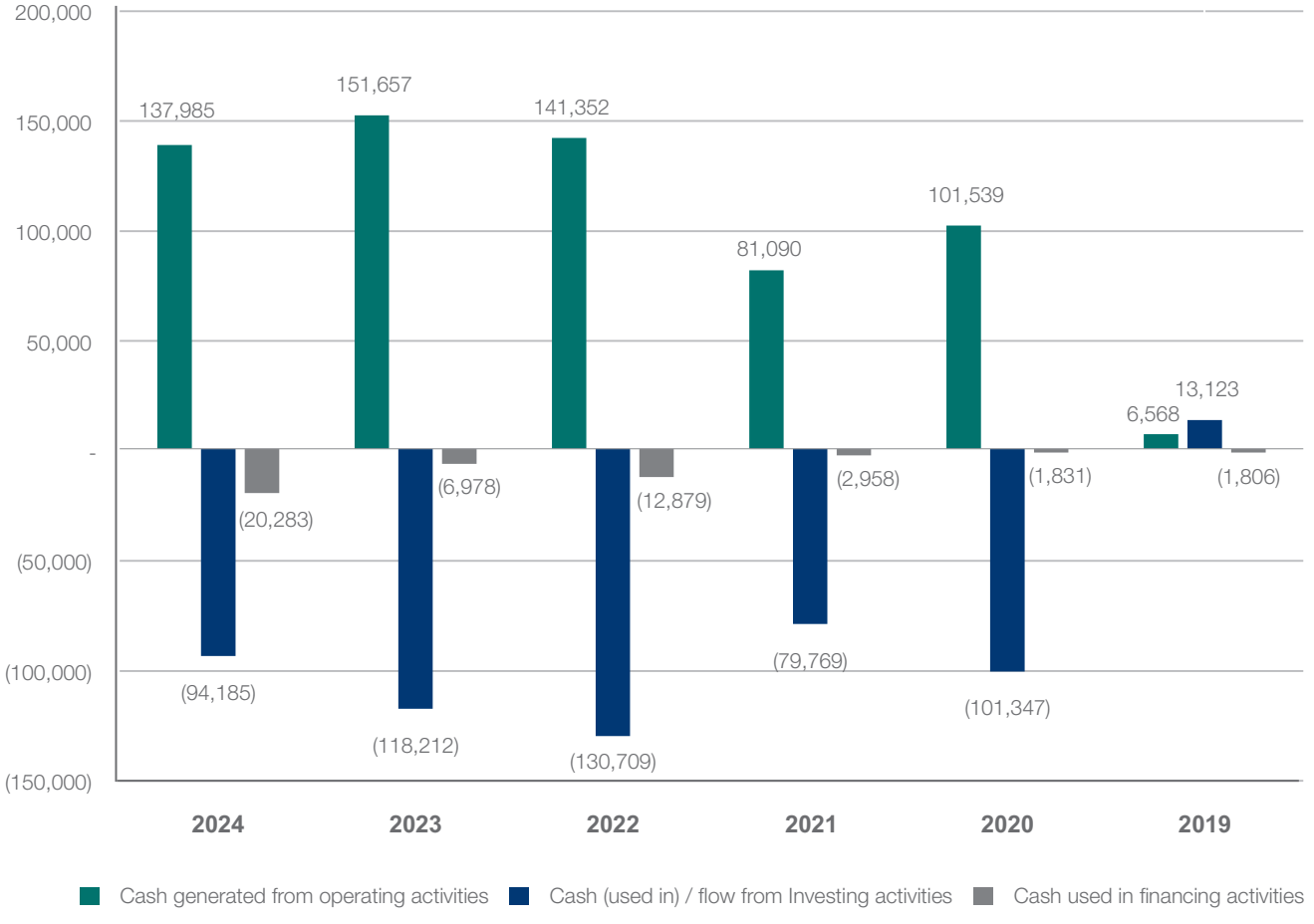
	2024	2023
	Rupees in Million	
Profit / return received	233,629	171,867
Profit / return paid	(146,042)	(115,128)
Payment to employees, suppliers and others	(25,629)	(23,694)
	61,958	33,045
Decrease / (increase) in operating assets		
Due from financial institutions	-	9,815
Securities classified as FVPL	6,127	-
Financing	(73,930)	(126,767)
Others assets (excluding advance taxation)	(10,231)	(9,514)
	(78,034)	(126,466)
Increase / (decrease) in operating liabilities		
Bills Payable	22,619	(4,759)
Due to financial institutions	123,014	16,286
Deposits	26,003	236,705
Other liabilities (excluding current taxation)	16,536	17,673
	188,172	265,905
Income tax paid	(34,111)	(20,826)
Net cash generated from operating activities	137,985	151,658
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in amortized cost securities	(39)	(1,845)
Net investments in securities classified as FVOCI	(75,915)	(108,875)
Net investments in subsidiary	(1,000)	-
Divestment / (investment) in associates - net	1,515	(118)
Dividends received	414	334
Investment in property and equipment	(18,405)	(7,014)
Investment in intangible assets	(795)	(755)
Disposal proceeds of property and equipment	40	61
Net cash used in investing activities	(94,185)	(118,212)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(3,810)	(2,513)
Dividend paid	(16,474)	(4,465)
Net cash used in financing activities	(20,284)	(6,978)
Increase in cash and cash equivalents	23,516	26,468
Cash and cash equivalents at the beginning of the year	83,721	57,253
Cash and cash equivalents at the end of the year	107,237	83,721

Summary of Cash Flows

Rs in Million

	2024	2023	2022	2021	2020	2019
Cash generated from operating activities	137,985	151,657	141,352	81,090	101,539	6,568
Cash (used in) / flow from Investing activities	(94,185)	(118,212)	(130,709)	(79,769)	(101,347)	13,123
Cash used in financing activities	(20,283)	(6,978)	(12,879)	(2,958)	(1,831)	(1,806)
Cash and cash equivalents at the beginning of year	83,720	57,253	59,489	61,126	62,765	44,880
Cash and cash equivalents at the end of year	107,237	83,720	57,253	59,489	61,126	62,765

Rs in Million



Share Price Sensitivity Analysis

Below is a list of some key factors that can influence the share price of Faysal Bank Limited. The list is not exhaustive and intends to cover the major areas:

Regulatory / Policy Changes

Any regulatory or policy changes that directly impact the overall banking landscape along with cost and / or revenue drivers are likely to exert a significant influence on the Bank's stock price. For example, any change in monetary policy rate has a direct impact on yields of government securities, spreads made on advances and funding costs; and in turn materially impact profitability and the share price as well. Similarly, any hike in the minimum rate of return on deposits will result in compression in net interest margins earned and can negatively impact the earning and correspondingly the share price of the scrip.

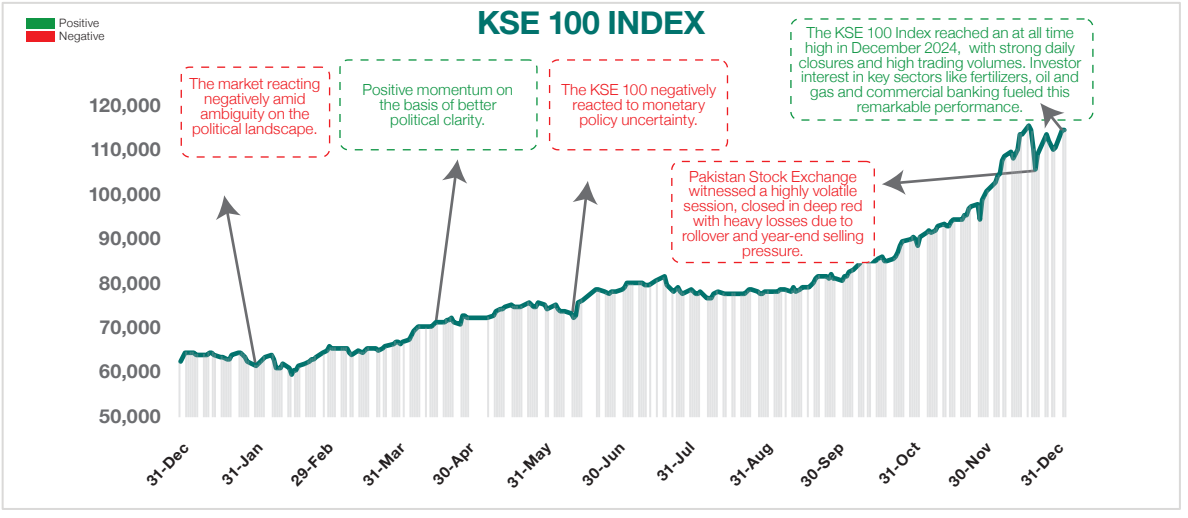
Investor and Market Sentiment

Market sentiment is often subjective which makes it difficult to quantify but a change in sentiments due to the investment climate in general or the stock market in particular can have an impact on the Bank's share price as well. Such a sentiment driven impact on the share price can occur even in the absence of any fundamental development or change in the Bank's business case.

Change in Macro Environment

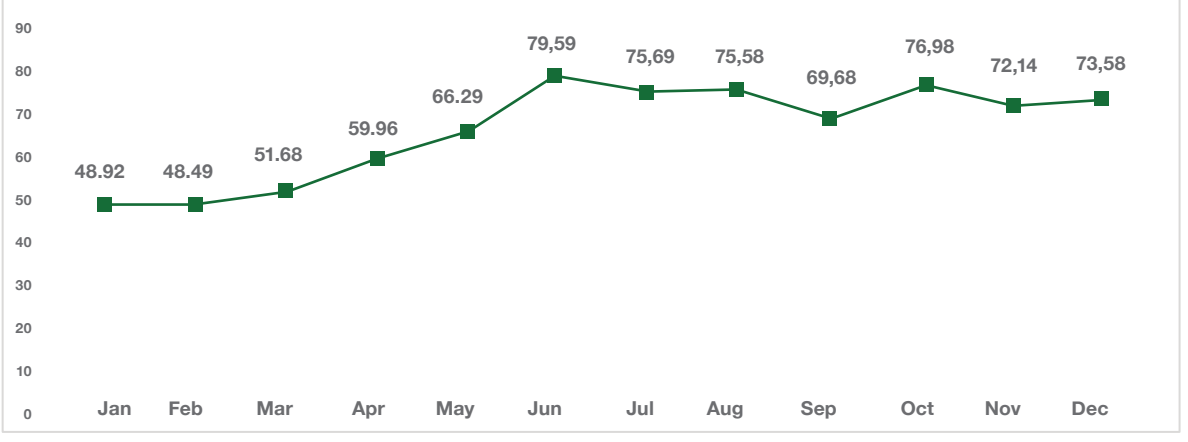
Political stability and controlled law & order situation is a pre-requisite for any economic development. Any changes in the macro environment, including inflation and / or currency devaluation could see the stock price of the Bank move alongside as market preempts such developments and extrapolates their impact on policy / regulatory changes in the Bank's share price.

Share Price as of December 31, 2024	Rs. 48.48
High Price	Rs. 58.10
Low Price	Rs. 28.50
Average Volume	3,194,903
No. of Trading Days	246



Stock Market Capitalization of the Bank

Rupees in billion



Methods and assumptions used in compiling the indicators

The Bank utilizes a comprehensive set of Key Performance Indicators (KPIs) to evaluate the success of both strategic initiatives and routine operational activities. These KPIs are carefully selected to align with the FBL's objectives, offering a clear and accurate picture of its financial health, operational efficiency, and competitive positioning. The FBL monitors a variety of traditional financial ratios, such as growth in deposits and advances, the non-performing loans (NPL) ratio, and the provision coverage ratio, which help assess asset quality and risk management. In addition, profitability ratios like the net margin, non-markup income to total income, cost-to-income ratio, return on assets (ROA), return on equity (ROE), and earnings per share (EPS) are closely tracked to gauge the FBL's ability to generate income, manage costs, and provide returns to shareholders. Beyond these financial metrics, the FBL also analyzes its market position, comparing its performance to that of competitors and considering broader market conditions, such as regulatory changes and economic trends. This holistic approach enables the FBL to make informed, data-driven decisions that support sustainable growth and maintain a competitive edge in the market.

Sensitivity Analysis due to Foreign Currency Fluctuations

Foreign exchange risk / currency risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. It refers to the impact of adverse movements in currency exchange rates on the value of open foreign currency positions. Changes in currency rates affect the value of assets and liabilities denominated in foreign currencies and may affect revenues from foreign exchange dealing.

The Bank undertakes currency risk mostly to support its trade services and maintains overall foreign exchange risk position to the extent of statutory Foreign Exchange Exposure Limit (FEEL) prescribed by the SBP.

Exposure limits such as counterparty, gap, net open position, dealer and bucket-wise currency delta limits are in place in accordance with the Bank's approved policies in order to manage associated risk and concentration at the acceptable tolerance levels.

For details about the Bank's foreign exchange risk refer note 46.2.2 to the accompanying unconsolidated financial statements for the year ended December 31, 2024.



Particulars of Significant / Material Assets and Immovable Properties

The Bank has the following assets as at 31 December 2024.

	2024	
	Rupees '000	%
Land - Freehold & Leasehold	14,435,097	24
Building on Freehold & Leasehold land	7,043,680	12
Office equipment	6,537,379	11
Vehicles, Leasehold property and improvement & Furniture and fixture	10,033,100	16
Right-of-use assets	13,289,601	22
Property and equipment	**51,338,857**	**85**
Intangible assets	2,600,358	4
Capital work-in-progress	6,661,796	11
Total property and equipment & intangible assets	**60,601,011**	**100**

Significant immovable properties of the Bank are as follows:

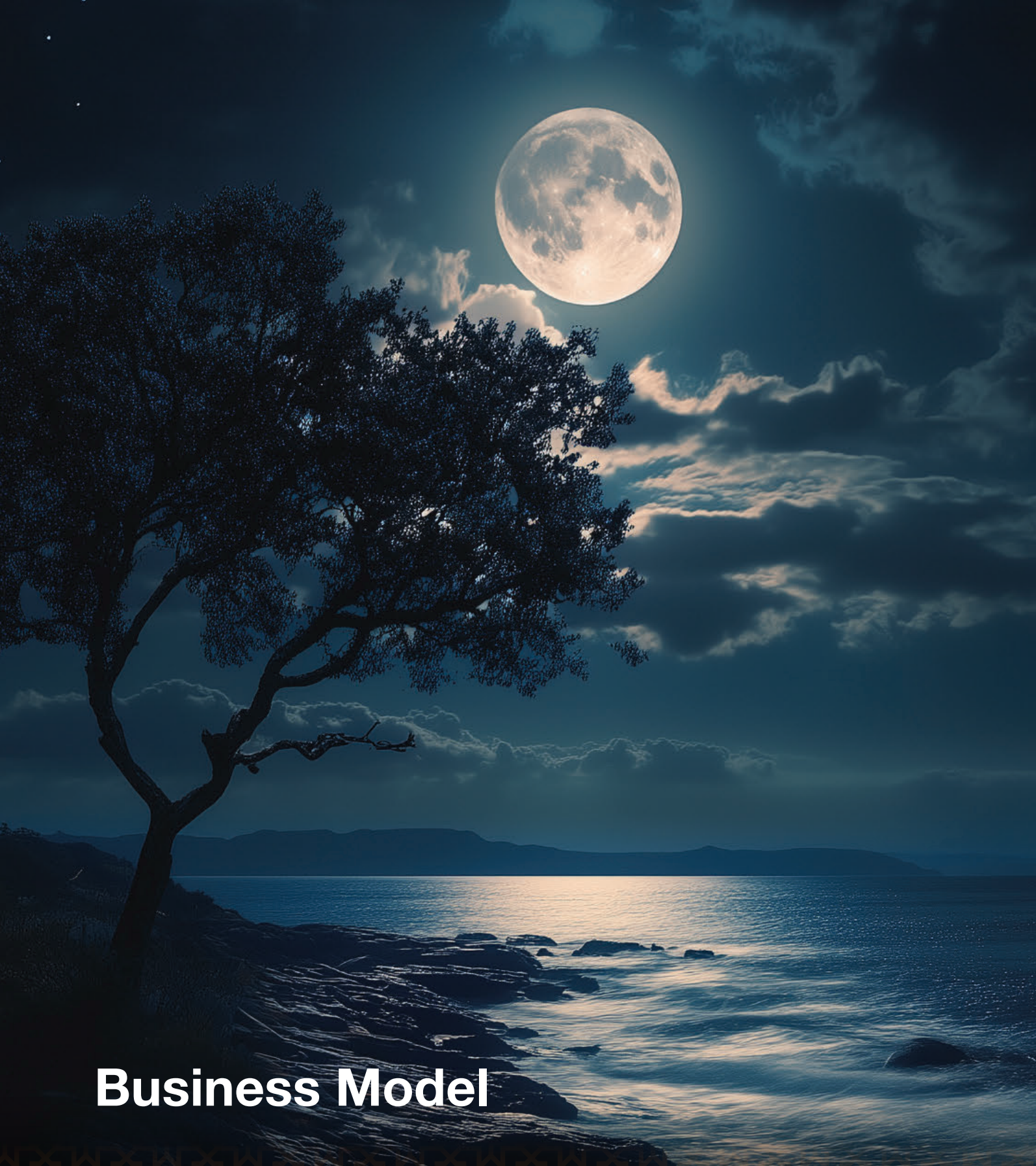
Head Office

- Faysal House, Sharah e Faysal Karachi, Pakistan

Regional Office

- 3555-16, Abdullah Haroon Road Karachi, Pakistan
- 3549-310 Upper Mall, Lahore, Pakistan
- 3709 - Building on Plot # P-20, Ward 10, Civil Lines, Faisalabad
- 3552- Plot # 15, Western Half, F-6/G-6, Jinnah Avenue, Islamabad.

Owned and leased premises of branch network and offices across the country.



Business Model

Section 7

Our Business Model 178

Value Chain Positioning – Upstream and Downstream

Upstream Partners (Enablers/Input Providers)

Partner	Category	Channel/Engagement Method
Central Bank	Regulatory Authority	Compliance filings, audits, and regular meetings
Federal & Provincial Governments of Pakistan	Regulatory Authority	Reporting, licensing, and approval processes
Tax Authorities	Government Entity	Tax compliance filings, audits, and digital platforms
Mastercard, UnionPay	Payment Network Providers	Partnership agreements, integration of APIs, co-branding, and marketing campaigns
Euronet, SWIFT	Transaction Processing	System integrations, real-time monitoring, and SLA agreements
1LINK	Payment Switch	Interbank transaction setups, certification, and compliance with standards
Silverlake	Core Banking System Providers	Licensing, system integration, and ongoing support
Bloomberg, Reuters	Market Data Providers	API access, subscription-based services, and real-time updates
Western Union, MoneyGram etc.	Remittance Processing	Partnership agreements, system integration, and agent training
PwC, KPMG	Professional Services	Annual audits, risk assessment reviews, and consulting projects
Legal Advisors	Professional Services (Legal)	Contract reviews, compliance advice, and regulatory dispute management
NCR, Diebold	ATM Manufacturers	Equipment leasing, service contracts, and maintenance schedules

Downstream Partners (Service Consumers/Output Recipients)

Partner	Category	Channel/Engagement Method
Retail Customers	End Users (Individuals)	Branches, ATMs, CDMs, Mobile Banking Apps, Internet banking, Relationship Managers, Loyalty programs
SMEs and Corporates	Corporate Clients	Relationship Managers, Treasury platforms, and customized service agreements
Merchants and Retailers	Ecosystem Participants	POS systems, and payment solutions
E-commerce Platform DigiMall	Ecosystem Participants	API integrations, payment gateways, and marketing partnerships
Foreign Banks	Correspondent Banks	SWIFT, bilateral agreements, and interbank platforms

Material Changes in Business Model

There have been no significant changes from prior years with respect to the Business Model of the Bank, except for the incorporation of Faysal Islami Currency Exchange Company (Pvt.) Ltd, aiming to open 50 branches by March 2025.


Investors
01
Delivered strong and healthy 23.2% return on equity.
46% payout ratio
Offers a varied range of products to meet each customer's demand.
Our work for customers in the section Products & Services
02
Customers
Employees
03
Paid PKR 19 Bln as salaries and wages
Provided 29k man-hours training to enhance workforce skills
A thriving culture for nourishing valuable human capital
Our work for creating value for employees in the section Human Resources
Spent PKR 141 Mln on CSR to uplift the lives of community and contributing to basic public good.
Our work in communities in the section Sustainability & Corporate Social Responsibility
04
Community
Environment
05
Protecting the environment through reduced impacts
Our work as socially responsible company in the section Sustainability & Corporate Social Responsibility



Disclosures on IT Governance and Cybersecurity

Section 8

IT Governance Policy 182
Cybersecurity 183



IT Governance Policy

Information technology has become a foundation of organizational success, particularly in the banking sector, where it drives efficiency, profitability, and competitive advantage. At Faysal Bank, IT is not just a support function but a strategic enabler, underpinning daily operations and long-term initiatives. Recognizing its critical importance, Faysal Bank has allocated substantial resources to IT and emphasized robust governance to maximize the value of these investments while maintaining a strong cybersecurity posture and embracing digital transformation.

Aligning Business, Technology, and Cybersecurity Strategies

Faysal Bank has implemented a comprehensive IT Governance framework that adheres to regulatory requirements and incorporates guidance from the Management IT Steering Committee (ITSC), the Board IT Committee (BITC), and regulatory bodies. This framework ensures seamless alignment between IT strategy, business objectives, and cybersecurity measures as recommended by Bank's Information security. By fostering accountability, promoting effective communication, and adhering to internationally recognized best practices, we are continuously enhancing IT performance, fortifies cybersecurity measures, and advances its strategic goals.

Driving Innovation and Integration in a Secure Digital Ecosystem

The Chief Information Officer (CIO) leads Faysal Bank's IT function, overseeing its strategic alignment with business goals, fostering innovation, and managing critical operations which includes application support & database management, software development, project management and technology infrastructure. Under the CIO's leadership, the IT Group delivers world-class technology solutions, enabling operational excellence and digital innovation while prioritizing cybersecurity and data integrity.

Supported by skilled teams working across specialized units and verticals, the IT function develops and implements innovative solutions aligned with the guidance of the BITC and ITSC. These governing bodies prioritize technology investments, oversee major initiatives, and ensure alignment between technology risks, enterprise risk management, and cybersecurity frameworks. Key responsibilities include:

- Reviewing and prioritizing technology projects.
- Establishing an efficient IT organizational structure.
- Enhancing oversight of the Information Security function to align with the bank's risk appetite.
- Integrating cloud-based solutions with robust security protocols.
- Ensure conducting independent technology audits to ensure compliance and mitigate risks.

Enhancing Technology Operations through Governance, Risk, and Compliance

The IT Governance function plays a pivotal role in fortifying Faysal Bank's IT landscape, particularly in cybersecurity and operational efficiency. Key advancements include:

1. Streamlined Change Management: Enhanced processes ensure controlled and efficient implementation of infrastructure changes, reducing potential disruptions and improving responsiveness to technological advancements.

2. Introduction of the e-Audit Tool: This comprehensive auditing solution automates compliance checks and risk assessments, offering real-time insights for proactive mitigation of cybersecurity risks. The tool strengthens regulatory compliance and bolsters risk management capabilities.

3. Automated Software Quality Assurance (QA): Automation of QA processes accelerate software development cycles, ensures consistent quality, and enhances operational efficiency.

Advancing Digital Transformation and Cyber Resilience

Through these initiatives, Faysal Bank has positioned itself at the forefront of digital transformation, ensuring IT operations are agile, secure, and aligned with strategic goals. The integration of advanced technologies, robust cybersecurity measures, and automated processes enables the bank to swiftly adapt to evolving market demands, maintain regulatory compliance, and deliver innovative financial solutions.

By continuously enhancing IT governance and embracing digital innovation, Faysal Bank reinforces its commitment to excellence in the dynamic and security-sensitive landscape of financial technology.

Cybersecurity

Evaluation and enforcement of legal and regulatory implications of cyber risks and the responsibilities of the board in case of any breaches

The Board remains focused on instigating a culture of cyber resilience as the Bank progress towards the new platforms. This resilience culture is in strict compliance to the pertinent legal & regulatory instructions, as well as leading practices related to cybersecurity risk management. The Board assumes the responsibility of oversight and governance of the cybersecurity risk and ensures that the cybersecurity objectives are met without any major incidents in the Bank.

IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place

The Bank is focused on protecting its most critical assets & remains vigilant to evolving cyber threats. The Bank has established a comprehensive information security program, comprising of information security policy, detailed standards & procedures, and an all-inclusive cybersecurity framework. These policies, standards, and frameworks are kept up to date with evolving technology and digital advancements.

Role of cybersecurity in the board's risk oversight function

The Board has the oversight on cybersecurity matters, whereby key risk items and issues are presented to the Board on periodic basis. Concerns and measures relating to evolving threats is also responded to the Board.

Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.

The Board has mandated the cybersecurity oversight responsibilities to the following Board Sub Committees:

Board Information Technology Committee (BITC):

- To advise and report to the Board on the status of technology activities and digital initiatives in the Bank. To review and monitor the implementation and compliance of SBP 'Enterprise Technology Governance and Risk Management Framework'.
- To ensure that effective Risk Management strategies are designed and implemented to achieve resilience, including the ability to effectively respond to wide-scale disruptions, cyber-attacks, and attacks on critical infrastructure.

Board Risk Management Committee (BRMC):

- To review the adequacy and effectiveness of the risk management process across the Bank.
- To establish and maintain a risk management framework to identify risks and to evaluate the alignment and effectiveness of risk management activities.

Bank's controls and procedures about an "early warning system" that enables the Bank to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.

The Bank has acquired renowned third-party services that provide insights on the activities happening on Surface, Dark, and Deep Web concerning the Bank. Multiple Threat Intelligence (TI) feeds have also been subscribed by the Bank, which assist the cybersecurity function in developing and recommending appropriate controls against risks on the horizon. Using the information from these early warning systems, the Board is apprised of any imminent threat as well as the countermeasures adopted by the Bank.

Policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.

In compliance with regulatory instructions and leading practices, the Bank has a program for comprehensive security assessments of technology environment and third parties, to ensure the maintenance of cyber resilience and desired risk posture. The assessments are undertaken frequently all around the year to ensure that any changes to the technology environment does not pose a challenge to cybersecurity risk of the Bank.

Resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about Bank's cyber insurance.

The Bank has drawn and implemented a comprehensive resilience mechanism that addresses the continuity of service provision to our customers. At the same time, the Bank undertakes frequent drills of a cyber-attack scenario that keep the pertinent staff alert for a real situation.

Advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (RPA, Block Chain, AI, Cloud Computing etc.) to improve transparency, reporting and governance.

Digital transformation is critical in today's business landscape to not only improve operational efficiency but also more so to create processes which aid in better serving the customers. In line with this spirit, amongst other initiatives, Faysal Islami Bank has catered to this through the introduction of AI-based Chatbots. The aim is to create an inclusive solution which is based on machine-learning with the ability to respond back in the natural flow of language, providing quick and accurate answers. By implementing AI-based chatbots, Faysal Bank's customer service will be further improved while reducing the workload on their support teams.

Education and training efforts of the Bank to mitigate cybersecurity risks

We continue to develop our internal talent pool and recruit external talent where required to support these critical capabilities. All cybersecurity and IT staff are required to attain training on new technology as well as participate in conferences & seminars to be aware of new trends.



Future Outlook

Section 9

Our Future Outlook 186
Forward looking Statement 187

Sources of Information & Assumptions Used for Projections & Forecasts

Faysal Bank's strategic outlook is shaped by a comprehensive analysis of market trends, customer behavior, and financial forecasts. The projections are derived from both internal business data and external economic indicators including industry analysis from various sources. External factors include the discount rate, inflation rate, current and balance of payment accounts position, industry analysis, GDP growth, and other macroeconomic indicators. Internal factors encompass the Bank's strategic objectives, financial performance, Bank's aspiration and competitive advantages. The bank utilizes a combination of internal data analytics and external market research to develop these assumptions, thus establishing the basis for its operational and financial forecasts and projections. Additionally, specialized external consultants provide insights into key focus areas ensuring alignment with industry best practices.

Forecasts are formulated on essential assumptions concerning market trends, industry growth, economic conditions, peer analysis, and regulatory changes. Forecasts are formulated based on essential assumptions about market trends, industry growth, economic conditions, peer analysis, and regulatory changes. These factors include anticipated variations in customer preferences and seasonal choices, opportunities for expansion in promising markets, the progression from traditional to digital banking, targeting affluent areas with emerging potential. Additionally, adapting to changes in consumer financial behavior and regulatory environments is crucial. Incorporating these insights enables Faysal Bank to strategically position itself for informed decision-making and adaptability to future developments. By integrating internal expertise with external insights, Faysal Bank aims to make informed, future-ready strategic decisions.

Performance Against the Forward-Looking Statement - Previous Year

Area	Disclosure in 2023	Performance in 2024
Growth	Achieving strategic targets against KPIs	Net Profits: PKR 23 billion Dec'24 (Growth 15%) Deposits: PKR 1,044 billion Dec'24 (Growth 2.6%) Financing: PKR 634 billion Dec'24 (Growth 9.2%)
	Opening 133 new branches	Faysal Bank successfully opened 133 new branches in the year 2024, reaching 855 branches in 347 different cities/towns.
Digital Banking	Digital solutions and enhancement in eco system	Launch of **Peer-to-Peer (P2P), Peer-to-Merchant (P2M) QR payments via WhatsApp**, a first in Pakistan's banking industry WhatsApp Banking caters 500K+ service requests every month Deployed 47 Cash Deposit Machines (CDMs) Deployed 848 Automated Teller Machines (ATMs) Launch of Faysal Islami Priority World Debit Card providing global access in more than 200 countries worldwide
	Full-fledged digital distribution channel	900K+ users of DigiBank App 40 million Digital Transaction count 220K+ User of DigiBank app 35K+ virtual cards created 38% growth from last year on card spends
Faysal Islami Exchange Company (Private) Limited	Successful Incorporation and Operationalization of Faysal Islami Currency Exchange Company (Private) Limited	Successful incorporation and operationalization of Faysal Islami Currency Exchange Company (Private) Limited, a wholly owned subsidiary of Faysal Bank Limited, operating under the shariah principles and guidelines.
Maintain ADR	Maintain ADR above 50%	Maintained ADR at 65% in Dec'24 (SPLY - 59.0% at Dec'23)

Forward-Looking Statement

As Faysal Bank forges ahead, it remains steadfast in its commitment to sustained growth while navigating the evolving dynamics of the banking industry. The Bank's strategic priorities are anchored in digital transformation, sustainability, and innovation—pillars essential to ensuring long-term success and resilience.

Looking forward, Faysal Bank is set to optimize its supply chain by refining product offerings, broadening digital solutions, and strengthening strategic partnerships. These initiatives aim to foster a rather efficient, customer-centric ecosystem, promoting sustainable growth and delivering value across all sectors. Recognizing the increasing demand for Islamic banking, Faysal Bank is poised to leverage its commitment to innovation and customer-centricity by expanding its digital banking platform, introducing new Shariah-compliant products, and exploring new market opportunities.

While optimistic about these growth prospects, Faysal Bank remains vigilant against potential risks, such as economic volatility, global geopolitical uncertainties, and local regulatory changes, which have an influence on its strategic direction. To address these challenges, the Bank will continue to monitor the external environment closely and adapt its strategies proactively. Additionally, Faysal Bank foresees increased adoption of digital banking solutions, deeper market penetration in underserved regions, and an enhanced focus on SME and consumer financing. These efforts reflect its dedication to providing innovative, accessible, and compliant financial services, strengthening its position as a leader in the Islamic banking sector.



Stakeholders Relationship and Engagement

Section 10

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Stakeholders Engagement Process and Frequency	190
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Identification of Key Stakeholders

We are committed to understanding each stakeholder's concerns and expectations and then applying the relevant inputs to our decision-making to ensure sustained value creation. We aggregate our material stakeholders in terms of their level of influence on us and our impact on them. Based on this broad-based assessment, we prioritize these relationships and while we engage with all our stakeholders, we have identified our key stakeholders as those with whom we need to collaborate with, consult and involve and as such have developed goals for each.

Stakeholder Engagement Process And Frequency

Stakeholder engagement is an integral part of developing an understanding of our stakeholders' needs, interests and expectations and assists the Bank with strategic and sustainable decision making.

Stakeholders	Customers	Employees	Institutional Investors/ Shareholders/Analysts
Value Created	Customer satisfaction is integral to achieve strategic objectives. Promote financial inclusion, fair treatment of customers and high customer satisfaction and loyalty.	Our employees, ambassador to the customers, represent our biggest asset, implementing every strategic and operational decision.	The providers of capital allow FBL the means to achieve its vision; while the analysts endorse the trust the investors place in the bank.
Engagement Management	• Professional staff for customer assistance at 855 branches across Pakistan. • Interaction through our relationship managers, call centers, social media, and various advertising activities	• Regular electronic newsletters • Compliance letters • Grievance reporting procedure	• Quarter semi-annual and annual financial statements • Annual General Meeting • Participation in local and international road shows • Press releases • Investors' Grievance Portal
Frequency	As & when customer need arises.	• When the need arises. • Internal training sessions: 566 • External training sessions: 139	• Quarterly & annually. • Cash Dividend: 70% • Interim: 45% • Final: 25% • Corporate Briefing Session (CBS) March 1, 2024

Service Providers	Regulatory Bodies	Local Community	Media
Our growth is also attributable to engaging reputed and dependable suppliers as business partners.	We pride ourselves in being a responsible corporate citizen and abide by all laws and regulations.	To inculcate social and environmental consciousness and remain a conscientious member of the corporate community.	By availing this avenue of communication, effective awareness is created regarding the Bank and products and services it offers, along with mitigating reputational risks.
• As per the policies and procedures laid down in the Bank's General Services Procedures	• Submission of applicable statutory returns • Responding / enquiring various queries / information	The Bank actively participates in various social work initiatives as part of its corporate social responsibility.	Advertisements through print, electronic, social media, website, and interviews.
• When the need arises.	• As per regulatory timelines. • When the need arises.	• When the need arises. • Environment protection through implementation of Green Banking policies • Persons employed: 8,787	• When the need arises. • Responding timely and relevantly to media queries.

Steps to Encourage Minority Shareholders Participation in AGM

The Bank organises shareholders' meetings in order to have a proper communication with its shareholders, specially the minority shareholders. Each shareholder, irrespective of holding and voting power is important to the Bank. We value them, their concerns, their suggestions and grievances, if any. At each Annual General Meeting (AGM) or Extraordinary General Meeting (EOGM), we ensure a two-way communication with the shareholders, particularly, the minority shareholders.

The notice of all general meetings is published in leading newspapers (in both Urdu and English languages) having circulation all over the Country, placed on the Bank's website and emailed to all shareholders well before the occurrence of the meeting.

All minority shareholders irrespective of their shareholding can appoint proxy, participate through video conference (VC) and vote through e-voting. They can suggest, propose, comment, record their reservations during the meeting, and enjoy full rights to propose and second any agenda item presented. Shareholders can also actively participate during general meetings in discussions on operations, objectives and future strategy of the Bank. They can always demand the draft minutes of meeting within stipulated time post the event and are privileged to object on any intended major investments, planned acquisitions, mergers and takeovers or any other corporate / capital restructuring.

The Bank always facilitates and ensures shareholders presence while entertaining their requests if feasible and viable. It values and honors their inputs, records their concerns, prepositions, suggestions in minutes and keeps them abreast on the progress and subsequent actions.

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

The Twenty Nineth Annual General Meeting, scheduled for March 6, 2024, through physically and virtually in compliance with Circular Letter No. SMD/SE/2(20)/2021 dated December 15, 2021, issued by Securities and Exchange Commission of Pakistan.

Synopsis of the decisions taken in 29th Annual General Meeting is given below:

ORDINARY BUSINESS:

1. Confirmed the minutes of the Extra Ordinary General Meeting held on May 11, 2023

2. Approved the Unconsolidated & Consolidated Financial Statements and Statement of Compliance with Code of Corporate Governance of FBL for the year ended December 31, 2023, together with the Directors' and Auditors' Reports thereon.

3. Approved the 20% Final Cash Dividend as recommended by the Board of Directors for the year ended December 31, 2023, in addition to 10% Interim Cash Dividend for the Second Quarter (half year) ended June 30, 2023, and 10% Interim Cash Dividend for the third quarter ended September 30, 2023, as already been paid to the Shareholders.

4. Appointment of External Auditors for the ensuing financial year 2024.

SPECIAL BUSINESS:

1. Transmission of Annual Audited Financial Statements / Annual Report to the Shareholders through QR Enabled Code and Weblink.

2. Approved the amount of remuneration paid to the Non-Executive/Independent Directors of FBL during the year 2023 for attending the Board/Sub-Committees Meetings.

Summary of Analyst Briefing

Regular interactive sessions between the management of the Bank and the investor community are an excellent opportunity for the former to apprise the latter about the business environment of the country, discuss its financial performance, competitive landscape and future prospects.

The sessions are conducted with the objective of ensuring timely and equitable distribution of information to all concerned, and to give the right perspective of the business affairs of the Bank to the investors – existing and potential – to assist in investment decision-making.

The Bank's latest Corporate Briefing Session was held based on December 31, 2024 results. The CFO presented a detailed analysis of Bank's performance along with future outlook. The session was followed by a Q & A session.

The presentation of the CBS can be accessed in the Investor Relations section of the Bank's website.

Redressal of Investors' Complaints

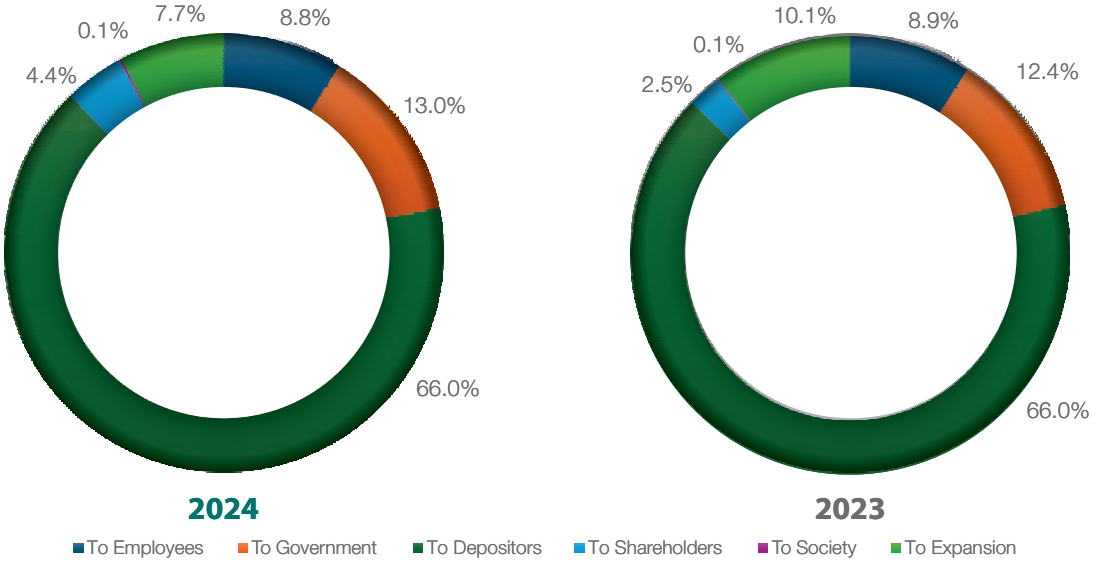
The Bank maintains an Investor Relations page on its corporate website where contact details for the designated officer responsible for assisting and handling shareholders' grievances are provided. The representative is actively involved in addressing complaints received from any regulatory forum, with dedicated resources allocated to ensure effective and efficient resolution. Investors seeking to address their concerns and complaints can visit the Investor Relations page on our website. The Bank is steadfast in its commitment to resolving grievances within the prescribed statutory timelines.

Investor Relation Section on Corporate Website

For More Information please visit www.faysalbank.com

Statement of Value Added

	2024		2023	
	Rupees '000	%	Rupees '000	%
Profit / return earned	227,516,298	103.8%	188,534,484	105.2%
Fee, commission and brokerage income	10,474,136	4.8%	8,517,530	4.8%
Dividend income	412,870	0.3%	334,064	0.2%
Foreign exchange income	5,331,126	2.5%	4,758,254	2.6%
Gain on securities, derivative and other income / (loss)	1,143,928	0.6%	(1,507,659)	-0.8%
	244,878,358	112%	200,636,673	112%
Operating and other expenses excluding salaries, depreciation, amortisation and workers welfare fund	(25,707,488)	-12.0%	(21,336,917)	-12.0%
Value Added	219,170,870	100%	179,299,756	100%
Distributed as follows:				
To Depositors				
As profit on investments	144,668,941	66.0%	118,395,171	66.0%
To Employees				
As remuneration	19,196,584	8.8%	16,012,753	8.9%
To Government				
As income tax	27,379,467	12.5%	21,375,595	11.9%
Workers Welfare Fund	1,028,728	0.5%	886,617	0.5%
	28,408,195	13.0%	22,262,212	12.4%
To Expansion				
Depreciation & Amortisation - owned assets	3,728,027	1.7%	2,470,466	1.5%
Retained in business	13,163,163	6.0%	15,492,848	8.6%
	16,891,190	7.7%	17,963,314	10.1%
To Society				
As donations	140,930	0.1%	113,215	0.1%
To Shareholders				
As dividends / bonus	9,865,030	4.4%	4,553,091	2.5%
	219,170,870	100%	179,299,756	100%





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Directors' Report

Unconsolidated Financial Statements

On behalf of the Board of Directors, we are pleased to present the Directors' Report of Faysal Bank Limited ("FBL" or "the Bank") along with Audited Financial Statements and the Auditors' Report thereon for the year ended December 31, 2024.

Company Profile

FBL was incorporated in Pakistan on October 03, 1994, as a public limited company and its shares are listed on Pakistan Stock Exchange. FBL offers a wide range of Islamic banking services to all customer segments, i.e., Retail, Small & Medium Sized Enterprises, Commercial, Agri-based, and Corporate.

The bank surrendered its conventional banking license on 31 December 2022 and effective 01 January 2023 began operations under an Islamic Banking License issued by the State Bank of Pakistan. It's footprint spreads over 340 cities across the country with 855 branches offering sharia-compliant banking services.

Holding Company

Ithmaar Bank B.S.C (closed), a banking entity regulated by the Central Bank of Bahrain, is the parent company holding directly and indirectly 66.78% (2023: 66.78%) of the Bank's shares. Ithmaar Bank B.S.C. (closed) is a wholly owned subsidiary of Ithmaar Holdings B.S.C. Dar Al-Maal Al-Islami Trust (DMIT) is the holding entity of Ithmaar Holding B.S.C. and the ultimate parent Company of the Bank. DMIT was formed by an indenture under the laws of the Commonwealth of The Bahamas for the purpose of conducting business affairs in conformity with Islamic law, principles, and traditions.

Economic Update

The global economic landscape in 2024 presented a mixed outlook. While growth persisted, it did so at a slower pace. The US economy demonstrated resilience, with solid consumer spending and a healthy job market. However, inflation remained a persistent challenge, with core inflation proving sticky. In Europe, economic growth showed signs of slowing, while concerns over China's economic recovery intensified.

On the domestic front, agricultural credit disbursement saw substantial growth during the first five months of the current fiscal year. This positive trajectory aligns with the ambitious targets set for the fiscal year. Additionally, increase in agricultural machinery imports underscores a clear focus on modernizing farming practices and improving sector efficiency. Meanwhile, the Large-Scale Manufacturing (LSM) sector recorded a marginal decline of 0.64% during Jul-Oct FY2025, a marked improvement compared to the 2.21% contraction in the same period last year.

Inflation trends offered some relief during the second half of 2024. The Consumer Price Index (CPI) averaged 7.3%, a significant reduction from 18.97% in the first half of the year. This improvement was driven by stable food prices, effective fiscal consolidation leading to a fiscal surplus, a current account surplus supported by higher exports and remittances, and an accommodative monetary policy. SBP expects the average inflation to remain between the range of 5.5% to 5.7% in FY 25.

The government's fiscal performance in Q1 FY2025 surpassed expectations, particularly the targets agreed upon with the IMF. The primary budget surplus reached Rs 3,202 billion, significantly exceeding the target of Rs 198 billion. Even excluding a one-time transfer of Rs 2,500 billion from the State Bank of Pakistan, the primary surplus stood at Rs 702 billion, reflecting strong fiscal discipline.

The Monetary Policy Committee (MPC) in its latest announcement reduced the policy rate by 100 bps to 12% in line with market expectations. This was in the backdrop of a continued downward trend in inflation driven by moderate domestic demand conditions, supportive supply-side dynamics and a favorable base effect. The MPC assessed that the impact of the significant reduction by 1,000 bps in the policy rate since June 2024 will continue to unfold and further support economic activity. Risks to the future path of interest rates include missing tax revenues target of the H1-FY25 despite a substantial increase in December tax collection, heightened volatility in global oil prices over the past few weeks and lastly the global economic policy environment has become more uncertain, prompting central banks to adopt a cautious approach. Considering these developments and evolving risks, the Committee viewed that a cautious monetary policy stance is needed to ensure price stability, which is essential for sustainable economic growth. In this regard, the MPC assessed that the real

policy rate needs to remain adequately positive on a forward-looking basis to stabilize inflation in the target range of 5% to 7%.

The stock market has once again shown exceptional performance throughout 2024. The KSE100 Index gained 84% and was recognized as the world's best-performing stock market in 2024 by Bloomberg.

The Current Account also posted a surplus of USD 912 million in CY2024 compared to a deficit of USD 825 million in the previous year, reflecting a significant improvement in trade balance. Exports increased by 10.63%, reaching USD 40.1 billion compared to USD 36.3 billion in the previous year. Imports grew by 14.9% to USD 66.6 billion from USD 57.9 billion. Consequently, the trade deficit widened to USD 26.4 billion from USD 21.6 billion last year. The PKR remained relatively stable, hovering around the 280 mark throughout the year.

Bank's Performance

The bank's success story continued in 2024, being the second year of operations as a full-fledged Islamic bank. The focus remained on expanding branch network to increase customer reach, leverage technology to provide digital solutions to customers, controlling cost to improve return to the shareholders, improving customer service experience and proactively managing risks in challenging economic environments.

In 2023, the Board approved the establishment of Faysal Islami Currency Exchange Company (Private) Limited, a wholly owned subsidiary of FBL. The bank injected initial paid-up capital of PKR 1 billion during the year. The company received its "Certificate of Incorporation" from SECP on January 16, 2024, and obtained an operational license from SBP on March 26, 2024.

Furthermore, the Bank adopted International Financial Reporting Standard (IFRS) 9 "Financial Instruments" effective from January 1, 2024, the impact is given in note 6.4 of financial statements.

A detailed review of the Bank's performance is given in the following paragraphs:

Financial Performance

Key Balance Sheet Numbers

	2024	2023	Growth
	Rs. in million		%
Investment	677,372	589,545	14.9%
Financing – net	633,910	580,711	9.2%
Total Assets	1,565,283	1,370,074	14.2%
Deposits	1,044,279	1,018,276	2.6%
Profit & Loss Account			
Total Revenue	97,745	83,156	17.5%
Total Expenses	(49,802)	(40,820)	22.0%
Profit before tax and provisions	47,943	42,336	13.2%
Net Provision reversal / (charge)	2,464	(914)	369.6%
Profit before tax	50,407	41,422	21.7%
Tax	(27,379)	(21,376)	28.1%
Profit after tax	23,028	20,046	14.9%
Earnings per share (Rupees)	15.17	13.21	14.9%

Financial Excellence in 2024: A Testament to Resilience

With unwavering commitment to excellence, the Bank has sustained excellent financial performance and achieved unprecedented growth. Despite numerous challenges, the Bank has consistently proven its resilience and strength, celebrating the milestone of reaching the highest-ever profit. On a standalone basis, FBL has achieved a record-breaking Profit Before Tax (PBT) of PKR 50.4 billion, 21.7% higher than PKR 41.4 billion in the last year. The increase in Profit After Tax (PAT) was, however, restricted to 14.9% at PKR 23.0 billion due to the imposition of an additional income tax of 5%, which raised the tax rate from 49% to 54%. Earnings Per Share increased from PKR 13.21 to PKR 15.17.

During the year 2024, the Bank continued its growth trajectory and increased total revenue by 17.5% over 2023. This growth was fueled by balance sheet expansion, despite a steep decline in policy rate, resulting in a 13.1% YoY increase in net spread earned, taking it to PKR 80.4 billion. This growth was further supported by a PKR 81.7 billion (25.0%) increase in current deposits, strengthening the bank's funding base.

Non-Fund income grew by 43.5% over last year and was at PKR 17.4 billion in 2024. Fee income saw an uptick of 23.0%, to PKR 10.5 billion, with significant contributions from trade and remittance business solidifying the Bank's foothold in these key businesses. Trade and remittance volumes registered an exponential increase compared to last year. Consequently, FX income maintained strong momentum, growing by 12.0%, to PKR 5.3 billion. Dividend income also increased by 23.6%, to PKR 0.4 billion, while a positive swing of PKR 3.0 billion YoY in capital gains was achieved, benefiting from the positive trajectory of the PSX.

The bank's total expenses increased by 22.0% over 2023, driven by inflation and an expanding branch network. While non-fund income grew significantly by 43.5%, the growth in net spreads was limited to 13.1% due to a sharp decline in the policy rate. This, in turn, impacted on the cost-to-income ratio, which increased from 49.1% in 2023 to 51.0% in 2024. There is a net reversal of PKR 2.5 billion in provisions compared to a charge of PKR 0.9 billion last year. The NPL ratio continued to reduce and is at 3.6% as compared to 3.8% last year due to an increase in financing. The total coverage stands at 101.2%.

The bank's total assets grew to PKR 1.6 trillion, driven by strong deposit mobilization and increase in financing from Financial Institutions. The positive trend in Current Accounts continued, growing to PKR 408 billion i.e., 25.0% growth over December 2023. Growth in total deposits was restricted to 2.6% over December 2023 due to ADR related tax implications. The Current Account (CA) share strengthened to 39.1% from 32.1% in December 2023 while the CASA mix improved to 85.5% from 75.0% in December 2023.

FBL's net financing increased by 9.2% to PKR 634 billion and ADR strengthening to 60.7% at Dec'24 from 57.0% at Dec'23. The liquidity generated from deposits and Due to FI's was deployed in investments and financing. Investments increased by 14.9% and reached PKR 677 billion.

The Bank remains committed to delivering exceptional results and creating sustainable value for all stakeholders. With a solid foundation and a strategic focus on growth, we are confident in our ability to In Sha Allah, achieve new heights in future.

Business Overview

Retail Banking

Retail Banking showcased robust performance in 2024, maintaining total deposits over PKR 1 trillion. The growth in deposits was deliberately restricted to maintain Assets to Deposits Ratio (ADR) over 50%. FBL expanded its branch network by 133, taking the total to 855 branches, and serving over 1.73 million customers.

In alignment with our retail banking focus, FBL not only launched but also enhanced several innovative, Shariah-compliant products and services to meet evolving customer needs as follows:

1. **Faysal Islami Khushaal Kisaan Account:** Designed for agriculturists; this product offers free transactional banking, financing options, and discounts on lockers and consumer finance. In less than a year, it has gained significant traction, highlighting the untapped potential in this segment.

2. **Faysal Islami IT Exporter and Freelancer Account:** Tailored for freelancers, this account provides exclusive benefits including discounts, a dedicated FCY debit card, access to co-working spaces, and enhanced transactional convenience, catering to a growing segment of Pakistan's workforce.

3. **Roshan Digital Account (RDA):** FBL continued supporting the Government of Pakistan and the State Bank of Pakistan's RDA initiative. In 2024, the RDA portfolio maintained a positive trajectory, with a 8% increase in deposits and 30% growth in financing, reflecting the growing demand for user-friendly digital banking solutions for Non-Resident Pakistanis.

4. **Faysal Priority Banking:** Priority banking achieved significant growth in deposits during 2024, reflecting a strong upward trend. Additionally, the modernization of Faysal Priority Lounges began at flagship branches to provide an elevated and exclusive customer experience.

5. **Wealth Management:** Wealth Management achieved strong growth in Assets Under Management (AUM), driving over 50% revenue growth. The introduction of personalized, Shariah-compliant investment products reinforced FBL's customer-centric approach. Two General Takaful products were launched: Jubilee Takaful Secure Drive, a motor Takaful plan with zero depreciation on auto parts, and EFU Mehfooz Ghar Takaful Plan, a house Takaful, offering high coverage limits.

FBL continued to deepen and strengthen its brand as Pakistan's premier Islamic bank through a focused, multi-faceted marketing strategy. By leveraging innovative campaigns, strategic partnerships, and targeted customer engagement, FBL enhanced its Islamic banking identity while positioning itself as a modern, accessible, and ethical financial institution. A key highlight of the year was the launch of a new thematic corporate advertising campaign, aired during high-impact occasions such as Ramadan, the PSL, and the T20 World Cup. These campaigns resonated strongly with audiences, further solidifying FBL's brand recognition. The Bank's unaided awareness has grown threefold since 2020. The Bank's commitment to building its brand was recognized by the marketing fraternity, earning FBL the prestigious Dragons of Pakistan Advertising Silver Award in the Best Brand Building/Awareness category. Moving forward, we remain focused on building stronger, more inclusive financial solutions to serve every segment of society.

Agriculture Financing

In 2024, Agriculture Financing demonstrated significant progress in promoting financial inclusion and innovation in rural banking. It actively participated in regulatory subsidized schemes including Prime Minister's Youth Business & Agriculture Loan Scheme (PMYB&ALS), Islamic Financing Facility for Storage of Agri Produce (IFFSAP), Markup Subsidy and Risk Sharing Scheme for Farm Mechanization (MSRSSFM). Despite the challenges of higher financial cost and economic volatility, Agri Business portfolio grew by 23% while maintaining the credit quality. FBL also organized regular awareness sessions and financial literacy programs for farmers, facilitating education and account openings. Additionally, the launch of the Khushaal Kisaan Account further reinforced financial inclusion within the farming community.

Commercial Banking and Small Medium Enterprises (CBSME)

FBL has made substantial strides in CBSME over the past few years, driven by strategic initiatives such as the Branch Led Model (BLM) and the Hub and Spoke Model. The BLM model empowers the branches to actively manage SME/Commercial - related activities (asset booking & trade services). In addition, the Hub and Spoke Model allows for creation of hubs in major commercial markets across the country to handle SME/Commercial Business concentrations. Despite prevailing economic conditions, CBSME team on-boarded top-tier clients across key sectors including Chemicals, Automobiles, Electronics, Pharma, FMCG, Commodities and other manufacturing. The trade business grew by 88% and the Asset book surpassed the PKR 100 billion milestone.

FBL continues to prioritize innovation in SME product suite, working on solutions like program-based financing, cluster-based financing, trade finance solutions, value-chain financing, and digital financing solutions. Notably, FBL introduced a Supply Chain Finance (SCF) product program to strengthen SME supply chains. These initiatives have enhanced FBL's market

presence, deepened structural penetration, and boosted its ability to serve SMEs effectively. Moving forward, FBL aims to expand its offerings, increase market reach, and equip SMEs with the tools necessary for sustainable growth and success.

Corporate and Investment Banking Group (CIBG)

CIBG had another good year, marked by sustained growth in its corporate financing book of 6.6% and total trade volumes increasing by 42%. The group upheld its commitment to responsible lending practices, ensuring a well-balanced and diversified portfolio. CIBG also strengthened its portfolio by establishing and enhancing strategic relationships with prominent MNCs, FMCGs, and leading local conglomerates. By offering customized solutions tailored to the unique needs of its corporate clients, CIBG continued to excel in providing corporate and investment banking services, transaction banking products, and specialized tools for managing foreign exchange and market risks.

The remittance business demonstrated outstanding growth, achieving a 71% year-on-year increase, compared to the industry's overall growth of 31%. FBL displayed remarkable resilience in the market, with its market share rising from 4.6% to 6.0%. FBL remains committed to investing in cutting-edge technology and developing human capital to ensure that overseas Pakistanis and their beneficiaries continue to benefit from best-in-class remittance solutions. This commitment will drive the sustained growth of overall remittances into Pakistan through legal channels.

The Transaction Banking segment delivered an outstanding performance in 2024, driven by strong growth in both the Employee Banking and Cash Management businesses. The Employee Banking unit recorded a 16% year-on-year increase in the number of accounts, while its volume more than doubled compared to the previous year. This growth highlights the unit's commitment to offering tailored financial solutions for employees, improving engagement and operational efficiency. Similarly, the Cash Management unit delivered impressive results, with collection and payment throughput volumes increasing significantly. The number of mandates also increased by 27% year-on-year. These achievements reflect the Transaction Banking segment's continued success in delivering innovative and efficient solutions that address the diverse needs of corporate clients and contribute significantly to the Bank's overall growth.

During 2024, FBL investment banking group continued its position as one of the most active market players by successfully leading and closing multiple syndicated and capital market transactions aggregating in excess of PKR 50 billion across various sectors including power, telecommunication, oil and gas exploration, infrastructure, etc. The Bank remains committed towards cleaner environment and exclusively led arrangement and advisory of renewable energy mandates of more than 30 MW. Investment Banking has been awarded two prestigious global awards i.e. Water Deal of the Year – Pakistan and Telecom Deal of the Year – Pakistan by The Triple A Assets.

Consumer Banking

Consumer Banking demonstrated strong resilience in navigating through a challenging business environment, maintaining stability amidst external pressures. The overall consumer portfolio grew by 13% in 2024, a turnaround from the 3% decline in 2023, crossing PKR 50 billion milestone. This performance highlights the Bank's effective management, strategic adaptability, and its ability to drive significant growth despite external challenges.

Noor Card is one of the key contributors in this success. Solicited over 66,000 new customers in 2024, marking a 24% increase. Noor card's popularity is further demonstrated by a remarkable 45% growth in spending, reaching PKR 116 billion. This success highlights the Bank's commitment to providing financial solutions that align with ethical principles.

Treasury

Treasury demonstrated a strong performance across segments during 2024. In the foreign exchange business, volumes and profitability were successfully enhanced by aggressively expanding Trade business. The Bank benefited from expanded clientele, strong client relationships and strategy to provide competitive pricing to obtain volumes. In response to an improving macroeconomic environment and subsequent reduction in interest rates, Treasury prudently positioned its GOP Ijara Sukuk portfolio to maximize accrual income and enhanced allocation towards long term instruments. The equity trading desk leveraged the improving economic and political outlook to rebalance the portfolio and maximize returns.

Information Technology

In 2024, the Bank made significant stride on Information Technology front and enhanced the bank's technological infrastructure. A major highlight was the successful upgrade of the Core Banking System (CBS) to CBS9, which improved system performance, scalability, and functionality. Other milestones included the pilot launch of revamped mobile banking application with advanced security features, an AI powered call center system for improved customer support, and the replacement of the legacy CRM system with a modern and efficient solution. Strategic initiatives such as WhatsApp Banking and Unison CRM, and AI driven tools like intelligent chatbot, further elevated customer engagement and operational efficiency.

The bank has also prioritized adopting best-in-class security practices. It is actively working toward achieving ISO 27001 certification for its Information Security Management System (ISMS) and PCI DSS certification for its Payment Card Platforms. These certifications reinforce the bank's commitment to robust data security and compliance. ISO 27001 Certification ensures enhanced customer confidence by demonstrating strong data security measures, structured risk management practices, compliance with data privacy regulations, and fostering a security-focused culture within the organization. PCI DSS Certification strengthens cardholder data protection, reduces the risk of data breaches, enhances customer trust, ensures legal compliance, and positions the bank as a leader in payment security.

In addition to these initiatives, the bank has maintained full compliance with the SWIFT Customer Security Controls Framework (CSCF) annually, underscoring its dedication to meeting global security standards. Through these advancements and certifications, the bank assures its management and customers of its unwavering commitment to maintaining a secure, efficient, and innovative technological environment.

Digital Banking Group

FBL is a leading innovator in the country, dedicated to enhancing customer experiences through digitization. The Bank focuses on driving continuous innovation in the payments sector with digital solutions, products, and platforms, aiming to establish itself as the #MostInnovativeIslamicBank.

FBL's digital strategy is driven by a 'go-green' philosophy, encouraging paperless payments through digital channels to reduce reliance on traditional payment methods. The bank's digital solutions cater not only to retail customers but also to consumer banking and SMEs, offering both payment and acceptance services.

Faysal Bank's Digital Positioning

During 2024, FBL has embraced a transformative approach in digital-banking, positioning itself amongst the industry leads, not only within the Islamic banking but also as a key digital player in the broader industry.

New initiatives included:

- **"Faysal DigiBank",** Faysal Bank's flagship app meets the needs of modern customers with advanced features like 'Tap-to-Pay' tokenized transactions, turning your phone into a wallet. From card activation to Noor Card payments, everything is easily managed with a click.

- **"Faysal WhatsApp Banking",** inarguably the best-in-class WhatsApp Banking solution with an unmatched user-interface and seamless user-journey. A significant milestone was the launch of Peer-to-Peer (P2P) and Peer-to-Merchant (P2M) QR payments via WhatsApp, a first in Pakistan's banking sector. Faysal Bank's WhatsApp banking platform has seen outstanding success, processing over PKR 2.5 billion in transactions.

- **" Internet Payment Gateway (IPG)",** To support business growth in the eCommerce space, Faysal Bank launched its payment gateway services, allowing retail businesses to accept debit and credit card payments and unlocking new opportunities for growth.

- **“Point-of-Sale (POS) Merchant Acquiring”,** offered point of sale terminals for Retail and SME businesses enabling the acceptance of cash less payments, promoting the regulatory agenda of payment digitization.

- **“Faysal Bank Cash Deposit / Digital Kiosks”,** promoting the self-serve digital concept thereby allowing customers to walk-in to the Branch and deposit their cash without having to wait at the counter. The service was immensely successful and in the 12 months of its launch, over PKR 16 Billion deposited through these Digital Kiosks.

- **“ATMs”,** with a footprint of over 800+ ATMs, FBL offers market-first features like Smart Withdrawal and an Enhanced User Interface, delivering the best user experience in the industry

Human Resource

At FBL, we firmly believe that our employees are the cornerstone of building a sustainable, progressive, and productive organization. In 2024, the Bank maintained its unwavering focus on enhancing customer experiences by emphasizing customer-centricity in all operations. To achieve this objective, FBL introduced two flagship programs, "Serving with Joy" and "Elevating Customer Care", tailored specifically for pan-bank front-end staff. These programs underscored the significance of delivering exceptional service and reinforced the Bank’s commitment to providing outstanding customer care across all touchpoints.

Leadership development was a key priority for the Bank in 2024. To strengthen organizational growth and align with global best practices, the senior management team participated in the prestigious Leadership Executive Training Program, internationally. This intensive program equipped FBL’s leaders with advanced skills and strategic insights to foster innovation, enhance collaboration, and guide the Bank toward achieving its strategic objectives.

FBL’s dedication to learning and development remained strong throughout the year. In 2024, the Bank conducted training sessions for over 149,500 participants through classroom and eLearning platforms. These sessions covered a wide array of topics, including induction programs, technical skill-building for role-specific requirements, Islamic banking expertise, sales and service transformation, and leadership development. To further expand development opportunities, FBL continued its partnerships with LUMS, NIBAF, and the Institute of Business Administration – Center for Islamic Finance (IBA-CIEF). Through these collaborations, the Bank offered initiatives such as the Islamic Finance Practitioner Certification Program and the Future Leaders Development Program, designed to position FBL as a leader in the Islamic banking industry in Pakistan. These programs provided employees with comprehensive knowledge of Islamic finance principles and practices while cultivating future leaders for the bank.

As part of its national growth objectives, FBL remained committed to creating employment opportunities. The expansion of the branch network contributed to an increase in the workforce from 8,787 employees in December 2023 to 9,824 in December 2024, reflecting the Bank’s ongoing dedication to growth and job creation. The bank takes pride in its achievement of 20% gender diversity, the highest in the Islamic Banking industry.

Risk Management Framework

Risk Management Group (RMG) is organized under the Chief Risk Officer (“CRO”). CRO has been authorized by the Board of Directors (BoD) to implement a Risk Management Framework across the Bank. Note 46 of the financial statements provide details about the risk management framework and discusses the major risks and uncertainties that the Bank is exposed to as well as the ways in which these are managed. Considering the overall economic scenario during the year, the Bank has regularly reviewed its credit management practices by holding regular committee meetings, ensuring a proactive approach to monitoring the credit portfolio and assessing the potential impact of any emerging stress variables.

Environmental Stewardship

The Bank has developed and implemented a comprehensive ‘Green Banking Policy’ aimed at inculcating environmental & social consciousness both within the Bank and among its clients. The Policy includes:

- **Extending financing facilities** to the customers based on Environmental & Social Risk Management framework.
- Guidelines on adopting environment friendly **policies and practices** across the Bank's operations.
- **Raising awareness** among the customers about the importance of adopting sustainable and environmentally responsible practices.

During the year, the Board of Directors also constituted a Sustainability & Development Committee to oversee and drive the Bank's sustainability agenda, ensuring that environmental and social considerations are integrated into decision-making processes across the Bank.

Environmental and Social Risk Management

FBL has developed and implemented an Environmental & Social Risk Management (ESRM) framework – in line with the Environmental & Social Risk Management Implementation Manual for FIs issued by the SBP. ESRM framework includes implementation of an Environmental & Social Risk Rating (ESRR) model to conduct risk categorization of borrowing customers and gauge the environmental & social impact of financing operations. Additionally, the Bank has conducted a thorough Environmental & Social Risk Assessment of its Corporate financing book and developed sector-specific strategies to guide the approval of advances, ensuring alignment with sustainability goals.

Environmental and Social Consciousness

A training module that explains the concepts of green banking, key pillars of Faysal Bank's green banking policy, and imparts awareness on the environmental & social issues has been included in the orientation pack for new employees to help instill environmental & social consciousness.

Additionally, various training programs have also been launched for senior management, as well as the Business and Risk teams involved in Environmental & Social Risk Assessment. These programs, which include both online and in-person sessions, are designed to build capacity and ensure the smooth roll-out of the Bank's Environmental & Social Risk Management framework.

Paperless Operations

FBL is aggressively promoting Green Banking initiatives such as digital banking services, subscription to e-statements, and the introduction of new digital solutions like digital account opening, installation of Cash Deposit Machines, and WhatsApp banking. The Bank continues to advocate for paperless options by training branch employees, customer service representatives, and other team members to encourage customers to transition to paperless channels.

Energy Conservation – in Operations & Maintenance

FBL continued to prioritize energy conservation as a key component of its sustainability strategy, with an aim to minimize the environmental impact of its operations. The Bank's energy conservation efforts remained focused on reducing energy consumption across its infrastructure, improving operational sustainability, and optimizing the use of resources in its branches and key buildings. To achieve this objective, the Bank adopted energy-efficient technologies and systems, including the transition to energy-saving lighting, efficient HVAC systems, and the integration of renewable energy solutions such as solar power.

Corporate Social Responsibility ("CSR") – Impacting Lives Positively

FBL's corporate social responsibility program prioritizes health, diversity, and social inclusion as its top three areas of focus. Waqf Faisal is a recognized non-profit organization (NPO) and FBL provides consistent donations to it to support CSR objectives. Waqf Faisal extends out to reputable non-profit organizations that work in the fields of education, social welfare,

environment, and health care. The Bank contributed an amount of PKR 141 million in the year 2024 and is committed to make a positive impact on society, while maintaining sustainable and responsible business practices.

Awards for Excellence – Recognitions that inspire

FBL was named "Employer of Choice – Gender Diversity Award" by International Finance Corporation and the Pakistan Business Council, and "Best Islamic Retail Bank for Consumer Financing" by Islamic Retail Banking Awards. These recognitions and awards are a testament to the strategic brilliance of our Board of Directors, Senior Management and the hard work and perseverance of our employees. This demonstrates that FBL is headed in the right direction toward realizing the goal of becoming Pakistan's premium Islamic bank.

Dividend

The Board of Directors, in the meeting held on February 20, 2025, has recommended a final cash dividend of Rs. 2.5 per share (25%) for the year ended December 31, 2024. This is in addition to Rs. 4.5 already paid during the year bringing the total dividend for the year to Rs. 7 per share (2023: Rs. 4.0/-).

Positioned for a Resilient future: Navigating Challenges with Confidence

Looking forward, we are cognizant of the intense competition in financing and the expected compression in spreads due to decline in the policy rate and introduction of Minimum Deposit Rate (MDR) on saving accounts of Islamic banks. Despite these pressures, through FBL's prudent financial management, Insha'Allah, the Bank will be able to navigate these challenges and sustain growth.

As part of our strategic vision, the Bank is committed to expanding its branch network to drive deposit growth and improve customer reach. Simultaneously, we are focused on improving customer experience through streamlined processes and by investing in cutting-edge digital solutions that will elevate our digital offerings and enrich overall customer journey.

In line with our focus on long term sustainability, we will continue to invest in our workforce, fostering an environment that upholds our core values of Faith, Integrity, Teamwork, Innovation, and Care. Our focus on sustainability goes towards reducing our environmental impact, along with creating a positive difference in the communities we serve. By prioritizing these principles, we aim to strengthen our position in the market and better serve the evolving needs of our customers in the years ahead.

Corporate Governance

The Bank is fully compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (hereinafter called 'the Code'). As per the requirement of Regulation 36 of the Code, a Statement of Compliance with the Code, along with the auditor's review report thereon, forms part of this Annual Report.

Change in Directors

Mr. Abdulla Abdulaziz Ali Taleb resigned from the Board of Directors effective March 31, 2024. The Board acknowledges and appreciates his valuable contributions during his tenure.

The Board of Directors

The Bank's Board comprises of a mix of individuals representing shareholding institutions, independent directors and President & CEO of the Bank. All the directors of the Board meet the eligibility criteria laid down under the Companies Act, 2017, the Code, and the Corporate Governance Regulatory Framework, 2021, issued by the State Bank of Pakistan. Directors are elected for a period of three years, upon expiry of which elections are held to appoint a new Board in accordance with the law. Any causal vacancy is filled in as per a well-defined procedure approved by the Board in accordance with the applicable Law.

The total number of the Directors are ten as per the following details:

Gender	Number
Male	8
Female	2

The Board of Directors comprises of the following Members:

Category	Name
Independent Directors	Mr. Ali Munir Ms. Fatima Asad Khan Mr. Mohsin Tariq Ms. Sadia Khan
Non-Executive Directors	Mian Muhammad Younis (Chairman) Mr. Ahmed Abulrahim Mohamed Abdulla Bucheery (Vice Chairman) Mr. Juma Hasan Ali Abul Mr. Imtiaz Ahmad Pervez Mr. Abdulelah Ebrahim Mohamed AlQasimi
Executive Director	Mr. Yousaf Hussain (President & CEO)

Committees of the Board:

The details of the Board Committee and the names of their members are given below:

Audit and Corporate Governance Committee

Board Audit and Corporate Governance Committee has four members having extensive financial management experience. The Chairman of the committee is an independent director. The Committee comprises of the following Board members:

S. No.	Name	Status	Category
1	Mr. Ali Munir	Chairman	Independent Director
2	Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	Member	Non-Executive Director
3	Mr. Juma Hasan Ali Abul	Member	Non-Executive Director
4	Mr. Mohsin Tariq	Member	Independent Director

Risk Management Committee

Board Risk Management Committee is responsible to ensure that all the risks and uncertainties are adequately managed by the Bank. The Committee has four members having rich experience in banking and risk management. The Chairman of the committee is a non-executive director. The Committee comprises of the following Board members:

S. No.	Name	Status	Category
1	Mr. Imtiaz Ahmad Pervez	Chairman	Non-Executive Director
2	Mr. Abdulelah Ebrahim Mohamed AlQasimi	Member	Non-Executive Director
3	Mr. Ali Munir	Member	Independent Director
4	Mr. Yousaf Hussain	Member	Executive Director

Recruitment, Nomination and Remuneration Committee

Board's Recruitment, Nomination and Remuneration Committee reviews the human resource structure of the Bank and ensures that the human resource strategy is aligned with overall strategy of the Bank. The committee comprises five members who have diversified experience. The Chairman of the Committee is a Non-Executive Director. The Committee comprises of the following Board members:

S. No.	Name	Status	Category
1	Mr. Ahmed Abulrahim Mohamed Abdulla Bucheery	Chairman	Non-Executive Director
2	Mr. Juma Hasan Ali Abul	Member	Non-Executive Director
3	Mr. Mohsin Tariq	Member	Independent Director
4	Ms. Fatima Asad Khan	Member	Independent Director
5	Ms. Sadia Khan	Member	Independent Director

Strategy Committee

The Board's Strategy Committee helps the Board and the management in setting up the strategic direction of the Bank and monitors the implementation of the Board's approved strategies. The Committee comprises of six members and is chaired by a Non-Executive Director who is also the Chairman of the Board. The Committee comprises of the following Board members:

S. No.	Name	Status	Category
1	Mian Muhammad Younis	Chairman	Non-Executive Director
2	Mr. Ahmed Abulrahim Mohamed Abdulla Bucheery	Member	Non-Executive Director
3	Mr. Juma Hasan Ali Abul	Member	Non-Executive Director
4	Ms. Fatima Asad Khan	Member	Independent Director
5	Mr. Imtiaz Ahmad Pervez	Member	Non-Executive Director
6	Mr. Yousaf Hussain	Member	Executive Director

IT Committee

The Board's IT Committee is responsible to ensure that the Bank has a reliable, efficient, and secure IT infrastructure to service its customers and efficiently carry out its operations. The Committee has three members, and its chairman is an independent director. The Committee comprises of the following Board members:

S. No.	Name	Status	Category
1	Ms. Sadia Khan	Chairperson	Independent Director
2	Mr. Abdulelah Ebrahim Mohamed AlQasimi	Member	Non-Executive Director
3	Mr. Yousaf Hussain	Member	Executive Director

Board Sustainability & Development Committee

Recognizing the growing importance of sustainable business practices, the Board of Directors constituted the Sustainability & Development Committee during the year to provide strategic oversight and direction for the Bank's sustainability agenda. The Committee convened twice during the year and has been entrusted with supervising initiatives aimed at advancing the Bank's commitments to environmental, social, and governance (ESG) priorities. These include efforts to reduce the Bank's environmental impact, Corporate Social Responsibility (CSR) programs, Diversity, Equity & Inclusion (DEI) initiatives, and the implementation of the Banking on Equality framework to promote financial inclusion and equitable opportunities.

The Committee comprises of five members, including two independent directors who bring diverse perspectives - reflecting the Bank's commitment to inclusivity and sustainable growth. The Chairperson of the committee is a non-executive director. The Committee comprises of the following Board members:

S. No.	Name	Status	Category
1	Mian Muhammad Younis	Chairman	Non-Executive Director
2	Mr. Abdulelah Ebrahim Mohamed AlQasimi	Member	Non-Executive Director
3	Ms. Fatima Asad Khan	Member	Independent Director
4	Ms. Sadia Khan	Member	Independent Director
5	Mr. Yousaf Hussain	Member	Executive Director

Meetings of the Board

The record of the Board meetings held during the year and attended by the Directors is included separately in this Annual Report.

Shariah Board

The details relating to Shariah Board held during the year and attended by its members is included separately in this Annual Report.

Performance Evaluation of Board of Directors

In line with the best practices of the corporate governance, FBL's Board, since 2012 has conducted self-evaluation exercise on an annual basis by engaging Pakistan Institute of Corporate Governance (PICG), as an external facilitator. PICG is the lead on Corporate Governance and has a team of consultants to conduct board evaluations for companies and banks. SBP's Guidelines on Performance Evaluation of Board of Directors were implemented in August 2016 and subsequently, FBL's Board in compliance thereof conducts its self-evaluation every year by engaging PICG. The evaluation covers various aspects of the performance of the Board including but not limited to: Board's role, Committees' performance, Training, Strategy, Risk Management, and Board Meetings. The evaluation covered:

- The Board as a whole
- Individual Directors (Independent, Non-Executive and CEO)
- Board Committees

The evaluation was carried out using quantitative method, based on subjective assessment, and was conducted via questionnaires developed by the consultants in conformance with the State Bank of Pakistan's Guidelines on Performance Evaluation of Board of Directors. The quantitative technique has the advantage of being specific and measurable. Measurement scale used in FBL's Board evaluation is the summated rating on a scale of 1-10 depending on how strongly they agree or disagree with a given statement. The use of this method ensures specific and measurable data that can be benchmarked over time.

Remuneration Policy

Disclosures relating to Remuneration Policy as required under BPRD Circular 1 of 2017 dated January 25, 2017, are included separately in this Annual Report.

Statement of Internal Control

The Board of Directors fully recognize its responsibility to ensure that a system of sound internal controls is established, fully implemented and maintained at all levels within the Bank. The Board is pleased to endorse the statement made by the management relating to internal controls. The system of internal controls is sound in design and has been effectively implemented and monitored. The management's statement on internal controls is included in this Annual Report.

Pattern of Shareholding

The pattern of shareholding and categories of shareholders of the Bank as of December 31, 2024 is separately presented in this Annual Report.

Related Party Transactions

The related party transactions are shown in note 44 of the financial statements.

Credit Rating:

VIS Credit Rating Company Limited (VIS) and Pakistan Credit Rating Agency Limited (PACRA) have re-affirmed the following entity ratings:

Long-Term	AA
Short-Term	A1+

PACRA has assigned a 'Stable' outlook, while VIS has upgraded the outlook to 'Positive'.

Auditors

The present auditors, KPMG Taseer Hadi & Co., Chartered Accountants, will retire on the date of the Annual General Meeting and are eligible for re-appointment. The Board's Audit and Corporate Governance Committee in its meeting held on February 18, 2025 has recommended re-appointment of KPMG Taseer Hadi & Co., Chartered Accountants, as the auditor of the Bank for the year 2025. Accordingly, the Board of Directors, on the recommendation of the Board Audit Committee, recommends the re-appointment of KPMG Taseer Hadi & Co., Chartered Accountants, as the auditors of the Bank for the financial year 2025.

Subsequent Events

No material changes or commitments affecting the financial position of the Bank have occurred between the end of the financial year of the Bank and the date of this report, other than disclosed in the financial statements.

Heartfelt Thanks: Acknowledging Our Pillars of Strength

On behalf of the Board and Management, we extend gratitude to our esteemed shareholders for their unwavering support. We are indebted to our customers who continue to trust us with their business. We would like to place on record our appreciation for the Government of Pakistan, the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan for their continued support and guidance and for developing and strengthening the banking and financial services sector through continuous improvement in the regulatory and governance framework.

As always, we would also like to express sincere appreciation for the Shariah Board. We would also like to take this opportunity to recognize and commend the unwavering commitment and exceptional efforts extended by our employees in driving the growth of FBL. We extend our heartfelt thanks to them for their relentless dedication and hard work.

Approval

In compliance with the requirement of the Companies Act, 2017, this Directors' Report, with the recommendations of the Board Audit and Corporate Governance Committee, has been approved by the Directors in their meeting held on February 20, 2025 and signed by the Chief Executive Officer and a director.



President & CEO



Chairman / Director

Karachi:
Dated: February 20, 2025

آڈیٹرز

موجودہ آڈیٹرز، KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، سالانہ اجلاس عام کی تاریخ کو ریٹائر ہو جائیں گے اور دوبارہ تقرری کے اہل ہیں۔ بورڈ کی آڈٹ اور کارپوریٹ گورننس کمیٹی نے 18 فروری 2025 کو ہونے والے اپنے اجلاس میں KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو سال 2025 کے لیے بینک کے آڈیٹر کے طور پر دوبارہ تقرری کی تجویز دی ہے۔

بعد کے واقعات

بینک کے مالیاتی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان، مالی بیانات میں انکشاف کے علاوہ، بینک کی مالی حالت کو متاثر کرنے والی کوئی مادی تبدیلیاں یا وعدے نہیں ہوئے ہیں۔

ہماری طاقت کے ستونوں کے لیے دلی اظہارِ تشکر

بورڈ اور انتظامیہ کی جانب سے، ہم اس موقع پر حصص یافتگان کا شکریہ ادا کرتے ہیں کہ انہوں نے ہم پر غیر متزلزل اعتماد کیا ہے۔ ہم اپنے صارفین کے تہہ دل سے مشکور ہیں، جنہوں نے اپنے کاروبار اور پختہ یقین کے ساتھ ہم پر اعتماد کو مسلسل جاری رکھا۔ ہم ریگولیٹری اور گورننس فریم ورک میں مسلسل بہتری کے ذریعے بینکنگ اور فنانشل سروسز سیکٹر کے فروغ کے لیے اُن کے مسلسل تعاون اور رہنمائی پر اپنے ریگولیٹرز اور حکومت پاکستان، بالخصوص اسٹیٹ بینک آف پاکستان اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے بھی شکر گذار ہیں۔

ہمیشہ کی طرح، ہم شریعہ بورڈ کے مشکور ہیں اور FBL کی ترقی کے لیے اپنے ملازمین کی کوششوں کو تسلیم کرتے ہیں اور ان کی انتھک لگن اور محنت کو دل سے سراہتے ہیں۔

منظوری

کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق، بورڈ کی آڈٹ اور کارپوریٹ گورننس کمیٹی کی سفارش کے ساتھ ڈائریکٹرز کی اس رپورٹ کو ڈائریکٹرز نے 20 فروری 2025 کو ہونیوالے اپنے اجلاس میں منظور کیا اور اس پر چیف ایگزیکٹو آفیسر اور ڈائریکٹر نے دستخط کئے ہیں۔

صدر اور سی ای او

چیئرمین / ڈائریکٹر

کراچی

تاریخ: 20 فروری 2025

- بورڈ کی مجموعی حالت
- انفرادی طور پر ڈائریکٹرز (آزاد، غیر نان ایگزیکٹو اور سی ای او)
- بورڈ کی کمیٹیاں

یہ جائزہ کے لیے تعداد کے طریقہ کار پر عمل کیا جاتا ہے، جو کہ مقاصد کی جانچ پڑتال پر مبنی ہوتا ہے، اور اس کے SBP کی جانب سے بورڈ آف ڈائریکٹرز کی کارکردگی کے جائزے پر رہنما اصولوں کے مطابق کنسلٹنٹ حضرات ایک سوالنامہ تیار کرتے ہیں۔ تعداد کی تکنیک سے خاص مقصد اور کارکردگی کے وزن کا اندازہ کیا جاسکتا ہے۔ فیصل بینک کے بورڈ کا جائزہ لیتے ہوئے پیمانے کے لیے ایک اسکیل استعمال کیا جاتا ہے، بورڈ کے ارکان کو اس اسکیل پر دیئے گئے بیان کے سامنے 1 سے 10 تک نمبر دے کر ان کی کارکردگی کا اندازہ لگایا جاتا ہے۔ اس طریقہ کار کے استعمال سے خاص مقصد اور قابلِ پیمائش ڈیٹا مل جاتا ہے جو کہ بعد میں ایک مثال بن جاتی ہے۔

معاوضہ کی پالیسی

25 جنوری، 2017 کو BPRD سرکلر 1 کے تحت معاوضے کی پالیسی کی تفصیلات اس سالانہ رپورٹ کے ساتھ الگ منسلک ہے۔

انٹرنل کنٹرول کا اسٹیٹمنٹ

بورڈ آف ڈائریکٹرز مکمل طور پر اپنی ذمہ داری کا احساس رکھتے ہیں اور اس بات کو یقینی بنایا جائے کہ انٹرنل کنٹرولز کا نظام موثر ہے جس پر بینک کے اندر ہر سطح پر عمل درآمد ہوتی ہے اور اسے بحال رکھا جاتا ہے۔ بورڈ آف ڈائریکٹرز انٹرنل کنٹرولز سے متعلق انتظامیہ کے تیار کردہ اسٹیٹمنٹ کی تصدیق کرتے ہوئے خوشی محسوس کرتے ہیں۔ انٹرنل کنٹرول کا نظام تشکیل کے اعتبار سے بہتر ہے اور اس پر مئوثر طریقے سے عمل کے نگرانی کی جاتی ہے۔ انٹرنل کنٹرول سے متعلق اسٹیٹمنٹ اس سالانہ رپورٹ میں شامل ہے۔

حصص یافتگی کا پیٹرن

اس سالانہ رپورٹ میں 31 دسمبر 2024 تک بینک کے شیئر ہولڈرز کے شیئر ہولڈنگ کا نمونہ اور زمرہ جات کو الگ سے پیش کیا گیا ہے۔

متعلقہ پارٹی ٹرانزیکشنز

متعلقہ پارٹی کے لین دین کو مالیاتی گوشواروں کے نوٹ 44 میں دکھایا گیا ہے۔

کریڈٹ ریٹنگ:

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) اور پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے درج ذیل درجہ بندی کی دوبارہ تصدیق کی ہے:

طویل مدتی AA

قلیل مدتی A1+

PACRA نے بینک کو "مستحکم" آؤٹ لک تفویض کیا ہے جبکہ VIS نے آؤٹ لک کو "مثبت" قرار دیا ہے۔

بورڈ سسٹین ایبلٹی اینڈ ڈیولپمنٹ کمیٹی

پائیدار کاروباری طریقوں کی بڑھتی ہوئی اہمیت کو تسلیم کرتے ہوئے، بورڈ آف ڈائریکٹرز نے سال کے دوران سسٹین ایبلٹی اینڈ ڈویلپمنٹ کمیٹی تشکیل دی تاکہ بینک کے پائیداری کے ایجنڈے کے لیے کاروباری نگرانی اور سمت فراہم کی جاسکے۔ کمیٹی کا سال کے دوران دو بار اجلاس ہوا اور اسے ان اقدامات کی نگرانی کی ذمہ داری سونپی گئی ہے جس کا مقصد بینک کے ماحولیاتی، سوشل اور گورننس (ESG) کی ترجیحات کو آگے بڑھانا ہے۔ ان میں بینک کے ماحولیاتی اثرات کو کم کرنے کی کوششیں، کارپوریٹ سماجی ذمہ داری (CSR) پروگرام، تنوع، ایکویٹی اور شمولیت (DEI) کے اقدامات اور مالی شمولیت اور مساوی مواقع کو فروغ دینے کے لیے بینکنگ فریم ورک کا نفاذ شامل ہے۔

کمیٹی پانچ ممبران پر مشتمل ہے، جن میں دو آزاد ڈائریکٹرز شامل ہیں جو وسیع نقطہ نظر رکھتے ہیں اور جامعیت اور پائیدار ترقی کے لیے بینک کے عزم کی عکاسی کرتے ہیں۔ کمیٹی کی چیئرپرسن ایک نان ایگزیکٹو ڈائریکٹر ہے۔ کمیٹی مندرجہ ذیل بورڈ ممبران پر مشتمل ہے:

شمار نمبر	اسمائے گرامی	عہدہ	کیٹیگری
1	میاں محمد یونس	چیئرمین	نان ایگزیکٹو ڈائریکٹر
2	جناب احمد ابوالرحیم محمد عبداللہ بچیری	رکن	نان ایگزیکٹو ڈائریکٹر
3	محترمہ فاطمہ اسد خان	رکن	آزاد ڈائریکٹر
4	محترمہ سعدیہ خان	رکن	آزاد ڈائریکٹر
5	جناب یوسف حسین	رکن	ایگزیکٹو ڈائریکٹر

بورڈ کے اجلاس

سال کے دوران منعقد ہونے والی بورڈ میٹنگز اور ڈائریکٹرز کی شرکت کا ریکارڈ اس سالانہ رپورٹ میں الگ سے شامل کیا گیا ہے۔

شریعہ بورڈ

اس سالانہ رپورٹ میں شریعہ بورڈ سے متعلق تفصیلات اور سال کے دوران منعقد اجلاس اور اس کے ممبران کی شرکت کی تفصیل دی گئی ہے۔

بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ

کارپوریٹ گورننس کے بہترین طریقوں کے مطابق، FBL کے بورڈ نے 2012 سے پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) کو ایک بیرونی سہولت کار کے طور پر شامل کرکے سالانہ بنیادوں پر خود تشخیصی مشق کا انعقاد کیا ہے۔ پی آئی سی جی کارپوریٹ گورننس میں سرفہرست ہے اور اس کے پاس کنسلٹنٹس کی ایک ٹیم ہے جو کمپنیوں اور بینکوں کے لیے بورڈ کی تشخیص کرتی ہے۔ بورڈ آف ڈائریکٹرز کی کارکردگی کی تشخیص سے متعلق SBP کے رہنما اصول اگست 2016 میں نافذ کیے گئے تھے اور اس کے بعد، FBL کا بورڈ اس کی تعمیل میں PICG کو شامل کرکے ہر سال اپنی خود تشخیص کرتا ہے۔ جائزے میں بورڈ کی کارکردگی کے مختلف پہلوؤں کا احاطہ کیا جاتا ہے اس میں بورڈ کا کردار، کمیٹیوں کی کارکردگی، تربیت، حکمت عملی، رسک مینجمنٹ اور بورڈ اجلاس شامل ہیں۔ جائزے میں درج ذیل کا احاطہ کیا گیا:

شمار نمبر	اسمائے گرامی	عہدہ	کیٹیگری
1	جناب احمد ابوالرحیم محمد عبداللہ بچیری	چیئرمین	نان ایگزیکٹو ڈائریکٹر
2	جناب جمعہ حسن علی ابول	رکن	نان ایگزیکٹو ڈائریکٹر
3	جناب محسن طارق	رکن	آزاد ڈائریکٹر
4	محترمہ فاطمہ اسد خان	رکن	آزاد ڈائریکٹر
5	محترمہ سعدیہ خان	رکن	آزاد ڈائریکٹر

اسٹریٹجی کمیٹی

بورڈ کی حکمت عملی کمیٹی بینک کی اسٹریٹجک سمت کو ترتیب دینے میں بورڈ اور انتظامیہ کی مدد کرتی ہے اور بورڈ کی منظور شدہ حکمت عملیوں کے نفاذ کی نگرانی کرتی ہے۔ کمیٹی چھ ارکان پر مشتمل ہے اور اس کی صدارت ایک نان ایگزیکٹو ڈائریکٹر کرتا ہے جو بورڈ کا چیئرمین بھی ہوتا ہے۔ کمیٹی مندرجہ ذیل بورڈ ممبران پر مشتمل ہے:

شمار نمبر	اسمائے گرامی	عہدہ	کیٹیگری
1	میاں محمد یونس	چیئرمین	نان ایگزیکٹو ڈائریکٹر
2	جناب احمد ابوالرحیم محمد عبداللہ بچیری	رکن	نان ایگزیکٹو ڈائریکٹر
3	جناب جمعہ حسن علی ابول	رکن	نان ایگزیکٹو ڈائریکٹر
4	محترمہ فاطمہ اسد خان	رکن	آزاد ڈائریکٹر
5	جناب امتیاز احمد پرویز	رکن	نان ایگزیکٹو ڈائریکٹر
6	جناب یوسف حسین	رکن	ایگزیکٹو ڈائریکٹر

آئی ٹی کمیٹی

بورڈ کی آئی ٹی کمیٹی اس بات کو یقینی بنانے کے لیے ذمہ دار ہے کہ بینک کے پاس اپنے صارفین کی خدمت اور موثر طریقے سے کام کرنے کے لیے ایک قابل اعتماد، موثر اور محفوظ IT انفراسٹرکچر موجود ہے۔ کمیٹی کے تین ارکان ہیں اور اس کا چیئرمین ایک آزاد ڈائریکٹر ہے۔ کمیٹی مندرجہ ذیل بورڈ ممبران پر مشتمل ہے:

شمار نمبر	اسمائے گرامی	عہدہ	کیٹیگری
1	محترمہ سعدیہ خان	چیئرپرسن	آزاد ڈائریکٹر
2	جناب عبدالہ ابراہیم محمد القاسمی	رکن	نان ایگزیکٹو ڈائریکٹر
3	جناب یوسف حسین	رکن	ایگزیکٹو ڈائریکٹر

بورڈ کی کمیٹیاں:

بورڈ کمیٹیوں کی تفصیلات اور ان کے ممبران کے نام درج ذیل ہیں:

آڈٹ اور کارپوریٹ گورننس کمیٹی

بورڈ آڈٹ اور کارپوریٹ گورننس کمیٹی کے چار ممبران ہیں جن کے پاس مالیاتی انتظام کا وسیع تجربہ ہے۔ کمیٹی کا چیئرمین ایک آزاد ڈائریکٹر ہے۔ کمیٹی مندرجہ ذیل بورڈ ممبران پر مشتمل ہے:

شمار نمبر	اسمائے گرامی	عہدہ	کیٹیگری
1	جناب علی منیر	چیئرمین	آزاد ڈائریکٹر
2	جناب احمد ابوالرحیم محمد عبداللہ بچیری	رکن	نان ایگزیکٹو ڈائریکٹر
3	جناب جمعہ حسن علی ابول	رکن	نان ایگزیکٹو ڈائریکٹر
4	جناب محسن طارق	رکن	آزاد ڈائریکٹر

رسک مینجمنٹ کمیٹی

بورڈ رسک مینجمنٹ کمیٹی اس بات کو یقینی بنانے کی ذمہ دار ہے کہ بینک کو لاحق تمام خطرات اور غیر یقینی صورتحال کا مناسب انتظام کیا جائے۔ کمیٹی کے چار ممبران ہیں جن کے پاس بینکنگ اور رسک مینجمنٹ کا وسیع تجربہ ہے۔ کمیٹی کا چیئرمین ایک نان ایگزیکٹو ڈائریکٹر ہے۔ کمیٹی مندرجہ ذیل بورڈ ممبران پر مشتمل ہے:

شمار نمبر	اسمائے گرامی	عہدہ	کیٹیگری
1	جناب امتیاز احمد پرویز	چیئرمین	نان ایگزیکٹو ڈائریکٹر
2	جناب عبداللہ ابراہیم محمد القاسمی	رکن	نان ایگزیکٹو ڈائریکٹر
3	جناب علی منیر	رکن	آزاد ڈائریکٹر
4	جناب یوسف حسین	رکن	ایگزیکٹو ڈائریکٹر

ریکروٹمنٹ، نامینیشن اینڈ ریمونریشن کمیٹی

بورڈ کی ریکروٹمنٹ، نامینیشن اینڈ ریمونریشن کمیٹی بینک کے ہیومن ریسورسز کے نظام کا جائزہ لیتی ہے تاکہ اس بات کو یقینی بنایا جائے کہ انسانی وسائل کی حکمت عملی بینک کی ترجیحات کے مطابق ہے۔ کمیٹی میں پانچ ممبران شامل ہیں جو وسیع تجربہ رکھتے ہیں۔ کمیٹی کا چیئرمین ایک نان ایگزیکٹو ڈائریکٹر ہوتا ہے۔ کمیٹی مندرجہ ذیل بورڈ ممبران پر مشتمل ہے:

ڈائریکٹرز میں تبدیلی

جناب عبداللہ عبدالعزیز علی طالب بورڈ آف ڈائریکٹرز سے 31 مارچ 2024 کو مستعفی ہو گئے۔ بورڈ اپنے دور میں ان کی گراں قدر خدمات کو تسلیم کرتا ہے اور ان کی حوصلہ افزائی کرتا ہے۔

بورڈ آف ڈائریکٹرز

بینک کا بورڈ شیئر ہولڈنگ اداروں کی نمائندگی کرنے والے افراد، آزاد ڈائریکٹرز اور بینک کے صدر اور سی ای او پر مشتمل ہے۔ بورڈ کے تمام ڈائریکٹرز کمپنیز ایکٹ، 2017، کوڈ، اور، اسٹیٹ بینک آف پاکستان کے جاری کردہ کارپوریٹ گورننس ریگولیٹری فریم ورک، 2021 کے مقرر کردہ اہلیت کے معیار پر پورا اترتے ہیں۔ ڈائریکٹرز کا انتخاب تین سال کی مدت کے لیے کیا جاتا ہے، جس کی میعاد ختم ہونے پر قانون کے مطابق نئے بورڈ کی تقرری کے لیے انتخابات ہوتے ہیں۔ نافذ قانون کے مطابق بورڈ کی طرف سے منظور شدہ اور طے شدہ طریقہ کار کے مطابق کسی بھی وجہ سے خالی ہونے والی جگہ کو پُر کیا جاتا ہے۔

درج ذیل تفصیلات کے مطابق ڈائریکٹرز کی کل تعداد 10 ہے:

صنف	تعداد
مرد	08
خاتون	02

بورڈ آف ڈائریکٹرز مندرجہ ذیل ارکان پر مشتمل ہے:

کیٹیگری	اسمائے گرامی
آزاد ڈائریکٹرز	جناب علی منیر محترمہ فاطمہ اسد خان جناب محسن طارق محترمہ سعدیہ خان
نان ایگزیکٹو ڈائریکٹرز	میاں محمد یونس (چیئرمین) جناب احمد ابوالرحیم محمد عبداللہ پیچیری (وائس چیئرمین) جناب جمعہ حسن علی ابول جناب امتیاز احمد پرویز جناب عبداللہ ابراہیم محمد القاسمی
ایگزیکٹو ڈائریکٹر	جناب یوسف حسین (صدر و سی ای او)

کارپوریٹ سماجی ذمہ داری ("CSR") - زندگیوں میں بہتری لانا

FBLکا کارپوریٹ سماجی ذمہ داری پروگرام صحت، تنوع اور سماجی شمولیت کو ترجیح دیتا ہے کیونکہ اس کے تین اہم شعبوں میں فوکس کیا جاتا ہے۔ وقف فیصل ایک تسلیم شدہ نان پرافٹ آرگنائزیشن (NPO) ہے اور FBL اسے CSR مقاصد کے لیے مسلسل عطیات فراہم کرتا ہے۔ وقف فیصل نامور این جی اوز تک پھیلا ہوا ہے جو تعلیم، سماجی بہبود، ماحولیات اور صحت کی دیکھ بھال کے شعبوں میں کام کرتی ہیں۔ بینک نے 2024 میں 141 ملین کی رقم CSR کی مد میں تعاون کیا تاکہ پائیدار اور ذمہ دارانہ کاروباری طریقوں کو برقرار رکھتے ہوئے معاشرے پر مثبت اثرات مرتب کرنے کی کوششیں جاری رہیں۔

برتری کے لیے ایوارڈز - متاثر کن حوصلہ افزائی

FBL کو انٹرنیشنل فنانس کارپوریشن اور پاکستان بزنس کونسل کی طرف سے "ایمپلائر آف چوائس – صنفی تنوع ایوارڈ" اور 'اسلامک ریٹیل بینکنگ ایوارڈز کی جانب سے "کنزیومر فنانسنگ کے لیے بہترین اسلامی ریٹیل بینک" کا ایوارڈ دیا گیا۔ یہ اعزازات اور ایوارڈز ہمارے بورڈ آف ڈائریکٹرز اور ہمارے ملازمین کی سخت محنت اور سینئر مینجمنٹ کی صلاحیتوں کا ثبوت ہیں۔ اس سے ظاہر ہوتا ہے کہ FBL پاکستان کا پریمیم اسلامی بینک بننے کے ہدف کو حاصل کرنے کی طرف صحیح سمت میں گامزن ہے۔

ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے 20 فروری 2025 کو منعقد ہونے والے اجلاس میں 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے 2.5 فی شیئر 25% کے حتمی نقد منافع منقسمہ کی سفارش کی ہے۔ یہ سال کے دوران ادا کر دیے گئے 4.5 روپے کے علاوہ ہے، اس طرح سال کا کل ڈیویڈنڈ 7 روپے فی شیئر ہو گیا (4:2023 روپے)۔

پائیدار مستقبل کے لیے تیار: اعتماد کے ساتھ چیلنجز پر قابو پانا

ہم مالیاتی اعانت میں زبردست مقابلے اور پالیسی ریٹ میں کمی اور اسلامی بینکوں کے سیونگ اکاؤنٹس پر کم سے کم ڈپازٹ ریٹ (MDR) متعارف کرانے کی وجہ سے اسپریڈز میں متوقع کمی سے واقف ہیں۔ ان دباؤ کے باوجود، FBL کے موثر مالیاتی نظام کے ذریعے، انشااللہ، بینک ان چیلنجوں سے نمٹنے اور ترقی کو برقرار رکھنے کے قابل ہو جائے گا۔

اپنے اسٹریٹجک وژن کے حصے کے طور پر، بینک اپنے برانچ نیٹ ورک کو وسعت دینے کے لیے پر عزم ہے تاکہ ڈپازٹ میں اضافہ ہو اور صارفین کی پہنچ کو بہتر بنایا جا سکے۔ اس کے ساتھ ہی، ہم موثر انداز میں جدید ترین ڈیجیٹل سلوشنز میں سرمایہ کاری کے ذریعے کسٹمر کے تجربے کو بہتر بنانے پر توجہ مرکوز کر رہے ہیں جو ہماری ڈیجیٹل آفرز کو بڑھائیں گے اور صارفین کے مجموعی سفر کو مزید تقویت دیں گے۔

طویل مدتی استحکام پر توجہ کے پیش نظر، ہم اپنی افرادی قوت میں سرمایہ کاری جاری رکھیں گے، ایسے ماحول کو فروغ دیں گے جو ایمانداری، دیانت، ٹیم ورک، جدت اور دیکھ بھال کی ہماری بنیادی اقدار کو برقرار رکھے۔ پائیداری پر ہماری توجہ ہمارے ماحولیاتی اثرات کو کم کرنے کے ساتھ ساتھ ان کمیونٹیوں میں بہتری لانے کی طرف جاتی ہے جہاں ہم خدمت کرتے ہیں۔ ان اصولوں کو ترجیح دینے کا ہمارا مقصد مارکیٹ میں اپنی پوزیشن کو مضبوط کرنا اور آنے والے سالوں میں اپنے صارفین کی بڑھتی ہوئی ضروریات کو بہتر طریقے سے پورا کرنا ہے۔

کارپوریٹ گورننس

بینک لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (جو "کوڈ" کہلاتا ہے) کے تقاضوں کی مکمل تعمیل کرتا ہے۔ کوڈ کے ریگولیشن 36 کے مطابق، کوڈ کی تعمیل کا بیان، آڈیٹر کی جائزہ رپورٹ، اس سالانہ رپورٹ کا حصہ ہے۔

- بینک آپریشنز میں ماحول دوست پالیسیوں اور طرز عمل کو اپنانے سے متعلق رہنما اصول۔
- صارفین میں پائیدار اور ماحولیاتی ذمہ دارانہ طریقوں کو اپنانے کی اہمیت کے بارے میں بیداری پیدا کرنا۔

سال کے دوران، بورڈ آف ڈائریکٹرز نے بینک کے پائیداری کے ایجنڈے کی نگرانی اور اسے چلانے کے لیے ایک سسٹین ایبلٹی اینڈ ڈیولپمنٹ کمیٹی بھی تشکیل دی، تاکہ اس بات کو یقینی بنایا جائے کہ ماحولیاتی اور سماجی تحفظات پورے بینک میں فیصلہ سازی کے عمل میں مربوط ہوں۔

ماحولیاتی اور سماجی رسک مینجمنٹ

FBL نے ایک ماحولیاتی اور سماجی رسک مینجمنٹ (ESRM) فریم ورک تیار کیا ہے اور اس پر عمل درآمد کیا ہے جو SBP کی طرف سے جاری کردہ FIs کے لیے ماحولیاتی اور سماجی رسک مینجمنٹ امپلی منٹیشن مینول کے مطابق ہے۔ ESRM فریم ورک میں ایک ماحولیاتی اور سماجی رسک ریٹنگ (ESRR) ماڈل کا نفاذ شامل ہے تاکہ قرض لینے والے صارفین کی رسک کی درجہ بندی کی جاسکے اور فنانسنگ آپریشنز کے ماحولیاتی اور سماجی اثرات کا اندازہ لگایا جاسکے۔ مزید برآں، بینک نے اپنی کارپوریٹ فنانسنگ بک کا ایک مکمل ماحولیاتی اور سماجی رسک اسسمنٹ کیا ہے اور ایڈوانسز کی منظوری کی رہنمائی کے لیے سیکٹر کے لیے مخصوص حکمت عملی تیار کی ہے تاکہ پائیداری کے اہداف کے ساتھ ہم آہنگی کو یقینی بنایا جائے۔

ماحولیاتی اور سماجی شعور

ایک تربیتی ماڈیول جو گرین بینکنگ کے تصورات کی وضاحت کرتا ہے، فیصل بینک کی گرین بینکنگ پالیسی کے اہم ستون کی صورت میں ماحولیاتی اور سماجی مسائل کے بارے میں آگاہی فراہم کرتا ہے۔ ماحولیاتی اور سماجی شعور پیدا کرنے میں مدد کے لیے اس ماڈیول کو نئے ملازمین کے اورینٹیشن پیک میں شامل کیا گیا ہے۔

مزید برآں، سینئر مینجمنٹ کے ساتھ ساتھ ماحولیاتی اور سماجی رسک اسیسمنٹ میں شامل بزنس اور رسک ٹیموں کے لیے مختلف تربیتی پروگرام بھی شروع کیے گئے ہیں۔ یہ پروگرام، جن میں آن لائن اور ان پرسن دونوں سیشن شامل ہیں، صلاحیت کو بڑھانے اور بینک کے ماحولیاتی اور سماجی رسک مینجمنٹ فریم ورک کے باقاعدہ رول آؤٹ کو یقینی بنانے کے لیے بنائے گئے ہیں۔

پیپر لیس آپریشنز

FBL گرین بینکنگ کے اقدامات مثلاً ڈیجیٹل بینکنگ سروسز، ای اسٹیٹمنٹ کی سبسکرپشن اور ڈیجیٹل اکاؤنٹ کھولنے، کیش ڈپازٹ مشینوں کی تنصیب اور واٹس ایپ بینکنگ جیسے نئے ڈیجیٹل سلوشن متعارف کروانے کو تیزی سے فروغ دے رہا ہے۔ بینک برانچ کے ملازمین، کسٹمر سروس کے نمائندوں اور ٹیم کے دیگر ممبران کو تربیت دے کر پیپر لیس آپشن اپنانے کی کوشش جاری رکھے ہوئے ہے تاکہ صارفین کو پیپر لیس چینلز پر منتقلی کی ترغیب دی جاسکے۔

توانائی کی بچت - آپریشنز اور مینٹننس

FBL نے اپنے آپریشنز کے ماحولیاتی اثرات کو کم کرنے کے مقصد سے اپنی پائیداری کی حکمت عملی کے ایک اہم جز کے طور پر توانائی کی بچت کو ترجیح دینا جاری رکھا۔ بینک کی توانائی کے تحفظ کی کوششیں اپنے انفراسٹرکچر میں توانائی کی کھپت کو کم کرنے، آپریشنل پائیداری کو بہتر بنانے اور اپنی شاخوں اور اہم عمارتوں میں وسائل کے استعمال کو بہتر بنانے پر مرکوز رہیں۔ اس مقصد کو حاصل کرنے کے لیے، بینک نے بجلی کی بچت کرنے والی ٹیکنالوجیز اور سسٹم کو اپنایا جس میں بجلی کی بچت والی روشنی، موثر HVAC سسٹم، اور قابل تجدید توانائی کے حل جیسے شمسی توانائی کا انضمام شامل ہے۔

- **"اے ٹی ایمز"** 800+ سے زیادہ ATMs کے ساتھ، FBL مارکیٹ میں بہترین سہولیات پیش کرتے ہوئے رقم نکالنے کی آسانی اور بہتر یوزر انٹرفیس کے ذریعے انڈسٹری میں کسٹمرز کا بہترین تجربہ فراہم کرتا ہے۔

انسانی سرمایہ

FBL میں، ہم پختہ یقین رکھتے ہیں کہ ہمارے ملازمین ایک پائیدار، ترقی پسند اور منافع بخش ادارے کی تعمیر کا سنگ بنیاد ہیں۔ 2024 میں، بینک نے تمام آپریشنز میں کسٹمر کو ترجیح دیتے ہوئے صارفین کے اعتماد کو بڑھانے پر غیر معمولی توجہ کو برقرار رکھا۔ اس مقصد کو حاصل کرنے کے لیے، FBL نے دو فلیگ شپ پروگرام "خوشی سے خدمت" اور "کسٹمر کا زیادہ خیال" متعارف کرائے جو خاص طور پر بینک کے فرنٹ اینڈ اسٹاف کے لیے تیار کیے گئے تھے۔ ان پروگراموں نے غیر معمولی خدمات کی فراہمی کی اہمیت کو اجاگر کیا اور تمام ٹچ پوائنٹس پر شاندار کسٹمر کیئر فراہم کرنے کے لیے بینک کے عزم کو تقویت دی۔

2024 میں بینک میں لیڈرشپ کی ترقی ایک نمایاں ترجیح تھی۔ ادارے میں ترقی کی ترویج اور عالمی بہترین طریقوں سے ہم آہنگ ہونے کے لیے، سینئر مینجمنٹ ٹیم نے بین الاقوامی سطح پر معروف لیڈرشپ ایگزیکٹو ٹریننگ پروگرام میں حصہ لیا۔ اس زبردست پروگرام نے FBL کے لیڈرز میں جدت کو فروغ دینے، تعاون کو بڑھانے اور کاروباری مقاصد کے حصول کے لیے جدید مہارتوں اور اسٹریٹجک بصیرت سے روشناس کرایا۔

FBL میں سیکھنے اور ترقی کے لیے لگن کا ماحول سال بھر جاری رہا۔ 2024 میں، بینک نے کلاس روم اور ای لرننگ پلیٹ فارمز کے ذریعے 149,500 سے زیادہ شرکاء کے لیے تربیتی سیشن منعقد کیے۔ ان سیشنز میں انڈکشن پروگرامز، خاص اسامیوں کے تقاضوں کے لیے تکنیکی مہارت کی تعمیر، اسلامی بینکاری کی مہارت، سیلز اور سروس کی تبدیلی اور لیڈرشپ ڈیولپمنٹ سمیت متعدد موضوعات کا احاطہ کیا گیا۔ ترقی کے مواقع کو مزید وسعت دینے کے لیے، FBL نے NIBAF LUMS اور انسٹیٹیوٹ آف بزنس ایڈمنسٹریشن، سینٹر فار اسلامک فنانس (IBA-CIEF) کے ساتھ اپنی شراکت داری جاری رکھی۔ ان شراکت داریوں کے ذریعے، بینک نے اسلامک فنانس پر سرٹیفکیشن پروگرام اور فیوچر لیڈرز ڈویلپمنٹ پروگرام جیسے اقدامات آفر کیے، جو FBL کو پاکستان میں اسلامی بینکنگ انڈسٹری میں ایک رہنما کی حیثیت دینے کے لیے ڈیزائن کیا گیا ہے۔ ان پروگرامز نے ملازمین کو بینک کے مستقبل کے لیڈرز تیار کرتے ہوئے اسلامی مالیاتی اصولوں اور طریقوں کے بارے میں جامع معلومات فراہم کیں۔

اپنے قومی ترقی کے مقاصد کے پیش نظر، FBL روزگار کے مواقع پیدا کرنے کے لیے پر عزم ہے۔ برانچ نیٹ ورک کی توسیع نے افرادی قوت میں دسمبر 2023 میں 8,787 ملازمین سے دسمبر 2024 میں 9,824 ملازمین تک اضافے میں اہم کردار ادا کیا جو کہ ترقی اور روزگار کی فراہمی کے لیے بینک کی مسلسل لگن کی عکاسی کرتا ہے۔

رسک مینجمنٹ فریم ورک

رسک مینجمنٹ گروپ (RMG) کو چیف رسک آفیسر ("CRO") کے تحت چلایا جاتا ہے۔ CRO کو بورڈ آف ڈائریکٹرز (BoD) نے پورے بینک میں رسک مینجمنٹ فریم ورک کو نافذ کرنے کا اختیار دیا ہے۔ اس مالیاتی گوشوارے کا نوٹ 46 رسک مینجمنٹ فریم ورک کے بارے میں تفصیلات فراہم کرتا ہے اور ان بڑے خطرات اور غیر یقینی صورتحال سے آگاہ کرتا ہے جن کا بینک کو سامنا ہے اور ساتھ ہی ان پر قابو پانے کے طریقوں کی تفصیل بتاتا ہے۔ سال کے دوران مجموعی معاشی صورتحال پر غور کرتے ہوئے، بینک نے باقاعدگی سے کمیٹی کے اجلاس منعقد کیے، کریڈٹ پورٹ فولیو کی نگرانی کے لیے ایک فعال نقطہ نظر کو یقینی بنانے اور کسی بھی ابھرتے ہوئے مسئلے کے ممکنہ اثرات کا جائزہ لے کر اپنے کریڈٹ مینجمنٹ کے طریقوں کا باقاعدگی سے جائزہ لیا ہے۔

ماحولیاتی ذمہ داری

بینک نے ایک جامع "گرین بینکنگ پالیسی" تیار کی ہے اور اسے نافذ کیا ہے جس کا مقصد بینک کے اندر اور کسٹمرز میں ماحولیاتی اور سماجی شعور بیدار کرنا ہے۔ اس پالیسی میں شامل ہیں:

- ماحولیاتی اور سوشل رسک مینجمنٹ فریم ورک کی بنیاد پر صارفین کے لیے مالیاتی سہولیات کی توسیع۔

بینک نے بہترین سیکورٹی اقدامات کو بھی ترجیح دی ہے۔ یہ اپنے انفارمیشن سیکیورٹی مینجمنٹ سسٹم (ISMS) کے لیے ISO 27001 سرٹیفیکیشن اور اپنے پیمنٹ کارڈ پلیٹ فارمز کے لیے PCI DSS سرٹیفیکیشن حاصل کرنے کے لیے سرگرم عمل ہے۔ یہ سرٹیفیکیشنز مضبوط ڈیٹا سیکورٹی اور عمل درآمد کے بینک کے عزم کو تقویت دیتے ہیں۔ ISO 27001 سرٹیفیکیشن مضبوط ڈیٹا سیکیورٹی اقدامات، اسٹرکچرڈ رسک مینجمنٹ پریکٹسز، ڈیٹا پرائیویسی ریگولیشنز کی تعمیل اور ادارے کے اندر سیکورٹی پر مبنی کلچر کو فروغ دے کر صارفین کے اعتماد میں اضافے کو یقینی بناتا ہے۔ PCI DSS سرٹیفیکیشن کارڈ ہولڈر کے ڈیٹا کے تحفظ کو تقویت دیتا ہے، ڈیٹا کی خلاف ورزیوں کے خطرے کو کم کرتا ہے، قانونی حیثیت کو یقینی بناتا ہے، کسٹمر کے اعتماد کو یقینی بناتا ہے۔

ان اقدامات کے علاوہ، بینک نے SWIFT کسٹمر سیکورٹی کنٹرولز فریم ورک (CSCF) کی ہر سال مکمل تعمیل کو برقرار رکھا ہے جو عالمی سیکورٹی اسٹینڈرڈز کو پورا کرنے کے لیے بینک کی لگن کو اجاگر کرتا ہے۔

ڈیجیٹل بینکنگ گروپ

FBL ملک میں ایک ممتاز ادارے کی حیثیت میں ڈیجیٹلائزیشن کے ذریعے صارفین کے تجربات کو جدید اور باسہولت بنانے کے لیے پرعزم ہے۔ بینک ڈیجیٹل سلوشنز، پروڈکٹس اور پلیٹ فارمز کے ساتھ پیمنٹ کے شعبے میں مسلسل جدت لانے پر توجہ مرکوز کرتا ہے، جس کا مقصد خود کو #MostInnovativeIslamicBank کے طور پر منوانا ہے۔

FBL کی ڈیجیٹل حکمت عملی "go green" فلسفے پر قائم ہے، جو ڈیجیٹل چینلز کے ذریعے پیپر لیس ادائیگیوں کی حوصلہ افزائی کرتی ہے تاکہ ادائیگی کے روایتی طریقوں پر انحصار کو کم کیا جاسکے۔ بینک کے ڈیجیٹل سلوشن نہ صرف ریٹیل صارفین بلکہ کنزیومر بینکنگ اور SMEs کو باسہولت ادائیگی اور قبولیت دونوں خدمات پیش کرتے ہیں۔

فیصل بینک کی ڈیجیٹل پوزیشننگ

2024 کے دوران، FBL نے ڈیجیٹل بینکنگ میں ایک تبدیلی کا طریقہ اپنایا ہے تاکہ خود کو انڈسٹری لیڈرز کے درمیان، نہ صرف اسلامی بینکاری کے اندر بلکہ پوری بینکنگ انڈسٹری میں ایک کلیدی ڈیجیٹل کھلاڑی کے طور پر منوایا جائے۔

اس ضمن میں نئے اقدامات میں شامل ہیں:

- **"فیصل ڈیجی بینک"** فیصل بینک کی فلیگ شپ ایپ صارفین کی جدید ضروریات کو پورا کرتی ہے مثلاً "ٹیپ ٹو پے" ٹوکنائزڈ ٹرانزیکشنز، آپ کے فون کو والٹ میں تبدیل کرنا۔ اس کے ذریعے کارڈ ایکٹیویشن سے لے کر نور کارڈ کی ادائیگیوں تک، سب کچھ آسانی سے ایک کلک کے ساتھ ہو جاتا ہے۔

- **"فیصل والٹس ایپ بینکنگ"** بلاشبہ ایک بے مثال یوزر انٹرفیس اور باسہولت طریقے سے بہترین والٹس ایپ بینکنگ سلوشن ہے۔ ایک اہم سنگ میل پیئر ٹو پیئر (P2P) اور پیئر ٹو مرچنٹ (P2M) سے QR ادائیگیوں کا والٹس ایپ کے ذریعے آغاز تھا جو پاکستان کے بینکنگ سیکٹر میں پہلا قدم رہا۔ فیصل بینک کے والٹس ایپ بینکنگ پلیٹ فارم نے 2.5 بلین روپے سے زیادہ کی ٹرانزیکشن سے شاندار کامیابی حاصل کی ہے۔

- **"انٹرنیٹ پیمنٹ گیٹ وے"**: (IPG) ای کامرس کے میدان میں کاروباری ترقی کے لیے، فیصل بینک نے پیمنٹ گیٹ وے سروسز کا آغاز کیا، جس سے ریٹیل بزنسز کو ڈیبٹ اور کریڈٹ کارڈ کی ادائیگی قبول کرنے اور ترقی کے نئے مواقع پیدا کرنے کی اجازت دی گئی۔

- **"پوائنٹ آف سیل (پی او ایس) مرچنٹ ایکوائرنگ"** ریٹیل اور SME بزنسز کے لیے پیش کردہ پوائنٹ آف سیل ٹرمینلز پر کیش لیس ادائیگیوں کو قبول کرنے کے قابل بنانے کے ساتھ ادائیگی کے ڈیجیٹائزیشن کے ریگولیٹری ایجنڈے کو فروغ دیتا ہے۔

- **"فیصل بینک کیش ڈپازٹ/ڈیجیٹل کیوسک"** سیلف سروڈیجیٹل تصور کو فروغ دے کر صارفین کو برانچ میں جانے اور کاؤنٹر پر انتظار کئے بغیر اپنی نقد رقم ڈپازٹ کرنے کی سہولت دیتا ہے۔ یہ سروس بے حد کامیاب رہی اور اس کے آغاز کے 12 مہینوں میں، ڈیجیٹل کیوسک کے ذریعے 16 ارب روپے سے زیادہ ڈپازٹ کئے گئے۔

نتیجے میں قانونی ذرائع سے پاکستان میں مجموعی ترسیلات زر کی مسلسل ترقی کو آگے بڑھایا جائے گا۔

ٹرانزیکشن بینکنگ نے 2024 میں ایک شاندار کارکردگی پیش کی، جس کی وجہ ایمپلائی بینکنگ اور کیش مینجمنٹ دونوں بزنسز میں مضبوط نمو تھی۔ ایمپلائی بینکنگ یونٹ نے اکاؤنٹس کی تعداد میں سال بہ سال 16 فیصد اضافہ ریکارڈ کیا جبکہ اس کا حجم پچھلے سال کے مقابلے میں دوگنا سے بھی زیادہ ہے۔ یہ اضافہ ملازمین کے لیے موزوں مالیاتی حل پیش کرنے، تعلق کو بہتر بنانے اور آپریشنل کارکردگی کے یونٹ کے عزم کو اجاگر کرتا ہے۔ اسی طرح، کیش مینجمنٹ یونٹ نے متاثر کن نتائج فراہم کئے جس میں وصولی اور ادائیگی کے تھروپٹ کے حجم میں نمایاں اضافہ ہوا۔ مینڈیٹس کی تعداد میں بھی سال بہ سال 27 فیصد اضافہ ہوا۔ یہ کامیابیاں ٹرانزیکشن بینکنگ کی جدید اور موثر حل فراہم کرنے میں مسلسل کامیابی کی عکاسی کرتی ہیں جو کارپوریٹ کلائنٹس کی متنوع ضروریات کو پورا کرتی ہیں اور بینک کی مجموعی ترقی میں اہم کردار ادا کرتی ہیں۔

2024 کے دوران، FBLانویسٹمنٹ بینکنگ گروپ نے مختلف شعبوں بشمول پاور، ٹیلی کمیونیکیشن، تیل اور گیس کی تلاش، انفراسٹرکچر وغیرہ میں 50ارب روپے سے زائد کے متعدد سنڈیکیٹڈ اور کیپٹل مارکیٹ ٹرانزیکشنز کی کامیابی سے قیادت اور فنانشل کلوز کے ساتھ مارکیٹ کے سب سے زیادہ فعال کھلاڑیوں میں اپنی پوزیشن کو برقرار رکھا۔ بینک آلودگی سے پاک ماحول اور خصوصی طور پر 30 میگاواٹ سے زیادہ کے قابل تجدید توانائی کے انتظامات اور ایڈوائزری کے لیے پر عزم ہے۔ ہماری انوسٹمنٹ بینکنگ کو 2 باوقار عالمی ایوارڈز سے نوازا گیا ہے اور دی ٹرپل اے ایسٹس کی طرف سے واٹر ڈیل آف دی ایئر - پاکستان اور ٹیلی کام ڈیل آف دی ایئر - پاکستان ایوارڈ دیئے گئے۔

کنزیومر بینکنگ

کنزیومر بینکنگ نے بیرونی دباؤ کے باوجود استحکام کو برقرار رکھتے ہوئے ایک چیلنجنگ کاروباری ماحول میں ثابت قدمی دکھائی۔ مجموعی طور پر صارفین کے پورٹ فولیو میں 2024 میں 13 فیصد اضافہ ہوا جو کہ 2023 میں 3 فیصد کمی سے واپس بحال ہوا، بزنس نے 50 ارب روپے کا سنگ میل عبور کیا۔ یہ کارکردگی بینک کے موثر انتظام، کاروباری ہم آہنگی، اور چیلنجز کے باوجود نمایاں ترقی دکھانے کی صلاحیت کو نمایاں کرتی ہے۔

نور کارڈ نے کامیابی کے اہم شراکت داروں میں اہم حصہ برقرار رکھا۔ 2024 میں 66,000 سے زائد نئے صارفین کے ساتھ 24 فیصد اضافہ ہوا۔ نور کارڈ کی مقبولیت کا اندازہ اس کے استعمال میں 45% کے غیر معمولی اضافے سے ہوتا ہے جو کہ 116 ارب روپے تک پہنچ گیا ہے۔ یہ کامیابی اخلاقیات کے اصولوں کے مطابق مالیاتی حل فراہم کرنے کے لیے بینک کے عزم کو اجاگر کرتی ہے۔

ٹریژری

ٹریژری نے 2024 کے دوران تمام شعبوں میں مضبوط کارکردگی کا مظاہرہ کیا۔ فارن ایکسچینج بزنس میں، ٹریڈ بزنس کو بھرپور انداز میں پھیلانے سے حجم اور منافع کو کامیابی سے بڑھایا گیا۔ بینک کو کلائنٹس کی بڑی تعداد، کلائنٹ تعلقات کی بہتری اور حجم حاصل کرنے کے لیے مسابقتی قیمت فراہم کرنے کی حکمت عملی سے فائدہ ہوا۔ میکرو اکنامک ماحول میں بہتری اور سود کی شرحوں میں کمی کے جواب میں، ٹریژری نے اپنے سرکاری اجارہ پورٹ فولیو کو سمجھداری سے پوزیشن میں رکھا تاکہ زیادہ سے زیادہ آمدنی اور طویل مدتی انسٹرومنٹ میں اضافہ کیا جاسکے۔ ایکویٹی ٹریڈنگ ڈیسک نے پورٹ فولیو میں توازن پیدا کرنے اور زیادہ سے زیادہ منافع حاصل کرنے کے لیے معاشی اور سیاسی نقطہ نظر کو بہتر بنانے کا فائدہ اٹھایا۔

انفارمیشن ٹیکنالوجی

2024 میں، بینک کی انفارمیشن ٹیکنالوجی نے تکنیکی انفراسٹرکچر کو بہتر بنانے میں اہم پیش رفت کی۔ ایک اہم خاص بات کور بینکنگ سسٹم (CBS) کو CBS9 میں اپ گریڈ کرنا تھا، جس نے سسٹم کی کارکردگی، اسکیل ایبلٹی اور فعالیت کو بہتر بنایا۔ دیگر کامیابیوں میں جدید ترین سیکورٹی فیچرز کے ساتھ جدید ترین موبائل بینکنگ ایپلی کیشن کا پائلٹ لانچ، بہتر کسٹمر سپورٹ کے لیے AI سے پاورڈ کال سینٹر سسٹم اور ایک جدید اور موثر حل کے ساتھ پرانے CRM سسٹم کو تبدیل کرنا شامل ہے۔ اسٹریٹجک اقدامات مثلاً واٹس ایپ بینکنگ اور یونیسن CRM اور AI سے چلنے والے ٹولز جیسے انٹیلی جنٹ چیٹ بوٹ، صارفین کے تعلق میں مزید اضافہ اور آپریشنل کارکردگی شامل ہے۔

پارٹنرشپ اور خصوصی کسٹمرز کا فائدہ اٹھاتے ہوئے، FBL نے اپنے آپ کو ایک جدید، قابل رسائی اور باوقار مالیاتی ادارے کے طور پر پیش کرتے ہوئے اپنی اسلامی بینکاری شناخت کو وسیع کیا۔ سال کے دوران ایک اہم تھیمٹک کارپوریٹ ایڈورٹائزنگ کیمپین کا آغاز کیا گیا جو PSL 20 ورلڈ کپ اور رمضان جیسے اہم مواقع کے دوران آن ایئر کی گئی۔ اس کیمپین نے FBL برانڈ کی پہچان کو مزید مستحکم کیا۔ بینک کی آگاہی میں 2020 سے تین گنا اضافہ ہوا ہے۔ اپنے برانڈ کی تعمیر کے لیے بینک کی کوشش کو مارکیٹنگ برادری نے تسلیم کیا، FBL کو بہترین برانڈ بلڈنگ/آگاہی والی کیٹگری میں مایہ ناز ڈریگنس آف پاکستان ایڈورٹائزنگ سلور ایوارڈ سے نوازا گیا۔ علاوہ ازیں، ہم معاشرے کے ہر طبقے کی خدمت کے لیے مستحکم اور زیادہ مربوط مالیاتی حل پیش کرنے کے لیے کوشاں ہیں۔

زرعی قرضہ جات (ایگری فنانسنگ)

2024 میں، ایگریکلچر فنانسنگ نے دیہی بینکنگ میں مالی شمولیت اور جدت کو فروغ دینے میں اہم پیش رفت کا مظاہرہ کیا۔ اس نے ریگولیٹری سبسڈی والی اسکیموں میں فعال طور پر حصہ لیا جن میں پرائم منسٹر زیو تھ بزنس اینڈ ایگریکلچر لون اسکیم (PMYB&ALS) زرعی پیداوار اسٹور کرنے کے لیے اسلامک فنانسنگ سہولت (IFFSAP) مارک اپ سبسڈی اور رسک شیئرنگ اسکیم فار فارم میکینائزیشن (MSRSSFM) شامل ہیں۔ مالیاتی لاگت اور معاشی اتار چڑھاؤ کے باوجود، زرعی کاروبار کے پورٹ فولیو میں کریڈٹ کے معیار کو برقرار رکھتے ہوئے 23 فیصد اضافہ ہوا۔ FBL نے کسانوں کے لیے باقاعدہ آگاہی سیشنز اور مالیاتی خواندگی کے پروگرام بھی منعقد کرتے ہوئے معلومات اور اکاؤنٹ کھولنے میں سہولت فراہم کی۔ مزید برآں، خوشحال کسان اکاؤنٹ کے آغاز نے کاشتکار برادری میں مالی شمولیت کو مزید تقویت دی۔

کمرشل بینکنگ اور اسمال میڈیم انٹرپرائزز (CBSME)

FBL نے گزشتہ چند سالوں میں CBSME میں کافی ترقی کی ہے جو کہ برانچ لیڈ ماڈل (BLM) اور حب اینڈ اسپوک ماڈل جیسے اسٹریٹجک اقدامات کے ذریعے ممکن ہوئی۔ BLM ماڈل برانچوں کو SME/کمرشل سرگرمیوں (اثاثہ جات کی بکنگ اور ٹریڈ سروسز) کو موثر انداز میں منظم کرنے کا اختیار دیتا ہے۔ اس کے علاوہ، حب اور اسپوک ماڈل سے ملک بھر کی بڑی کمرشل مارکیٹوں میں SME/کمرشل کاروباری شمولیت کے لیے حب فراہم کرنے کی اجازت دیتا ہے۔ موجودہ معاشی حالات کے باوجود، CBSME ٹیم میں کیمیکلز، آٹو موبائلز، الیکٹرونکس، فارما، FMCG کموڈٹیز اور دیگر اہم شعبہ جات کے کلائنٹس شامل ہیں۔ ٹریڈ بزنس میں 88 فیصد اضافہ ہوا اور اثاثوں کی بک نے 100 ارب روپے کا سنگ میل کو عبور کیا۔

FBL نے SME پروڈکٹ سوٹ میں جدت کو ترجیح دینے کا کام جاری رکھا، پروگرام بیسڈ فنانسنگ، کلسٹر بیسڈ فنانسنگ، ٹریڈ فنانس سلوشن، ویلیو چین فنانسنگ اور ڈیجیٹل فنانسنگ سلوشن فراہم کئے گئے۔ خاص طور پر، FBL نے SME سپلائی چینز کو مضبوط کرنے کے لیے سپلائی چین فنانس (SCF) پروڈکٹ پروگرام متعارف کرائی۔ ان اقدامات نے FBL کی مارکیٹ میں موجودگی، نظام میں شمولیت اور SMEs کو موثر طریقے سے سروس دینے کی صلاحیت دینا شامل ہے۔ اس کے علاوہ، FBL اپنی آفرز میں توسیع، مارکیٹ کی رسائی کو بڑھانے اور SMEs کو پائیدار ترقی اور کامیابی کے لیے ضروری ٹولز سے آراستہ کر رہا ہے۔

کارپوریٹ اور انویسٹمنٹ بینکنگ گروپ (CIBG)

CIBG کے لیے ایک اور اچھا سال گزرا، جس کی نشاندہی اس کی کارپوریٹ فنانسنگ بک میں 6.6% کی ترقی اور کل تجارتی حجم میں 42% اضافہ ہوا۔ گروپ نے ایک متوازن اور وسیع پورٹ فولیو کو یقینی بناتے ہوئے قرض دینے کے احتیاطی طریقوں سے اپنی وابستگی کو برقرار رکھا۔ CIBG نے مایہ ناز MNCs FMCGs اور بڑے اداروں کے ساتھ اسٹریٹجک تعلقات کے قیام اور توسیع سے اپنے پورٹ فولیو کو بھی مضبوط کیا۔ اپنے کارپوریٹ کلائنٹس کی منفرد ضروریات کے مطابق ان کی مرضی کے مطابق حل پیش کرتے ہوئے، CIBG نے کارپوریٹ اور انویسٹمنٹ بینکنگ سروسز، ٹرانزیکشن بینکنگ پروڈکٹس اور زرمبادلہ اور مارکیٹ کے خطرات کے انتظام کے خصوصی ٹولز فراہم کرنے میں بہترین کارکردگی کا مظاہرہ کیا۔

ریمیٹنس بزنس نے شاندار نمو کا مظاہرہ کیا، انڈسٹری کی مجموعی نمو 31% کے مقابلے میں سال بہ سال 71% اضافہ حاصل کیا۔ FBL نے مارکیٹ میں قابل ذکر پائیداری کا مظاہرہ کیا، اس کا مارکیٹ شیئر 4.6% سے 6.0% تک بڑھ گیا۔ FBL جدید ترین ٹیکنالوجی میں سرمایہ کاری کرنے اور ہیومن ریسورسز کی ترقی کے لیے پرعزم ہے تاکہ اس بات کو یقینی بنایا جا سکے کہ بیرون ملک مقیم پاکستانی اور ان کے بینیفیشریز ترسیلات زر کے سب سے بہترین سلوشنز سے فائدہ اٹھاتے رہیں۔ اس کوشش کے

متعلق ٹیکس نافذ کیا گیا۔ کرنٹ اکاؤنٹ (CA) کا تناسب دسمبر 2023 میں 32.1% سے بڑھ کر 39.1% ہو گیا اور CASA کا تناسب دسمبر 2023 میں 75.0% سے بڑھ کر 85.5% ہو گیا۔

FBL کی نیٹ فنانسنگ 9.2% بڑھ کر 634 ارب روپے اور ADR مضبوط ہو کر دسمبر 24 میں 60.7% ہو گئی جو کہ دسمبر 23 میں 57.0% تھی۔ ڈپازٹس سے پیدا ہونے والی لیکوئڈٹی اور FI's کی وجہ سے سرمایہ کاری اور فنانسنگ کی گئی۔ سرمایہ کاری 14.9 فیصد بڑھ کر 677 ارب روپے تک پہنچ گئی۔

بینک اپنے تمام اسٹیک ہولڈرز کے لیے پائیدار منافع کے تسلسل کو قائم رکھنے کے لیے کوشاں ہے اور انشاء اللہ ترقی کا یہ سلسلہ جاری رہے گا اور مستقبل کی مستحکم ترقی کی بنیاد بنے گا۔

کاروباری جائزہ

ریٹیل بینکنگ

ہماری ریٹیل بینکنگ نے 2024 میں مضبوط کارکردگی کا مظاہرہ کرتے ہوئے 1 کھرب روپے سے زیادہ کے کل ڈپازٹس کو برقرار رکھا۔ اثاثہ جات کا ڈپازٹ ریشو (ADR) 50% سے زیادہ برقرار رکھنے کے لیے ڈپازٹس میں اضافہ محدود کیا گیا تھا۔ FBL نے اپنے برانچ نیٹ ورک میں 133 برانچوں کا اضافہ کیا، اب کل تعداد 855 برانچوں کے ساتھ 1.73 ملین سے زیادہ صارفین کو بینکنگ خدمات فراہم کی جا رہی ہیں۔

ہماری ریٹیل بینکنگ کو ترجیح دینے کے پیش نظر، FBL نے کئی پروڈکٹس کو نہ صرف متعارف کرایا بلکہ کئی جدید اور شرعی پروڈکٹس کی سروسز کو توسیع بھی دی تاکہ صارفین کی بڑھتی ہوئی ضروریات کو پورا کیا جا سکے، جیسا کہ:

1۔ **فیصل خوشحال کسان اکاؤنٹ:** کسانوں کے لیے خاص طور پر ڈیزائن کی گئی یہ پروڈکٹ مفت ٹرانزیکشن، قرض کی سہولیات کے ساتھ لاکرز اور کنزیومر فنانس پر رعایت پیش کرتی ہے۔ ایک سال سے بھی کم عرصے میں، اس پروڈکٹ نے اس طبقے کی غیر استعمال شدہ صلاحیت کو نمایاں طور پر حاصل کرنے میں کافی کامیابی حاصل کی ہے۔

2۔ **فیصل اسلامی آئی ٹی ایکسپورٹر اور فری لانسر اکاؤنٹ:** فری لانسرز کے لیے تیار کردہ یہ اکاؤنٹ خصوصی فوائد کا حامل ہے جس میں ڈسکاؤنٹس، خصوصی فارن کرنسی ڈیبٹ کارڈ، کام کرنے کی مشترکہ جگہوں تک رسائی اور بہتر ٹرانزیکشن کی سہولت، پاکستانی ورک فورس کے بڑھتے ہوئے طبقے کی ضروریات کو پورا کرنا شامل ہے۔

3۔ **روشن ڈیجیٹل اکاؤنٹ (RDA):** FBL نے حکومت پاکستان اور اسٹیٹ بینک آف پاکستان کے RDA اقدام کی حمایت جاری رکھی۔ 2024 میں، RDA پورٹ فولیو نے مثبت رفتار برقرار رکھی، اس کے ڈپازٹس میں 8% اور فنانسنگ میں 30% اضافہ ہوا جو کہ بیرون ملک مقیم پاکستانیوں کے لیے باسہولت ڈیجیٹل بینکنگ سلوشنز کی بڑھتی ہوئی مانگ کی عکاسی کرتا ہے۔

4۔ **فیصل پرائرٹی بینکنگ:** پرائرٹی (ترجیحی) بینکنگ نے 2024 کے دوران ڈپازٹس میں نمایاں ترقی حاصل کی جو ایک مضبوط رجحان کی عکاسی کرتی ہے۔ مزید برآں، فیصل پرائرٹی لاؤنجز کو جدید بنانے کا کام اہم برانچز میں شروع کیا تاکہ صارفین کو ایک شاندار اور غیر معمولی تجربہ فراہم کیا جا سکے۔

5۔ **ویلتھ مینجمنٹ:** ویلتھ مینجمنٹ نے زیر انتظام اثاثہ جات (AUM) میں زبردست ترقی سے آمدنی میں 50 فیصد سے زیادہ اضافہ حاصل کیا۔ ذاتی نوعیت کی، شریعت کے مطابق سرمایہ کاری پروڈکٹس کے تعارف نے FBL کے کسٹمر کو ترجیح دینے والے نقطہ نظر کو تقویت دی۔ تکافل کی 2 جنرل پروڈکٹس شروع کی گئیں: جوبلی تکافل سیکیور ڈرائیو، آٹو پارٹس پر صفر ناقدری کے ساتھ ایک موٹر تکافل پلان اور EFU محفوظ گھر تکافل پلان، ایک ہاؤس تکافل جو کہ کوریج کی زیادہ حد پیش کرتا ہے۔

FBL ایک ترجیحی، کثیر جہتی مارکیٹنگ حکمت عملی کے ذریعے پاکستان کے پریمیم اسلامی بینک کے طور پر، اپنے برانڈ کو مستحکم اور مضبوط کرتا رہا۔ جدید کیمپینز، اسٹریٹجک

نفع ونقصان کا اکاؤنٹ

	2024	2023	نمو
	ملین روپے		%
کل آمدنی	97,745	83,156	17.5%
کل اخراجات	(49,802)	(40,820)	22.0%
قبل از ٹیکس و پرووِیژنز نفع	47,943	42,336	13.2%
خالص پرووِیژنز	2,464	(914)	369.6%
قبل از ٹیکس نفع	50,407	41,422	21.7%
ٹیکس	(27,379)	(21,376)	28.1%
بعد از ٹیکس نفع	23,028	20,046	14.9%
فی حصص آمدن (روپے)	15.17	13.21	14.9%

2024 میں مالیاتی برتری: استحکام کی علامت

برتری کی روایت کو برقرار رکھتے ہوئے، فیصل بینک لمیٹڈ نے کامیابی کا سلسلہ جاری رکھا اور بہترین کارکردگی کا مظاہرہ کیا۔ چیلنجز کے باوجود، بینک نے اپنے استحکام اور پائیداری کو برقرار رکھتے ہوئے، اپنی تاریخ کے زیادہ سے زیادہ منافع کا سنگ میل بھی عبور کیا۔ انفرادی طور پر، بینک نے 21.7% فیصد اضافے سے 50.4 ارب روپے پچھلے سال کے 41.4 ارب روپے سے زیادہ قبل از ٹیکس منافع (PBT) کے ساتھ ریکارڈ توڑنے والی کارکردگی فراہم کی ہے۔ بعد از ٹیکس منافع (PAT) گزشتہ سال اسی عرصے کے مقابلے میں 23 ارب روپے ہو کر 14.9 فیصد کے اضافہ تک محدود رہا کیونکہ 5 فیصد اضافی انکم ٹیکس کے نفاذ سے منفی اثر پڑا اور ٹیکس کی شرح کو 49% سے بڑھا کر 54% کر دیا اور فی حصص آمدن 15.17 روپے رہی جو گزشتہ سال 13.21 روپے تھی۔

بینک نے اپنی ترقی کی رفتار کو جاری رکھا اور گزشتہ سال کی اسی مدت کی کل آمدنی میں 17.5 فیصد کا اضافہ ہوا۔ بیلنس شیٹ کی توسیع سے نیٹ اسپریڈ آمدنی 13.1 فیصد کے سال بہ سال اضافے کے ساتھ، مذکورہ مدت میں 80.4 ارب روپے تک پہنچ گئی ہے۔ یہ ترقی مزید مستحکم ہوئی جب کرنٹ ڈپازٹس میں 81.7 ارب روپے 25.0% کا اضافہ ہوا، جس سے بینک کی فنڈنگ بیس مضبوط ہوئی۔

نان فنڈ آمدنی میں گذشتہ سال کی اسی مدت سے 43.5% اضافہ ہوا اور سال 2024 میں 17.4 ارب روپے رہی۔ فیس آمدنی بھی 23 فیصد اضافہ کے ساتھ 10.5 بلین روپے تک جا پہنچی، بزنس ٹریڈ اور ترسیلات زر میں گزشتہ سال اسی عرصے کے مقابلے میں اضافہ دیکھا گیا۔ اسی طرح، فارن ایکسچینج کی آمدنی میں بھی شاندار اضافہ ہوا جو کہ 12.0 فیصد اضافے کے ساتھ 5.3 ارب روپے ریکارڈ کی گئی۔ ڈیویڈنڈ آمدنی میں بھی 23.6 فیصد اضافہ ہوا، جو 0.4 ارب روپے تک پہنچ گئی، جبکہ کیپٹل گینز میں سالانہ بنیادوں پر 3.0 ارب روپے کا مثبت اضافہ حاصل ہوا، جو PSX کے مثبت رجحان سے مستفید ہوا۔

افراطِ زر کی شرح بڑھنے اور برانچ نیٹ ورک میں اضافہ کی وجہ سے بینک کے اخراجات 2023 کے مقابلے میں 22 فیصد بڑھ گئے، جبکہ پالیسی ریٹ میں تیزی سے گراوٹ کے سبب نیٹ اسپریڈ میں 13.1% اضافہ ہوا۔ 2024 کے پرووِیژنز میں گزشتہ سال کے 0.9 ارب روپے چارج کے مقابلے میں 2.5 ارب روپے کا نیٹ ریورسل ہوا۔ NPL کا تناسب گزشتہ سال کے 3.8 فیصد سے کم ہوتا ہوا 3.6 فیصد پر آگیا جو فنانسنگ میں اضافہ کی وجہ سے ہے۔ مجموعی کوریج کا تناسب 101.2% رہا۔

مضبوط ڈپازٹ موبلائیزیشن سے بینک نے اثاثہ جات کو بڑھا کر 1.6 کھرب روپے تک پہنچا دیا۔ گزشتہ چند برسوں سے کرنٹ اکاؤنٹس میں تیزی جاری رہی اور اثاثہ جات 408 ارب روپے تک پہنچ گئے، جو دسمبر 23 سے 25% زیادہ کی عکاسی کرتے ہیں۔ مجموعی ڈپازٹس دسمبر 2023 سے 2.6% تک ہی بڑھے کیونکہ ADR سے

مانیٹری پالیسی کمیٹی (MPC) نے اپنے تازہ ترین اعلان میں مارکیٹ کی توقعات کے مطابق پالیسی کی شرح کو 100 bps سے کم کر کے 12% کر دیا۔ یہ رجحان اعتدال پسند مقامی طلب، معاون سپلائی سائیڈ ڈائنامکس اور ایک سازگار بنیادی اثر کی وجہ سے افراط زر میں مسلسل کمی سے پیدا ہوا۔ MPC نے اندازہ لگایا کہ جون 2024 سے پالیسی ریٹ میں 1,000 bps کی نمایاں کمی کے اثرات سامنے آتے رہیں گے اور معاشی سرگرمیوں کو مزید سپورٹ کرتے رہیں گے۔ شرح سود کے مستقبل کے راستے کے خطرات میں دسمبر کی ٹیکس وصولی میں خاطر خواہ اضافے کے باوجود مالی سال 2025 کی پہلی ششماہی کے ٹیکس محصولات کے ہدف میں کمی، گزشتہ چند ہفتوں کے دوران تیل کی عالمی قیمتوں میں اتار چڑھاؤ اور آخر میں عالمی اقتصادی پالیسی کا ماحول مزید غیر یقینی ہو گیا ہے، جس سے مرکزی بینکوں کو محتاط رویہ اپنانے پر مجبور ہونا پڑا ہے۔ اس طرح کی پیش رفتوں اور ابھرتے ہوئے خطرات پر غور کرتے ہوئے، کمیٹی نے قیمتوں کے استحکام کو یقینی بنانے کے لیے ایک محتاط مانیٹری پالیسی کے موقف کی ضرورت کو اپنایا جو پائیدار اقتصادی ترقی کے لیے ضروری ہے۔ اس سلسلے میں، MPC نے اندازہ لگایا کہ 5% سے 7% کے ہدف کی حد میں مہنگائی کی شرح کو برقرار رکھنے کے لیے حقیقی پالیسی کی شرح کو مستقبل کے اعتبار سے کافی حد تک مثبت رکھنے کی ضرورت ہے۔

2024 کے دوران اسٹاک مارکیٹ نے ایک بار پھر غیر معمولی کارکردگی دکھائی ہے۔ KSE100 انڈیکس میں 84% کا اضافہ ہوا اور اسے بلومبرگ نے 2024 میں دنیا کی بہترین کارکردگی دکھانے والی اسٹاک مارکیٹ کے طور پر تسلیم کیا۔

کرنٹ اکاؤنٹ میں بھی CY2024 میں 912 ملین ڈالر کا سرپلس حاصل کیا گیا جو پچھلے سال میں 825 ملین ڈالر کے خسارے کا شکار تھا، یہ صورتحال تجارتی توازن میں نمایاں بہتری کی عکاسی ہے۔ برآمدات میں 10.63 فیصد اضافہ ہوا جو پچھلے سال کے 36.3 بلین امریکی ڈالر کے مقابلے میں 40.1 بلین امریکی ڈالر تک پہنچ گئیں۔ درآمدات 57.9 بلین امریکی ڈالر سے 14.9 فیصد بڑھ کر 66.6 بلین امریکی ڈالر ہو گئیں۔ نتیجتاً تجارتی خسارہ گزشتہ سال کے 21.6 بلین امریکی ڈالر سے بڑھ کر 26.4 بلین امریکی ڈالر تک پہنچ گیا۔ پاکستانی روپیہ نسبتاً مستحکم رہا، ڈالر سال بھر میں 280 کے ارد گرد منڈلاتا رہا۔

بینک کی کارکردگی:

ایک مکمل اسلامی بینک کے طور پر کام کے دوسرے سال، بینک کی کامیابی کا سفر 2024 میں بھی جاری رہا۔ صارفین کی رسائی کو بڑھانے کے لیے برانچ نیٹ ورک میں اضافے، صارفین کو ڈیجیٹل حل فراہم کرنے کے لیے ٹیکنالوجی سے فائدہ اٹھانے، شیئر ہولڈرز کی قدر کو بہتر بنانے کے لیے اخراجات پر کنٹرول کرنے، کسٹمر سروس کے تجربے کو بہتر بنانے اور مشکل اقتصادی ماحول میں خطرات پر گہری نظر رکھنے پر توجہ مرکوز رکھی گئی۔

2023 میں، بورڈ نے فیصل اسلامی کرنسی ایکسچینج کمپنی (پرائیویٹ) لمیٹڈ کے قیام کی منظوری دی جو کہ FBL کا مکمل ملکیتی ذیلی ادارہ ہے۔ بینک نے سال کے دوران 1 بلین روپے کا ابتدائی اداشدہ سرمایہ لگایا۔ کمپنی نے 16 جنوری 2024 کو SECP سے اپنا "سرٹیفکیٹ آف انکارپوریشن" حاصل کیا اور 26 مارچ 2024 کو SBP سے آپریشنل لائسنس حاصل کیا۔

مزید برآں، بینک نے انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈ (IFRS) 9 "فنانشل انسٹرومنٹس" کو یکم جنوری 2024 سے لاگو کیا ہے، اس کے اثرات مالیاتی گوشواروں کے نوٹ 6.4 میں دیا گیا ہے۔

مالیاتی کارکردگی:

بیلنس شیٹ کے نمایاں اعداد و شمار	2024	2023	نمو
	ملین روپے		%
سرمایہ کاری	677,372	589,545	14.9%
فنانسنگ	633,910	580,711	9.2%
کل اثاثہ جات	1,565,283	1,370,074	14.2%
ڈپازٹس	1,044,279	1,018,276	2.6%

ڈائریکٹرز کا جائزہ

ان کنسولیڈیٹڈ مالیاتی گوشوارے برائے سال 2024

ہم بورڈ آف ڈائریکٹرز کی جانب سے، فیصل بینک لمیٹڈ ("FBL" یا "بینک") کے 31 دسمبر 2024 کو مکمل ہونے والے سال کے لیے ڈائریکٹر رپورٹ کے ساتھ آڈٹ شدہ مالیاتی نتائج اور آڈٹ رپورٹ پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

کمپنی پروفائل:

FBL کا قیام پاکستان میں 3 اکتوبر 1994 کو ایک پبلک لمیٹڈ کمپنی کے طور پر عمل میں آیا اور اس کے حصص پاکستان اسٹاک ایکسچینج میں درج ہیں۔ FBL صارفین کے تمام طبقات جیسے ریٹیل، چھوٹے اور متوسط درجے کے کاروباری ادارے، کمرشل، ایگری بیسڈ اور کارپوریٹ کو اسلامی بینکنگ خدمات کی ایک وسیع رینج پیش کرتا ہے۔

بینک نے 31 دسمبر 2022 کو اپنا کنونشنل بینکنگ لائسنس واپس کیا اور یکم جنوری 2023 کو اسٹیٹ بینک آف پاکستان کی جانب سے جاری کردہ اسلامی بینکاری لائسنس کے تحت آپریشنز کا آغاز کیا۔ بینک کی ملک بھر کے 340 شہروں میں 855 شاخیں شرعی اصولوں کے عین مطابق خدمات فراہم کر رہی ہیں۔

ہولڈنگ کمپنی:

امار بینک (B.S.C. کلوزڈ)، ایک بینکنگ ادارہ ہے جو مرکزی بینک آف بحرین کے ذریعے ریگولیٹ کیا جاتا ہے، یہ مرکزی کمپنی ہے، جو فیصل بینک لمیٹڈ میں بالواسطہ یا بلاواسطہ 66.78% (2023: 66.78%) حصص کی حامل ہے۔ امار بینک (B.S.C. کلوزڈ) امار ہولڈنگز B.S.C. کلوزڈ کا ملکیتی ذیلی ادارہ دارالمال الاسلامی ٹرسٹ (DMIT) امار ہولڈنگ B.S.C. کی ہولڈنگ کمپنی اور گروپ کی سرپرست ہے۔ DMIT کو معاہدے کے ذریعے دولت مشترکہ بہاماس کے قوانین کے تحت اسلامی قوانین، اصولوں اور روایات کے مطابق کاروباری اُمور کو سرانجام دینے کے مقصد سے تشکیل دیا گیا تھا۔

معاشی تازہ کاری:

2024 میں عالمی اقتصادی صورتحال میں ملا جلا رجحان دیکھا گیا جبکہ ترقی کی رفتار سست روی کا شکار رہی۔ امریکی معیشت میں کچھ استحکام دیکھا گیا، صارفین کے خرچ کرنے کی صلاحیت اور ملازمت کے مواقع میں بہتری دیکھی گئی۔ تاہم، بنیادی افراط زر میں نسبتاً پختگی کے ساتھ مہنگائی کی شرح ایک مستقل چیلنج بنی ہوئی ہے۔ یورپ میں، اقتصادی ترقی میں کمی کے آثار دکھائی دینے کے ساتھ چین کی اقتصادی بحالی پر تشویش کا اظہار دیکھا گیا۔

ملکی سطح پر، رواں مالی سال کے پہلے پانچ مہینوں کے دوران زرعی قرضوں کی فراہمی میں خاطر خواہ اضافہ دیکھنے میں آیا۔ یہ مثبت رفتار مالی سال کے لیے مقرر کردہ زبردست اہداف کے ساتھ ہم آہنگ ہے۔ مزید برآں، زرعی مشینری کی درآمدات میں اضافہ کاشتکاری کے طریقوں کو جدید بنانے اور شعبے کی کارکردگی کو بہتر بنانے پر واضح توجہ مرکوز کرتا ہے۔ دریں اثنا، لارج اسکیل مینوفیکچرنگ (LSM) کے شعبے میں مالی سال 2025 کے دوران جولائی تا اکتوبر 0.64 فیصد کی معمولی کمی ریکارڈ کی گئی، جو گزشتہ سال کی اسی مدت میں 2.21 فیصد شدید کمی کے مقابلے میں نمایاں بہتری کی علامت ہے۔

افراطِ زر میں کمی کے رجحانات نے 2024 کی دوسری ششماہی کے دوران کچھ ریلیف فراہم کیا۔ کنزیومر پرائس انڈیکس (CPI) اوسطاً 7.3 فیصد رہا جو سال کی پہلی ششماہی میں 18.97 فیصد سے نمایاں طور پر کم ہے۔ یہ بہتری اشیائے خورد و نوش کی مستحکم قیمتوں، مؤثر مالی استحکام کی وجہ سے مالی سرپلس، زائد ایکسپورٹس اور ترسیلات زر سے بہتر ہونے والے کرنٹ اکاؤنٹ سرپلس اور ایک موافق مانیٹری پالیسی کی وجہ سے آئی ہے۔ اسٹیٹ بینک کو توقع ہے کہ مالی سال 2025 میں اوسط مہنگائی 5.5% سے 5.7% کے درمیان رہے گی۔

مالی سال 2025 کی پہلی سہ ماہی میں حکومت کی مالی کارکردگی توقعات سے بہتر رہی، خاص طور پر آئی ایم ایف کے ساتھ طے شدہ اہداف پورے کیے گئے۔ بنیادی بجٹ سرپلس 3,202 ارب روپے تک پہنچ گیا جو کہ 198 ارب روپے کے ہدف سے کہیں زیادہ ہے۔ یہاں تک کہ اسٹیٹ بینک آف پاکستان سے 2,500 ارب روپے کی ون ٹائم ٹرانسفر کو چھوڑ کر، بنیادی سرپلس 702 بلین روپے رہا، جو مضبوط مالیاتی صورتحال کی عکاسی کرتا ہے۔

Independent Auditor's Report

To the members of Faysal Bank Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

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

Basis for Opinion

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

Key Audit Matters

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

Following is the Key Audit Matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	**Credit loss allowance against Islamic financing and related assets and off-balance sheet items:** (Refer note 10 & 20.1 to the unconsolidated financial statements)	

S.No.	Key Audit Matter	How the matter was addressed in our audit
	As at 31 December 2024, the Bank's Credit loss allowance against Islamic financing and related assets and off-balance sheet items amounted to Rs. 24,628 million and Rs. 187 million, respectively. As per the BPRD Circular No. 07 of 2023, the Bank adopted requirements of IFRS 9 along with the Application Instructions issued by State Bank of Pakistan (SBP) (hereafter referred as "application instruction of IFRS 9") from 1 January 2024 which requires the Bank to recognize Expected Credit Losses (ECL) on Islamic financing and related assets and off-balance sheet items. The estimation of ECL, involves judgement and complexity. The key areas which are subject to complexity and judgement in the estimation of ECL are: • Model estimations – judgmental modelling and assumption are used to estimate ECL which involves determining Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD). Respective models assumptions are key driver of uncertainty, and are required in the application of these model for calculation of the ECL estimate. • Economic scenarios – IFRS 9 requires the Bank to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Complex Statistical methodology is applied in determining the forward-looking economic scenarios used as an input to calculate ECL, the associated scenario probability weightings, and the key economic variables that drive the scenarios. • Qualitative criteria – the criteria selected to identify a SICR involves judgment and can lead to unreliable ECL recognized for certain portfolios. In line with the application instructions of IFRS 9, the Bank must compare the ECL for Stage 3 with the provision determined under the Prudential Regulations (PR) issued by the SBP. The PR requires specific provisioning against the Islamic financing and related assets on the basis of time-based criteria	Our audit procedures, amongst others, included the following: • Performing risk assessment procedures over the credit loss allowance against Islamic financing and related assets and off-balance sheet exposure within the Bank's unconsolidated financial statement. As part of these risk assessment procedures, identifying the elements associated with risk of material misstatement on application including those arising from judgements over the estimation of ECL either due to, methods / models, assumptions or data. • Assessing the design, 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 ECL model methodologies for compliance with application instructions of IFRS 9 - Assessing the reasonableness of the Bank's methodology for determining the economic scenarios used and the probability weightings applied to them by independently validating and challenging the assumption, methodologies, and outputs of the models; - Assessing the reasonableness of macro-economic 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. • Assessing the appropriateness of SICR criteria applied by the Bank by ensuring that the SICR criteria and staging methodology are consistent with the application instructions of IFRS 9.

S.No.	Key Audit Matter	How the matter was addressed in our audit
	which should be supplemented by a Bank's subjective evaluation of credit worthiness of customers. The determination of provision, therefore, involves use of management's judgement, on a case-to-case basis, taking into account factors such as the economic and business conditions, borrowers' repayment behaviors and realizability of collateral held by the Bank. Because of the high degree of estimation uncertainty and complexity involved in the calculation of ECL we considered the area of ECL as a key audit matter.	• Ensuring relevance and completeness of the key inputs into the ECL calculations with their respective sub-ledgers and general ledgers. • Performing testing on sample basis over key inputs into the ECL calculations with their respective source documents. • 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 Islamic and financing assets outstanding exposure and performed credit reviews through the following substantive procedures: - verifying repayments of Islamic financing / profit installments and checked that non-performing Islamic Financing and related assets have been correctly classified and categorized based on the number of days overdue; - examining watch list accounts and, based on review of the individual facts and circumstances, discussions with management and our assessment of financial conditions of the borrowers, formed a judgement as to whether classification of these accounts as performing was appropriate; and - assessing the accuracy of specific provision made against non-performing Islamic financing and related assets in accordance with the criteria prescribed under the PRs by performing recalculation. • Assessing the appropriateness of ECL categorized as Stage 3 by performing a comparison of ECL computed, through the use of methodology and models with the provision required to be computed as required under the

S.No.	Key Audit Matter	How the matter was addressed in our audit
		PR to ensure that an amount which is higher of the ECL and PR requirements is appropriately recognized for these stage 3 customers pursuant to the requirement of application instructions of IFRS 9. • Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgements and sensitivities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the 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 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 profit and loss account, the unconsolidated statement of comprehensive income, unconsolidated statement of changes in equity and unconsolidated cash flow statement together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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

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

2. We confirm that for the purpose of our audit we have covered more than sixty per cent of the total Islamic financing and related assets of the Bank.

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

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 3 March 2025

Karachi

UDIN: AR202410188eEvcS2yzx

Unconsolidated Statement of Financial Position

As at December 31, 2024

	Note	2024	2023
		----------Rupees '000----------	
ASSETS			
Cash and balances with treasury banks	7	102,537,577	84,036,558
Balances with other banks	8	5,539,464	1,812,399
Due from financial institutions		-	-
Investments	9	677,372,396	589,544,591
Islamic financing and related assets	10	633,909,548	580,711,316
Property and equipment	11	44,711,052	29,555,304
Right-of-use assets	12	13,289,601	10,713,046
Intangible assets	13	2,600,358	2,331,775
Deferred tax assets		-	-
Other assets	14	85,322,769	71,368,561
Total Assets		1,565,282,765	1,370,073,550
LIABILITIES			
Bills payable	15	39,169,649	16,550,469
Due to financial institutions	16	280,442,540	166,886,803
Deposits and other accounts	17	1,044,278,507	1,018,275,737
Lease liabilities	18	15,546,893	12,868,103
Subordinated sukuk		-	-
Deferred tax liabilities	19	12,983,960	4,907,208
Other liabilities	20	64,499,847	60,386,869
Total Liabilities		1,456,921,396	1,279,875,189
NET ASSETS		108,361,369	90,198,361
REPRESENTED BY			
Share capital	21	15,176,965	15,176,965
Reserves		17,866,357	15,616,188
Surplus on revaluation of assets - net of tax	22	22,771,883	15,151,071
Unappropriated profit		52,546,164	44,254,137
		108,361,369	90,198,361
CONTINGENCIES AND COMMITMENTS	23		

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

President & CEO	Chief Financial Officer	Chairman	Director	Director

Unconsolidated Statement of Profit and Loss Account

For the year ended December 31, 2024

	Note	2024	2023
		----------Rupees '000----------	
Profit / return earned	25	225,051,851	189,448,411
Profit / return expensed	26	144,668,941	118,395,171
Net profit / return		80,382,910	71,053,240
OTHER INCOME			
Fee and commission income	27	10,474,136	8,517,530
Dividend income		412,870	334,064
Foreign exchange income		5,331,126	4,758,254
(Loss) / income from derivatives		(146,211)	85,506
Gain / (loss) on securities	28	1,070,399	(1,913,157)
Net loss on derecognition of financial assets measured at amortised cost	29	(165,256)	-
Other income	30	384,996	319,992
Total other income		17,362,060	12,102,189
Total income		97,744,970	83,155,429
OTHER EXPENSES			
Operating expenses	31	48,675,791	39,814,203
Workers Welfare Fund		1,028,728	886,617
Other charges	32	97,238	119,148
Total other expenses		49,801,757	40,819,968
Profit before credit loss allowance		47,943,213	42,335,461
Credit loss allowance and write offs - net	33	(2,464,447)	913,927
Other income / expense items		-	-
PROFIT BEFORE TAXATION		50,407,660	41,421,534
Taxation	34	27,379,467	21,375,595
PROFIT AFTER TAXATION		23,028,193	20,045,939
		---------- Rupees ----------	
Basic / diluted earnings per share	35	15.17	13.21

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

President & CEO	Chief Financial Officer	Chairman	Director	Director

Unconsolidated Statement of Comprehensive Income

For the year ended December 31, 2024

	Note	2024	2023
		Rupees '000	
Profit after taxation for the year		23,028,193	20,045,939
Other comprehensive income / (loss)			
Items that may be reclassified to profit and loss account in subsequent periods:			
Movement in surplus on revaluation of debt investments through FVOCI - net of tax		7,729,995	-
Movement in surplus on revaluation of investments - net of tax		-	5,194,641
		7,729,995	5,194,641
Items that will not be reclassified to profit and loss account in subsequent periods:			
Remeasurement (loss) / gain on defined benefit obligations - net of tax		(44,500)	45,183
Movement in surplus on revaluation of equity investments through FVOCI - net of tax		1,293,151	-
Movement in deficit on revaluation of property and equipment - net of tax		(170,430)	(157,112)
Movement in deficit on revaluation of non-banking assets - net of tax		(1,824)	(391,642)
		1,076,397	(503,571)
Total comprehensive income for the year		31,834,585	24,737,009

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

President & CEO	Chief Financial Officer	Chairman	Director	Director

Unconsolidated Statement of Changes in Equity

For the year ended December 31, 2024

	Note	Share capital	Reserves					Surplus / (deficit) on revaluation of			Unappro-priated profit	Total
			Capital reserves			Statutory reserve (note 6.28)	Total	Investments	Property and equipment / non-banking assets	Total		
			Share premium	Non-distri-butable capital reserve (NCR) - gain on bargain purchase (note 3.2)	Reserve arising on amal-gamation (note 6.1)							
		Rupees '000										
Balance as at January 1, 2023 (Audited)		15,176,965	10,131	257,269	23,952	11,384,616	11,675,968	(1,845,612)	12,494,426	10,648,814	32,581,664	70,083,411
Profit after taxation for the year		-	-	-	-	-	-	-	-	-	20,045,939	20,045,939
Other comprehensive income - net of tax												
Movement in surplus on revaluation of investments - net of tax		-	-	-	-	-	-	5,194,641	-	5,194,641	-	5,194,641
Remeasurement gain on defined benefit obligations - net of tax		-	-	-	-	-	-	-	-	-	45,183	45,183
Movement in deficit on revaluation of property and equipment - net of tax		-	-	-	-	-	-	-	(157,112)	(157,112)	-	(157,112)
Movement in deficit on revaluation of non-banking assets - net of tax		-	-	-	-	-	-	-	(391,642)	(391,642)	-	(391,642)
Total other comprehensive income - net of tax		-	-	-	-	-	-	5,194,641	(548,754)	4,645,887	45,183	4,691,070
Transfer to statutory reserve		-	-	-	-	4,009,188	4,009,188	-	-	-	(4,009,188)	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax		-	-	-	-	-	-	-	(143,630)	(143,630)	143,630	-
Amortisation of intangible assets - customer relationship - net of tax		-	-	(68,968)	-	-	(68,968)	-	-	-	-	(68,968)
Transaction with owners, recorded directly in equity												
Final cash dividend declared on February 23, 2023 at Re 1 per share		-	-	-	-	-	-	-	-	-	(1,517,697)	(1,517,697)
1st Interim cash dividend declared on August 24, 2023 at Re 1 per share		-	-	-	-	-	-	-	-	-	(1,517,697)	(1,517,697)
2nd Interim cash dividend declared on October 26, 2023 at Re 1 per share		-	-	-	-	-	-	-	-	-	(1,517,697)	(1,517,697)
Balance as at December 31, 2023		15,176,965	10,131	188,301	23,952	15,393,804	15,616,188	3,349,029	11,802,042	15,151,071	44,254,137	90,198,361
Impact of adopting IFRS 9 as at January 1, 2024 - net of tax	6.4	-	-	-	-	-	-	(895,105)	-	(895,105)	(2,858,792)	(3,753,897)
Restated balance as at January 1 , 2024		15,176,965	10,131	188,301	23,952	15,393,804	15,616,188	2,453,924	11,802,042	14,255,966	41,395,345	86,444,464
Profit after taxation for the year		-	-	-	-	-	-	-	-	-	23,028,193	23,028,193
Other comprehensive income - net of tax												
Movement in surplus on revaluation of debt investments through FVOCI - net of tax		-	-	-	-	-	-	7,729,995	-	7,729,995	-	7,729,995
Movement in surplus on revaluation of equity investments through FVOCI - net of tax		-	-	-	-	-	-	1,293,151	-	1,293,151	-	1,293,151
Remeasurement loss on defined benefit obligations - net of tax		-	-	-	-	-	-	-	-	-	(44,500)	(44,500)
Movement in deficit on revaluation of property and equipment - net of tax		-	-	-	-	-	-	-	(170,430)	(170,430)	-	(170,430)
Movement in deficit on revaluation of non-banking assets - net of tax		-	-	-	-	-	-	-	(1,824)	(1,824)	-	(1,824)
Total other comprehensive income / (loss) - net of tax		-	-	-	-	-	-	9,023,146	(172,254)	8,850,892	(44,500)	8,806,392
Gain on sale of equity instruments classified as FVOCI - net of tax		-	-	-	-	-	-	(208,848)	-	(208,848)	208,848	-
Transfer to statutory reserve		-	-	-	-	2,302,819	2,302,819	-	-	-	(2,302,819)	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax		-	-	-	-	-	-	-	(126,127)	(126,127)	126,127	-
Amortisation of intangible assets - customer relationship - net of tax		-	-	(52,650)	-	-	(52,650)	-	-	-	-	(52,650)
Transaction with owners, recorded directly in equity												
Final cash dividend declared on February 7, 2024 at Rs 2 per share		-	-	-	-	-	-	-	-	-	(3,035,394)	(3,035,394)
First interim cash dividend declared on April 25, 2024 at Re 1 per share		-	-	-	-	-	-	-	-	-	(1,517,697)	(1,517,697)
Second interim cash dividend declared on August 28, 2024 at Rs 2 per share		-	-	-	-	-	-	-	-	-	(3,035,394)	(3,035,394)
Third interim cash dividend declared on October 24, 2024 at Rs 1.5 per share		-	-	-	-	-	-	-	-	-	(2,276,545)	(2,276,545)
Balance as at December 31, 2024		15,176,965	10,131	135,651	23,952	17,696,623	17,866,357	11,268,222	11,503,661	22,771,883	52,546,164	108,361,369

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

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

Unconsolidated Cash Flow Statement

For the year ended December 31, 2024

	Note	2024	2023
		----------Rupees '000----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		50,407,660	41,421,534
Less: dividend income		(412,870)	(334,064)
		49,994,790	41,087,470
Adjustments:			
Net profit / return income		(80,382,910)	(71,053,240)
Depreciation on property and equipment	11.2	3,282,724	2,145,014
Depreciation on right-of-use assets	12	2,098,815	1,936,731
Depreciation on non-banking assets	14.1.1	2,562	4,643
Amortisation	13.2	445,303	325,452
Workers Welfare Fund		1,028,728	886,617
Credit loss allowance against cash and balances with treasury banks	33	(3,553)	-
Credit loss allowance against balances with other banks	33	3	-
Credit loss allowance against investments	33	(187,005)	549,892
Credit loss allowance against Islamic financing and related assets	33	(2,035,526)	728,239
Credit loss allowance against other assets	33	(3,002)	2,326
Credit loss allowance against off balance sheet obligations	33	13,585	3,597
Bad debts written off directly	33	21,205	45,511
Recoveries of written off / charged off bad debts	33	(270,154)	(457,163)
Impairment of non-banking assets	33	-	41,525
Net loss on derecognition of financial assets measured at amortised cost	29	165,256	-
Gain on sale of property and equipment - net	30	(35,886)	(22,088)
Charge for defined benefit plan	31.2	353,387	264,900
Loss / (income) from derivative contracts - net		146,211	(85,506)
		(75,360,257)	(64,683,550)
		(25,365,467)	(23,596,080)
Decrease / (increase) in operating assets			
Due from financial institutions		-	9,815,098
Securities classified as FVPL		6,127,434	-
Financing		(73,929,736)	(126,767,295)
Others assets (excluding advance taxation)		(10,230,557)	(9,513,681)
		(78,032,859)	(126,465,878)
Increase / (decrease) in operating liabilities			
Bills Payable		22,619,180	(4,759,481)
Due to financial institutions		123,013,824	16,286,174
Deposits		26,002,770	236,705,007
Other liabilities (excluding current taxation)		16,535,738	17,673,415
		188,171,512	265,905,115
Income tax paid		(34,111,145)	(20,826,483)
Profit / return received		233,629,490	171,867,173
Profit / return paid		(146,042,139)	(115,128,337)
Contribution to gratuity fund	38.6	(264,793)	(98,287)
Net cash generated from operating activities		137,984,599	151,657,223
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in amortized cost securities		(39,387)	(1,845,371)
Net investments in securities classified as FVOCI		(75,914,167)	(108,874,941)
Net investments in subsidiary		(1,000,000)	-
Divestment / (investment) in associates - net		1,514,509	(118,338)
Dividends received		413,877	334,064
Investment in property and equipment		(18,405,327)	(7,013,659)
Investment in intangible assets		(794,484)	(754,517)
Disposal proceeds of property and equipment		39,568	60,659
Net cash used in investing activities		(94,185,411)	(118,212,103)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(3,808,291)	(2,512,566)
Dividend paid		(16,474,348)	(4,465,414)
Net cash used in financing activities		(20,282,639)	(6,977,980)
Increase in cash and cash equivalents during the year		23,516,549	26,467,140
Cash and cash equivalents at the beginning of the year		83,583,032	58,792,004
Effect of exchange rate changes on cash and cash equivalents		137,516	(1,538,596)
Cash and cash equivalents at the beginning of the year	36	83,720,548	57,253,408
Cash and cash equivalents at the end of the year	36	107,237,097	83,720,548

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

President & CEO	Chief Financial Officer	Chairman	Director	Director

1 STATUS AND NATURE OF BUSINESS

1.1 Faysal Bank Limited (the Bank) was incorporated in Pakistan on October 3, 1994 as a public limited company under the provisions of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are listed on the Pakistan Stock Exchange Limited. The Bank is engaged in Shari'ah compliant modern Corporate, Commercial and Consumer banking activities. The Bank is operating through 855 branches (December 31, 2023: 722) including 2 sub-branches (December 31, 2023: 2).

The Registered Office of the Bank is located at Faysal House, ST-02, Shahrah-e-Faisal, Karachi.

Ithmaar Bank B.S.C (closed), a fully owned subsidiary of Ithmaar Holdings B.S.C is the parent company of the Bank, holding directly and indirectly 66.78% (2023: 66.78%) of the shareholding of the Bank. Dar Al-Maal Al-Islami Trust (DMIT), (ultimate parent of the Bank) is the holding company of Ithmaar Holdings B.S.C.

1.2 The State Bank of Pakistan has issued the Islamic Banking License No. BL(i) - 01 (2022) dated December 30, 2022 in the Bank's name, effective from January 1, 2023.

1.3 The Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited have determined the Bank's long-term rating as 'AA' (December 31, 2023: 'AA') and the short term rating as 'A1+' (December 31, 2023: 'A1+') on June 24, 2024 and June 28, 2024 respectively.

2 BASIS OF PRESENTATION

2.1 The Bank provides financing mainly through Murabaha, Musawammah, Istisna and other Islamic modes as briefly explained in note 6.8 to these unconsolidated financial statements.

The purchases and sales arising under these arrangements are not reflected in these unconsolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon. The income on such financing is recognised in accordance with the principles of Islamic Shari'ah. However, income, if any, received which does not comply with the principles of Islamic Shari'ah is recognised as charity payable if so directed by the Shari'ah Board of the Bank.

2.2 The Bank has controlling interest in Faysal Asset Management Limited (FAML) and Faysal Islami Currency Exchange Company (Private) Limited and is required to prepare consolidated financial statements under the provisions of the Companies Act, 2017. These financial statements represent the unconsolidated results of the Bank and a separate set of consolidated financial statements is also being presented by the Bank.

2.3 During the year, the Bank established a wholly owned subsidiary, Faysal Islami Currency Exchange Company (Private) Limited (FICEC). FICEC is a private limited company, incorporated in Pakistan with the objective of dealing in foreign exchange and facilitating remittances. The registered office of FICEC is at ST-02, Faysal House, Shahrah-e-Faisal, Karachi.

3 STATEMENT OF COMPLIANCE

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

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

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

The State Bank of Pakistan (SBP) has adopted requirements of IFRS 9 along with the application instructions through BPRD Circular No. 07 of 2023, dated April 13, 2023, but deferred certain requirements. The requirement to carry unquoted securities at fair value has been deferred until January 1, 2025. Furthermore, Islamic banking institutions have been allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue existing accounting practices for other Islamic products until further instructions. The impact of profit of financing in advance stage is Rs. 1,504 million excluding any Effective yield rate (EIR) effect as the Bank has received deferment of recording income and expense at EIR via letter from SBP till 31 December 2025. Consequently, these deferred requirements of IFRS 9 have not been considered in the preparation of these unconsolidated financial statements. Furthermore, Banks are required to apply modification accounting retrospectively however it will be applied only on the financing modified on or after 1st January 2020 as allowed by SBP.

3.2 As per the directive of the SBP through its letter BPRD (R&P-02)/625-99/2011/3744 dated March 28, 2011, gain arising on bargain purchase of Pakistan operations of Royal Bank of Scotland (ex-RBS Pakistan) was credited directly into equity as Non-distributable Capital Reserve (NCR). The SBP allowed the Bank to adjust the amortisation of intangible assets against the portion of reserve which arose on account of such assets identified as a result of such acquisition. Accordingly, during the year ended December 31, 2024, the Bank has adjusted an amortisation of intangible assets net of tax amounting to Rs. 52.650 million (2023: Rs. 68.968 million) from the NCR.

3.3 The SBP vide its BPRD Circular No. 04 dated February 25, 2015 has clarified that the reporting requirements of IFAS-3, 'Profit and loss sharing on deposits' for Institutions offering Islamic Financial Services (IIFS) relating to annual, half yearly and quarterly financial statements would be notified by the SBP through issuance of specific instructions and uniform disclosure formats in consultation with IIFS. These reporting requirements have not been notified to date. Accordingly, the disclosure requirements under IFAS 3 have not been considered in these unconsolidated financial statements.

3.4 The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has also deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial instruments: disclosures' through its S.R.O. 633(I)/2014 dated July 10, 2014. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements.

3.5 The SECP through S.R.O. 56(1)/2016 dated January 28, 2016, has directed that the requirements of IFRS 10, 'Consolidated financial statements' are not applicable in case of investments by companies in mutual funds established under Trust Deed structure. Accordingly, implications of IFRS 10 in respect of investment in mutual funds are not considered in these unconsolidated financial statements.

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

As directed by SBP via BPRD Circular letter no. 7 of 2023 dated April 13, 2023 IFRS 9, (Financial Instruments) is effective in Pakistan for periods beginning on or after January 1, 2024. In addition, due to the application of IFRS 9, SBP vide BPRD Circular No. 02 dated February 9, 2023, has also amended the format of the annual financial statements. Details regarding the aforementioned adoption and amendment, including the impact thereof, are discussed in more detail in note 6.4 to these financial statements. Except for the above, there are certain other interpretations and amendments that are mandatory for the Bank's accounting periods beginning January 1, 2024. However, these are not considered to be relevant or do not have any significant effect on the Bank's operations and therefore have not been detailed in these financial statements.

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

3.7.1 The following revised standards, amendments and interpretations with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

Standards, interpretations or amendments	Effective date (annual periods beginning on or after)
- Amendments to IAS 21- Lack of Exchangeability	January 1, 2025
- IFRS S1 - General Requirements for Disclosure of Sustainability - related Financial Information	January 1, 2025
- IFRS S2 - Climate-related Disclosures	January 1, 2025
- Amendments to IFRS 9 Financial Instruments	January 1, 2025
- Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associates or joint venture	not yet announced

The management of the Bank is assessing the impact of the changes in the above mentioned standards on the Bank's financial statements.

3.7.2 As required under SBP Letter No. BPRD/LD-01/850/28853/2022-13054, the details of the net conventional funded portfolio as at December 31, 2024 are as follows:

	Note	Rupees in '000
Assets		
Investments		550,863
Financing - net		277,886
Liabilities		
Deposits and other accounts		2,239,386
Other Liabilities	20	982,880

All efforts are being put in to convert or dispose- off the residual portfolio and appropriate monitoring mechanisms are in place. Quarterly progress report on the status of the residual portfolio is shared with the Bank's Board of Directors, the Shari'ah Board and the State Bank of Pakistan.

3.7.3 Profitability from residual (ring-fenced) non-shari'ah compliant portfolio

In compliance with the principles of Shari'ah, the Shari'ah Board of the Bank has approved the "Conventional profitability cleansing framework" ('the Framework'). According to the Framework, any income accruing on the ring-fenced portfolio during the year, net-off attributable expenses and charges, is booked as charity payable under other liabilities. The conventional profitability is calculated in light of Shari'ah principles, the guidance of the Shari'ah Board and the understanding available as at the computation date, changes, if any, may be adjusted retrospectively.

3.7.4 Critical accounting estimates and judgments

The preparation of unconsolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain accounting estimates. It also requires the management to exercise judgement in the process of applying the Bank's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These estimates affect the reported amounts of assets, liabilities, income, and expenses. The areas where various assumptions and estimates are significant to the Bank's financial statements or where judgement was exercised in the application of accounting policies are as follows:

i) Business combinations (note 6.1);

ii) Classification of investments (note 6.4.2 and 9);

iii) Valuation of financial assets and liabilities as per IFRS 9, associates and joint ventures (note 6.4.2 and 6.6);

iv) Measurement of the expected credit loss allowance(notes 6.4.10);

v) Valuation and depreciation of property and equipment (note 6.9 and 11.2);

vi) Taxation (note 6.11 and note 34);

vii) Valuation of non-banking asset acquired in satisfaction of claims (note 6.12 and 14);

viii) Valuation of defined benefit plan (note 6.14 and 38);

ix) Valuation and depreciation of right-of-use assets and their related lease liability (note 6.26, 12 and 18).

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

4 BASIS OF MEASUREMENT

These unconsolidated financial statements have been prepared under the historical cost convention except for certain fixed assets and non-banking assets acquired in satisfaction of claims which have been carried at revalued amounts, certain investments and derivative contracts which have been marked to market and are carried at fair value, obligations in respect of staff retirement benefits and lease liabilities which have been carried at present value and right-of-use assets which are initially measured at an amount equal to the corresponding lease liabilities (adjusted for any lease payments and costs as disclosed in details in note 6.26 to these unconsolidated financial statements) and depreciated over the respective lease terms.

5 FUNCTIONAL AND PRESENTATION CURRENCY

5.1 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.

5.2 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

6 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2023, except as disclosed in note 6.4 and 6.5.

6.1 Business Combination

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed as at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values as at the acquisition date. The excess of the consideration transferred over the fair value of the Bank's share of identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is recognised directly in the unconsolidated profit and loss account. However, as more fully described in note 13.3 to these unconsolidated financial statements, the gain on bargain purchase arising on an acquisition made in 2010 has been recognised directly in equity as per the directives of the SBP.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at its cost less accumulated impairment losses, if any. Goodwill acquired in a business combination is tested for impairment annually or whenever there is an indication of impairment as per the requirements of International Accounting Standard (IAS) 36, 'Impairment of assets'. Impairment charge in respect of goodwill is recognised in the unconsolidated profit and loss account and is not subsequently reversed.

Acquisition of non-controlling interests (NCI) is measured at the proportionate share of the NCI in the fair value of the net assets acquired by the Bank. The excess of the fair value of consideration transferred over the proportionate share of the NCI in the fair value of the net assets acquired is recognised in equity. (Referring to the 'Reserve arising on amalgamation').

6.2 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise of cash in hand, balances with treasury banks, balances with other banks in current and deposit accounts and overdrawn nostro accounts.

6.3 Due to / Due from financial institutions

(a) Musharaka / Mudaraba placements

In Musharaka / Mudaraba, the Bank (or the counterparty financial institution/ the SBP) invests in the Shari'ah compliant business pools of the counterparty financial institutions/ the SBP (or the Bank) at the agreed profit and loss sharing ratio under musharaka agreements.

(b) Bai Muajjal

In Bai Muajjal, the Bank sells Shari'ah compliant instruments 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. The difference between the sale and the credit price is recognised over the credit period and recorded as income. Bai Muajjal with Federal Government is classified as investment.

(c) Musharaka from the SBP under IERS

Under IERS, the Bank accepts funds from the SBP under Shirkat-ul-aqd to constitute a pool for investment in export refinance portfolio of the Bank under the guidelines issued by the SBP. The profit of the pool is shared as per the agreed weightages between the partners.

(d) Mudaraba investment from the SBP under various long term Islamic refinance schemes

Under various long term Islamic refinance schemes of the SBP, the Bank accepts funds from the SBP which are received on Mudaraba basis for investment in general pool of the Bank. The profit of the pool is shared as per the announced profit sharing ratio of the pool and the weightages assigned to these investments.

6.3.1 These are initially recognised at amount of funds disbursed / accepted (in case of Bai Muajjal, at sale price of the Sukuk net of deferred profit) and subsequently measured at amount receivable / payable under the contractual terms of the underlying agreement (in case of Bai Muajjal, at sale price of the Sukuk net of remaining deferred profit at reporting date, if any), except for Temporary Economic Refinance Facility (TERF) which are measured at amortized cost.

6.4 IFRS 9 - Financial Instruments (Applicable on or after January 1, 2024)

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

BPRD Circular No. 03 of 2022 issued by SBP provides detailed instructions on implementation of IFRS 9 (the IFRS 9 Application Instructions) for ensuring smooth and consistent implementation of the standard across banks. Furthermore, SBP wide its BPRD Circular Letter No. 16 of 2024 and SBP wide BPRD Circular Letter No. 01 of 2025 has made further amendments in the application instructions issued. All deferments made through these amendments are disclosed in statement of compliance.

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

The Bank has adopted IFRS 9 in accordance with the IFRS 9 Application Instructions from January 1, 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 1, 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.

The effect of this change in accounting policy is as follows:

Financial Assets / Liabilities	Classification under IFRS 9	Balances as of December 31, 2023 (Audited)	Impact due to: Change in classification	Remeasure-ments	Surplus / (Deficit)	Reversal of provisions held	Recognition of expected credit losses (ECL)	Total impact - gross of tax	Taxation	Total impact - net of tax	Balances as of January 01, 2024
		Rupees '000									
Cash and balances with treasury banks	Amortised Cost	84,036,558	-	-	-	-	(5,238)	(5,238)	-	(5,238)	84,031,320
Balances with other banks	Amortised Cost	1,812,399	-	-	-	-	(2)	(2)	-	(2)	1,812,397
Due from financial institutions	Amortised Cost	-	-	-	-	-	-	-	-	-	-
Investments *											
Available for sale (a)	FVPL	-	8,752,287	-	-	-	-	8,752,287	-	8,752,287	8,752,287
Available for sale (b)	FVOCI	579,769,468	(8,752,287)	(39,854)	(921,057)	2,424,848	(1,503,791)	(8,792,141)	-	(8,792,141)	570,977,327
Held to maturity (c)	Amortised Cost	6,765,570	-	-	-	1,409,394	(1,409,479)	(85)	-	(85)	6,765,485
Associates and subsidiaries	Cost	3,009,553	-	-	-	-	-	-	-	-	3,009,553
Islamic financing and related assets * (d)											
Subsidized SBP financing	Amortised Cost	31,050,959	-	(9,812,266)	-	-	(344,178)	(10,156,444)	-	(10,156,444)	20,894,515
Concessional staff financing	Amortised Cost	11,383,010	-	(4,605,494)	-	-	(51,742)	(4,657,236)	-	(4,657,236)	6,725,774
Modified financing	Amortised Cost	3,596,728	-	(124,564)	-	-	(381,755)	(506,319)	-	(506,319)	3,090,409
Other Islamic financing	Cost	534,680,619	-	-	-	20,050,262	(26,378,242)	(6,327,980)	-	(6,327,980)	528,352,639
Property and equipment		29,555,304	-	-	-	-	-	-	-	-	29,555,304
Right-of-use assets		10,713,046	-	-	-	-	-	-	-	-	10,713,046
Intangible assets		2,331,775	-	-	-	-	-	-	-	-	2,331,775
Other assets											
Financial other assets	Amortised Cost	66,502,685	-	-	-	-	(2,575)	(2,575)	-	(2,575)	66,500,110
Non financial other assets		4,315,644	-	4,605,494	-	-	-	4,605,494	-	4,605,494	8,921,138
Forward foreign exchange contracts	FVPL	550,232	-	-	-	-	-	-	-	-	550,232
		1,370,073,550	-	(9,976,684)	(921,057)	23,884,504	(30,077,002)	(17,090,239)	-	(17,090,239)	1,352,983,311
Bills payable	Amortised Cost	16,550,469	-	-	-	-	-	-	-	-	16,550,469
Due to financial institutions	Amortised Cost	166,886,803	-	(10,053,727)	-	-	-	(10,053,727)	-	(10,053,727)	156,833,076
Deposits and other accounts	Cost	1,018,275,737	-	-	-	-	-	-	-	-	1,018,275,737
Lease liabilities		12,868,103	-	-	-	-	-	-	-	-	12,868,103
Deferred tax liabilities		4,907,208	-	-	-	-	-	-	(3,606,679)	(3,606,679)	1,300,529
Other liabilities											
Financial other liabilities	Amortised Cost	54,424,325	-	-	-	-	82,603	82,603	-	82,603	54,506,928
Non financial other liabilities		3,641,003	-	241,461	-	-	-	241,461	-	241,461	3,882,464
Derivatives, forward foreign exchange contracts	FVPL	2,321,541	-	-	-	-	-	-	-	-	2,321,541
		1,279,875,189	-	(9,812,266)	-	-	82,603	(9,729,663)	(3,606,679)	(13,336,342)	1,266,538,847
Net Assets		90,198,361	-	(164,418)	(921,057)	23,884,504	(30,159,605)	(7,360,576)	3,606,679	(3,753,897)	86,444,464
REPRESENTED BY											
Share capital		15,176,965	-	-	-	-	-	-	-	-	15,176,965
Reserves		15,616,188	-	-	-	-	-	-	-	-	15,616,188
Surplus on revaluation of assets - net		15,151,071	(794,192)	(39,854)	(921,057)	-	-	(1,755,103)	859,998	(895,105)	14,255,966
Unappropriated profit		44,254,137	794,192	(124,564)	-	23,884,504	(30,159,605)	(5,605,473)	2,746,681	(2,858,792)	41,395,345
		90,198,361	-	(164,418)	(921,057)	23,884,504	(30,159,605)	(7,360,576)	3,606,679	(3,753,897)	86,444,464

* This includes management overlay of Rs. 3,607.544 million in Stage 2 ECL.

a) Certain equity securities are held by the Bank in separate portfolios and are managed with an objective of realising cash flows through sale. The Bank primarily focuses on fair value information and uses that information to assess the securities' performance and to make decisions. Moreover, certain asset-backed securities have contractual cash flows that are not SPPI. These assets are therefore measured at FVPL under IFRS 9. (AFS to FVPL).

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

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

d) Islamic financing and related assets except for Temporary Economic Refinance Facility (TERF), staff financing and modified financing are stated at cost. Whereas, Temporary economic refinance scheme, staff financing and modified financing are stated at amortized cost.

6.4.1 Impact on regulatory capital

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. 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.

Had IFRS 9 not been applied then on estimated basis CAR would have been lower by 23 bps from 16.54% to 16.31%.

The Bank has applied the transitional arrangement on Regulatory Capital. Had the transitional arrangement not been applied then CAR would have been higher by 23 bps from 16.54% to 16.77%.

The Bank has applied the transitional arrangement on Regulatory Capital. Had the transitional arrangement not been applied than Leverage Ratio would have been lower by 7 bps from 4.70% to 4.63%.

6.4.2 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 Profit (SPPI) criteria are required to be measured at fair value through profit and loss (FVPL) regardless of the business model in which they are held.

Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at transaction price. The fair value of a financial asset on initial recognition is generally its transaction price. If the Bank determines that the fair value on initial recognition differs from the transaction price then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in 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 . Islamic financing and related assets other than staff financing and Temporary Economic Refinance Facility (TERF) are initially measured at transaction price i.e., the amount of financing disbursed at disbursement date.

Classification of Financial Assets

On initial recognition, a financial asset is classified as either amortized cost, FVOCI, or FVPL where as Islamic financing and related assets except for staff financing, the Temporary Economic Refinance Facility (TERF), and modified financing, are carried at cost.

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.

Islamic financing and related assets are carried at cost, net of expected credit loss allowances, except for Temporary Economic Refinance Facility (TERF), staff financing and modified financing, which are measured at amortized cost.

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

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

Classification of Financial Liabilities

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

6.4.3 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 a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The assessment requires judgement based on facts and circumstances on the date of assessment. The assessment considers the policies and objectives for the portfolio of financial assets, risk affecting, performance evaluation, business manager's compensation and historical sales information.

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

6.4.4 Assessment of whether contractual cash flows are solely payments of principal and profit (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Profit' 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 profit margin.

The Bank assesses whether the contractual cash flows of a financial asset meet the Solely Payments of Principal and Profit (SPPI) criterion by examining the contractual terms. This includes checking for terms that could alter the amount and timings of cash flows, such as contingent events, leverage, or prepayment features, etc.

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

For fixed-rate financings with periodic profit rate resets, the Bank considers these SPPI-compliant as the revised rates reflect time value, credit risk, and other associated risks.

6.4.5 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 profit or dividend income, are recognised in statement of profit or loss account.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective yield method. The amortised cost is reduced by impairment losses. Profit and impairment are recognised in statement of profit or loss account.
Debt investments at FVOCI	These assets are subsequently measured at fair value and is assessed for impairment under the new ECL model. Profit income is calculated using the effective yield method and includes amortization of premiums and accretion of discount and impairment are recognised in profit and loss account. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss account.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment, in which case they are adjusted from the carrying value of investment. Other net gains and losses are recognised in OCI and are never reclassified to statement of profit or loss account.
Unquoted Securities	Unquoted equity securities are valued at the lower of cost and break-up value. The break-up value of these securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. The Bank may also use unaudited or management accounts to determine if any additional deficit needs to be charged.
Islamic financing and related assets at cost	Islamic financing and related assets are carried at cost, net of expected credit loss allowances, except for Temporary Economic Refinance Facility (TERF) and staff financing, modified financing which are carried at amortized cost, net of expected credit loss allowances.

6.4.6 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 yield 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 1 January 2024).

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

6.4.7 Calculation of profit income and expense

Income is recorded in accordance with IFAS 1 and IFAS 2. Furthermore, for other Islamic products income is recorded based on the contractual rate in accordance with the Shari'ah principles.

Profit expense on domestic financial liabilities (comprising deposits and borrowings) is recognized on an accrual basis in the period in which it is incurred, based on their contractual rates.

6.4.8 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 derecognized), and the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognized in OCI is recognized in the profit and loss account, except that in case of the derecognition of equity securities held at FVOCI, cumulative gains or losses are transferred to unappropriated profit.

The Bank derecognises a financial liability when its contractual obligations are discharged 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.

6.4.9 Modification

Financial assets

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

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

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

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

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

Financial liabilities

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

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

6.4.10 Impairment

The impairment requirements apply to financial assets measured at amortized cost and FVOCI (other than equity instruments), lease receivables, and certain financing 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').

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 derecognized 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 yield 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'.

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, this includes time based criteria and subjective evaluation of the credit worthiness of the borrower.

A financing 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 financing 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.

The Bank calculates the ECL against corporate, commercial & SME financing portfolios as higher of PR and ECL under IFRS 9 at borrower/facility level, whereas against the retail borrowers the Bank calculates the ECL at higher of PR and ECL under IFRS 9 at segment/product basis as instructed by SBP under Annexure-A of BPRD Circular no 16 of 2024.

ECL is the probability weighted estimate of expected cash shortfalls which is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD). Based on the

requirements of IFRS 9 and Application Instructions, the Bank has performed an ECL assessment considering the following key elements:

Probability of default:

The Probability of Default represents the likelihood that a counterparty will default within a specific timeframe, such as 12 months (12-month ECL for Stage 1) or the lifetime of the financial instrument (lifetime ECL for Stage 2). The Bank calculates PD on Islamic financing and related assets which is further bifurcated into retail and non retail portfolios. Following is the methodology through which non retail and retail PD are calculated:

Non-Retail PD:

The Bank utilizes its internal risk rating system to assign Obligor Risk Ratings (ORR) to borrowers. Bank has used a statistical method, for the estimation of Through The Cycle (TTC) PDs associated with each of its Obligor Risk Rating (ORR).

Retail PD:

Bank has used the roll-rate method for retail portfolios based on its different risk characteristics and historical default trends. Bank has used historical data to estimate TTC PD for its retail segments.

Moreover, the Bank calculates Expected Credit Loss (ECL) on investments and balances with other banks by utilizing Probability of Default (PD) data, which tracks corporate credit rating transitions over time. This historical data helps to assess the likelihood of changes in creditworthiness and defaults.

Incorporation of forward-looking information:

Forward looking information is incorporated to convert TTC PD to Point in Time Probability of Default (PiT) PD. The Bank has estimated the PiT PDs in its PD Model. For this purpose, the Bank incorporated 5-year forecasts obtained from the Macro Economic Variable (MEV) database of the International Monetary Fund (IMF).

Exposure at Default (EAD):

The Bank has defined EAD for financial assets carried at an amortized cost equal to principal plus accrued profit at the default date. Each repayment date is assumed to be a default point in the model, and the ECL is calculated on the EAD at each repayment date and discounted at the effective yield rate to arrive at the discounted ECL under three scenarios, i.e., base, worst, and best-case scenarios. The unutilized exposures are multiplied with Credit Conversion Factors (CCFs) to compute the EAD of revolving facilities. For non revolving facilities, CCF is only applied to unutilized exposures when the Bank doesn't have unconditional right to revoke the undrawn portion. Additionally, cash and cash equivalent collateral the Bank holds against non-retail facilities are adjusted from the EAD, and ECL is calculated on the net amount. The Bank has developed CCF models for its revolving and non revolving facilities based on the historical utilization of credit limits which are currently being applied to the revolving portfolio.

Loss Given Default:

Loss Given Default (LGD) represents the forecasted economic loss in the event of default, calculated independently of credit quality and applied consistently across all stages. LGD is determined as the percentage of loss expected in case of borrower default, incorporating historical data, cash recovery experience (including settlements), costs and time of recoveries, collateral realizations, and recovery projections. For non-collateralized portfolios, the Bank estimates LGD based on actual recoveries from defaulted accounts over a historical period of 3-5 years prior to the assessment date. Forward-looking information is incorporated into the LGD calculation to reflect the impact of macroeconomic factors on the expected recoveries.

Purchase or Originated Credit Impaired Financial Assets

Purchase or Originated Credit Impaired (POCI) financial assets are assets that are credit-impaired on initial recognition. Expected credit loss for these assets is not recognized in a separate loss provision on initial recognition, as the lifetime expected credit loss is inherent within the gross carrying amount of the instruments. Consequently, POCI assets do not

carry an impairment allowance on initial recognition. The amount recognized as a loss allowance after initial recognition is equal to the changes in lifetime ECL since the initial recognition of the asset.

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

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

- Financial assets measured at amortized cost / cost: as a deduction from the gross carrying amount of the assets.
- financing commitments and financial guarantee contracts: as a provision in Other Assets / Liabilities.
- where a financial instrument includes both a drawn and an undrawn component, and the Bank does not identify the ECL on the financing 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.

6.4.11 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. A financial asset is transitioned to a backward stage in line with SBP instructions.

6.4.12 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 statement of profit and loss account.

Financial assets that are written off / charge off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

6.4.13 Off-setting

Financial assets and financial liabilities are set off and the net amount is reported in the unconsolidated financial statements only when the Bank has a legally enforceable right to set off and the Bank intends to either settle on a net basis, or to realise the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the unconsolidated financial statements only when permitted by the accounting and reporting standards as applicable in Pakistan.

6.4.14 Governance, ownership and responsibilities

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

Additionally, the Risk department also take the ownership of the impact of ECL on bank's capital. The Bank's Finance Division performs ECL calculation. As a result, the department then assess the financial impact, meet the financial reporting requirements and further monitor the impact on the financial ratios.

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

6.4.15 Undrawn financing 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. 'Financing commitments' are firm commitments to provide credit under pre-specified terms and conditions.

When estimating lifetime ECL for undrawn financing commitments, the Bank estimates the expected portion of the financing 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 financing are drawn down, based on a probability-weighting of the three scenarios.

6.4.16 Acceptances

Acceptances arise when the Bank is under an obligation to make payments against documents drawn under letters of credit. Acceptances specify the amount of money, the date, and the person to which the payment is due. After acceptance, the instrument becomes an unconditional liability (time draft) of the Bank and is therefore recognized as a financial liability in the statement of financial position with a corresponding contractual right of reimbursement from the customer recognized as a financial asset.

Acceptances have been considered within the scope of IFRS 9 - Financial Instruments for the purpose of calculation of expected credit loss and are valued at amortized cost and continued to be recognized as a financial liability in the statement of financial position with a contractual right of reimbursement from the customer as a financial asset.

6.4.17 Wa'ad / Promissory Contracts

Wa'ad / promissory contracts are initially recognized at fair value on the date on which the contract is entered into and are subsequently re-measured to fair value using appropriate valuation techniques. All Wa'ad / promissory contracts are carried as assets when fair value is positive and liability when fair value is negative. Any change in the fair value of Wa'ad / promissory contracts is taken to the profit and loss account.

6.5 Revised format of annual financial statements

SBP through its BPRD Circular No. 02 dated February 9, 2023, has amended the format of annual financial statements of banks. All banks are required to prepare their annual financial statements on the revised format effective from accounting year starting from January 1, 2024. Accordingly, the Bank has prepared these annual financial statements on the new format prescribed by the SBP. The adoption of the new format contains additional disclosures and certain changes in the financial statements' presentation, primarily due to the implementation of IFRS 9 as applicable in Pakistan. However, the corresponding figures continue to be classified and disclosed in accordance with the previous financial accounting and reporting framework.

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

- Right-of-use-assets (note 12) amounting to Rs 13,289.601 million (December 31, 2023: Rs 10,713.046 million) which were previously shown as part of fixed assets are now shown separately on the unconsolidated statement of financial position.

- Lease liabilities (note 18) amounting to Rs 15,546.893 million (December 31, 2023: Rs 12,868.103 million) which were previously shown as part of other liabilities (note 20) are now shown separately on the unconsolidated statement of financial position.

6.6 Investment in associates and subsidiaries

Certain mutual funds are managed by Faysal Asset Management Limited (FAML), the subsidiary company of the Bank. 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.

The Bank has significant influence over such mutual funds due to participation in the investee's policy-making processes via FAML and investment in such mutual funds is considered as investment in associates. These 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. The Bank has significant influence over mutual funds where it has holding percentage of less than 20% due to power to participate in the investee's policy-making processes via the FAML and investment in such mutual funds is considered as investment in associates.

Subsidiaries are all entities over which the Bank has control.

Subsequent measurement of Associates and subsidiaries

Investment in associates and subsidiaries are recorded at cost less accumulated impairment, if any.

Impairment of Investment in associate

In respect of investment in associates, the Bank reviews their carrying values at each reporting date to assess whether there is an indication of impairment. The amount of impairment loss would be determined based on the higher of values in use and fair value less cost to sell. Impairment loss is recognised in the profit and loss account.

6.7 Investments (Applicable before January 1, 2024)

6.7.1 Classification

The Bank classifies its investments as follows:

(a) Held for trading

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

(b) Held to maturity

These are securities with fixed or determinable payments and maturity that the Bank has a positive intent and ability to hold to maturity.

(c) Available for sale

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

6.7.2 Initial recognition and measurement

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

Investments other than those classified as held for trading are initially recognised at fair value which includes transaction costs associated with the investments. Investments classified as 'held for trading' are initially recognised at fair value and transaction costs associated with the transactions are expensed through the profit and loss account.

Premium or discount on acquisition of investments is amortised through the profit and loss account over the remaining period till maturity using the effective yield method.

6.7.3 Subsequent measurement

Held for trading

These are measured at subsequent reporting dates at fair value. Any unrealised surplus / deficit arising on revaluation is taken into profit and loss account.

Held to maturity

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

Available for sale

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

Unquoted equity securities are valued at the lower of cost and break-up value. The break-up value of these securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. The Bank may also use unaudited or management accounts to determine if any additional impairment needs to be charged beyond amounts already changed based on audited financial statements. Investments in other unquoted securities are valued at cost less impairment, if any.

6.7.4 Impairment

Available for sale and held to maturity investments

Impairment loss in respect of investments classified as available for sale and held to maturity is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in the fair value of a listed equity investment below its cost is also considered an objective evidence of impairment. The determination of significant or prolonged decline requires judgement.

Provision in the value of term finance certificates and sukuk certificates is made as per the requirements of the Prudential Regulations issued by the SBP. In case of impairment of available for sale securities, the cumulative loss that has been recognised in surplus / deficit on revaluation of securities on the statement of financial position within equity is removed therefrom and recognised in the profit and loss account.

6.8 Islamic financing and related assets

6.8.1 Financing is stated net of credit loss allowance and fair value adjustment. The amount of credit loss allowance is charged to the profit and loss account. Financing is written off / charge off in accordance with Bank policy by extinguishing them against the provision held. These write-offs / charge off do not, in any way, prejudice the Bank's right of recovery from these customers. The Bank offers various Islamic financing products the details of which are as follows:

(a) Murabaha

In Murabaha transactions, the Bank purchases the goods and after taking the possession, sells them to the customer on cost plus profit basis either in a spot or credit transaction.

(b) Diminishing Musharaka

It is a form of partnership in which the bank and the customers create co-ownership in the assets by purchasing it jointly. The Bank then rent out its share of the assets to the customer. Beside the payment of the rentals, customers also purchase the assets from the bank in installments. Hence at the end of the tenure, customer become sole owner of the assets.

(c) Running Musharaka

In Running Musharakah financing, the Bank will enter into financing with the customer based on Shirkat-ul-Aqd (Business Partnership) in the customer's operating business. Under this mechanism the customer can withdraw and return funds to the Bank subject to its Running Musharakah Financing limit during the Musharakah period. At the end of each quarter / period 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 audited accounts of the customer.

(d) Ijarah

Ijarah is a contract whereby the owner of an asset (other than consumables) transfers its usufruct to another person for an agreed period and for an agreed consideration.

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

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

In Service Ijarah financing, the Bank provides financing by acquiring certain agreed services from the customer. After the purchase of services, the Bank appoints the customer to sell these services in the market over a period and provide a sale confirmation of such sale. The profit is only accrued from the date of receipt of such confirmation.

(e) Istisna

Istisna is a mode of sale at an agreed price, whereby the buyer places an order to or cause to manufacture, assemble or construct anything to be delivered at a future date.

The funds disbursed under Istisna are recorded as 'Advance against Istisna'. On execution of goods receiving note and receipt of manufactured goods, the same are recorded in the statement of financial position as inventories of the Bank at cost price and after sale of goods by customer to its ultimate buyers, Istisna financing is recognised.

(f) Musawamah

In Musawamah financing, the Bank purchases the goods and after taking the possession, sells them to customer either in spot or credit transaction, without disclosing the cost.

(g) Salam / Bai Salam

Salam / Bai 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.

The funds disbursed under Salam / Bai Salam are recorded as advances against Salam / Bai Salam. On execution of goods receiving note and receipt of Salam / Bai Salam goods, the same are recorded in the statement of financial position as inventories of the Bank at cost price and after the sale of goods by customer to its ultimate buyers, Salam / Bai Salam financing is recognised.

(h) Tijarah

Tijarah is a financing mode under which the Bank purchases finished goods from the customer / seller against spot payment and delivery. Thereafter, the Bank appoints customer as an agent to sell the Tijarah goods in the market.

The funds disbursed under Tijarah are recorded as advances against Tijarah. On execution of goods receiving note and receipt of Tijarah goods, the same are recorded in the statement of financial position as inventories of the Bank at cost price and after the sale of goods by customer to its ultimate buyers, Tijarah financing is recognised.

(i) Tawarruq

Tawarruq means “to sell a commodity at spot after its purchase on deferred basis to the party other than from whom it was purchased.”

In practice “Tawarruq is an arrangement in which bank sells a commodity at a higher price from its market value to the Customer on deferred payment at cost plus profit. The customer, then sells the commodity to a third party on cash with a purpose of having access to liquidity".

(j) Government grants (Applicable after January 1, 2024)

Government grants are recognized when there is reasonable assurance of receipt and compliance with attached conditions. Asset-related grants are either recorded as deferred income or deducted from the asset’s carrying amount, while income grants are systematically recognized in profit or loss. In line with IAS 20, government financing at below-market rates are treated as grants, with the benefit measured as the difference between the financing fair value and the proceeds received. The State Bank of Pakistan (SBP) has introduced temporary refinancing schemes to provide economic relief, which qualify as government grants. These are accounted for by bifurcating the liability into a financial liability under IFRS 9, measured at fair value, and a deferred grant liability representing the benefit received. The deferred grant liability is recognized in statement of financial position, at inception is initially offset against the fair value loss on below market rate financing provided to customers. The remaining portion is subsequently amortized over the tenure of financing, aligning with the unwinding difference between SBP refinance and customer financing.

6.9 Property and equipment and depreciation

(a) Tangible assets

Property and equipment other than land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Buildings are carried at revalued amount less any accumulated depreciation and subsequent impairment losses, if any. Land is carried at revalued amount less any subsequent impairment losses, 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 11.2 to these financial statements after taking into account residual value, if significant. The asset's residual values and useful lives are reviewed and adjusted, if required, at each reporting date. Depreciation on additions is charged once the assets become available for use and it stops when the asset is disposed or it is fully depreciated.

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

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.

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

Gains / losses on disposal of property and equipment, if any, are taken to the profit and loss account in the period in which these arise except that the related surplus on revaluation of property and equipment (net of deferred taxation) is transferred directly to unappropriated profit.

Surplus on revaluation of property and equipment (net of associated deferred tax) to the extent of the incremental depreciation charged on the related assets is transferred to unappropriated profit.

(b) Capital work-in-progress

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

(c) Intangible assets

Intangible assets having definite lives are stated at cost less accumulated amortisation and accumulated impairment losses, if any. The intangible assets include directly attributable costs that are capitalised as part of the intangible asset. Amortisation, except for customer relationship, is charged by applying the straight-line method over the useful lives of the assets. Amortisation is calculated so as to write-off the assets over their expected economic lives at rates specified in note 13 to these unconsolidated financial statements. Amortisation is charged from when the asset is available for use and stops when the asset is disposed or its fully amortised. The intangible asset comprising customer relationship is being amortised over the life expectancy of the deposits. The residual values and useful lives of intangible assets are reviewed and adjusted, if appropriate, at each reporting date.

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

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

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

6.10 Impairment

The carrying amounts of assets are reviewed at each reporting date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If any such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amount, except in the case of an intangible asset with an indefinite useful life or an intangible asset not yet available for use and goodwill acquired in a business combination for which impairment is tested annually irrespective of whether there is any indication of impairment. The resulting impairment loss is taken to the profit and loss account except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of asset.

An impairment loss is reversed except for impairment loss relating to goodwill, if there has been a change in the estimate used to determine the recoverable amount. Such reversals are only made to the extent that the asset's carrying amount does not exceed the amount that would have been determined if no impairment loss had been recognised.

6.11 Taxation

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

Current

Provision for current taxation is based on taxable income for the year. Tax charge for the current year is determined in accordance with the prevailing laws for taxation. The charge for the current tax is calculated using tax rates enacted or substantively enacted at the reporting date.

Prior

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

Deferred

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

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

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

6.12 Assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation and accumulated impairment, if any. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure that their net carrying values do not differ materially from their fair values. Legal fee, transfer costs and direct costs of acquiring title to the non-banking assets are charged to the unconsolidated profit and loss account and these are not capitalised as part of non-banking assets. A surplus arising on revaluation of non-banking assets acquired in satisfaction of claims is credited to the 'surplus on revaluation of assets' account. Any deficit arising on revaluation is first set off against the surplus account for that particular non-banking asset, if any, or if no surplus exists, is charged to the unconsolidated profit and loss account. These assets are disclosed in other assets as specified by the SBP.

Surplus on revaluation of non-banking assets (net of associated deferred tax) to the extent of the incremental depreciation charged on the related assets is transferred to unappropriated profit.

6.13 Provisions and contingent assets and liabilities

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

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

6.14 Staff retirement benefits

a) Defined contribution plan

The Bank operates a contributory provident fund for all its permanent employees to which equal monthly contributions at the rate of 10 percent of basic salary are made both by the Bank and the employees.

b) Defined benefit plan

The Bank operates an approved funded gratuity plan for all its permanent eligible employees and eligible employees who are on contractual service and are employed under non-management cadre. Contributions to the fund are made on the basis of actuarial recommendations.

The Bank's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Projected Unit Credit Method is used for the actuarial valuation.

Amounts arising as a result of "Remeasurements", representing the actuarial gains and losses and the differences between the actual investment returns and the return implied by the net return expense are recognised in the unconsolidated statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which these occur.

Staff retirement benefits are payable to staff on completion of prescribed qualifying period of service under these schemes.

6.15 Deposits and other accounts

Deposits are generated on the basis of two modes i.e. Qard and Mudaraba.

Deposits taken on Qard basis are classified as 'Current accounts' (non-remunerative) and deposits generated on Mudaraba basis are classified as 'Savings deposits' and 'Term deposits'. No profit or loss is passed on to current account depositors, however the funds of current accounts are treated as equity of the Bank for the purpose of profit calculation. Usually no restriction on withdrawals or number of transactions in current and savings accounts. In case of term deposits, pre-mature withdrawals can be made as per approved terms only.

Profits realised in investment pools are distributed in pre-agreed profit-sharing ratio between Rab-ul-Maal and Mudarib. Rab-ul-Maal share is distributed among depositors according to weightages assigned at the inception of profit calculation period.

Profits are distributed from the pool such that the depositors (remunerative) only bear the risk of assets in the pool during the profit calculation period. In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of Investments.

Pools are created at the Bank's discretion and the Bank can add, remove or transfer an asset to any other pool in the interests of the deposit holders.

6.16 Pool management

The Bank has maintained the following pools:

i. 'General Pool' for local and foreign currency deposits;

ii. 'Islamic Export Refinance Pool';

iii. 'Interbank Treasury Musharaka Pool' ;

iv. 'Islamic Investment Pool' (Mudarabah based) - LCY & FCY;

v. 'Islamic Saving Pool' (Mudarabah based);

vi. 'Islamic Equity Pool';

vii. 'Hajj Pool';

viii. 'Treasury Mudarabah Pool';

ix. 'Pakistan Mortgage Refinance Company Musharakah Pool';

x. 'Open Market Operation'; and

xi. 'Mudarabah based Financing Facility'

Key features and risk & reward characteristics of all pools

- The 'General Pool' for both local and foreign currency is catered for all FBL Islamic depositors and provide profit / loss based on Mudarabah and Musharaka.
- The Islamic Export Refinance Pool caters the 'Islamic Export Refinance' requirements based on the guidelines issued by the SBP.
- The 'Interbank Treasury Musharaka Pool' is to provide Shari'ah compliant mechanism for Interbank Money Market transactions and manage the liquidity position of FBL Islamic statement of financial position by creating individual pools against each FBL Islamic money market deals.
- The 'Islamic Investment Pool' (Mudarabah based) - LCY & FCY pools are created to cater the needs of high net worth clients.
- The Islamic saving pools are created to cater the needs of high net worth clients / institutions.
- The Islamic equity pool is created to mainly cater the funding requirement of project / long term financing assets during non accrual period.
- The Hajj pool is created to give returns to Ministry of religious affairs deposits.
- The Treasury Mudarabah Pool is created to cater the liquidity requirement of the Bank.
- Pakistan Mortgage Refinance Company Musharakah Pool is created to promote expansion of affordable housing finance.
- Shari'ah Compliant Mudarabah Based Open Market Operations (OMO) Pool was created to enhance monetary policy transmission and improve management of market liquidity.
- Shari'ah Compliant Standing Ceiling Facility- Mudarabah based Financing Facility (MFF) Pool was created with a view to provide liquidity management framework for the Bank and enhance the effectiveness of monetary policy implementation. As per the guidelines provided by State Bank of Pakistan, MFF shall be available as a standing facility on overnight basis.
- The risk characteristics of each pool mainly depends on the asset and liability profile of each pool.

6.16.1 Profit / (loss) distribution to depositor's pool

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

Gross income generated from relevant assets, calculated at the end of the month is first divided between FBL Islamic and investors / depositors in the ratio of FBL Islamic equity commingled in a pool on pro rata basis, and then amongst FBL Islamic and the depositors as per agreed mudarib fee and weightages declared before start of a month, respectively. All Mudarabah and Musharaka based deposits are fully invested in respective Pools to produce returns for them. In case where FBL Islamic is unable to utilise all funds available for investment, priority is given to the deposit account holders.

All remunerative accounts such as remunerative current accounts, saving accounts, investment certificates, etc. are opened on the basis of Mudarabah, Musharaka, Wakalah or a combination of Mudarabah and Musharaka. The return on these deposits is calculated on the basis of Profit and Loss sharing (PLS). Unless specified, all remunerative local currency and foreign currency deposits are taken as General Mudarabah and Musharaka pool.

Profit share is determined by using weightages and profit sharing ratio assigned to each category of deposit within a pool. These weightages and profit sharing ratios are declared by FBL Islamic in compliance with the requirements of the Shari'ah and the SBP.

The allocation (of income and expenses to different pools) is based on pre-defined basis and accounting principles / standards. The direct expenses are charged to respective pool. The indirect expenses including the establishment cost are borne by FBL Islamic as Mudarib. The direct expenses charged to the pool include depreciation of Ijarah assets, cost of sales of inventories, insurance / takaful expenses of pool assets, stamp fee, documentation charges, brokerage fee for the purchase of securities / commodities, impairment / losses due to physical damages to specific assets in pools etc. Provisions against any non-performing assets of the pool are not passed on to the pool except on the actual loss / write-off of such non-performing asset and suspension of income against non-performing assets. The profit of the pool is shared between the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period.

Particulars	2024		2023	
	Rupees '000	Percent	Rupees '000	Percent
- Mudarib share amount and percentage of distributable income	66,194,466	44.18	43,412,039	37.65
- Amount and percentage of Mudarib share transferred to depositors through Hiba	23,759,949	35.89	13,604,438	31.34
- Profit rate earned (annualised)	-	18.97	-	18.53
- Profit rate distributed (annualised)	-	11.58	-	11.33

6.17 Subordinated Sukuk

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

6.18 Revenue recognition and other items

- Profit on Murabaha (including Commodity Murabaha) and Musawammah is recognised on an accrual basis.
- Rentals on Ijarah contracts are recognised as income on an accrual basis.
- Profit on Service Ijarah is recognised on an accrual basis commencing from the date of confirmation of sale to its ultimate buyer.
- Profit on Diminishing Musharakah financing is recognised on an accrual basis.
- Profit on Running Musharakah financing is recognised on an accrual basis and is adjusted upon final declaration of profit by Musharakah partners.
- Profit on Istisna / Salam / Bai Salam / Tijarah transactions are recognised on an accrual basis commencing from time of sale of goods till the realisation of sale of proceeds by the Bank.
- Profit on Sukuk is recognised on an accrual basis. Where Sukuk (excluding held for trading securities) are purchased at a premium or discount, those premiums / discounts are amortised through the unconsolidated profit and loss account over the remaining maturity.
- Premium or discount on acquisition of debt investments is capitalised and amortised through the unconsolidated profit and loss account over the remaining period till maturity.
- Dividend income from investments is recognised when the Bank's right to receive the dividend is established.
- Gain or loss on disposal of property and equipment is taken to the unconsolidated profit and loss account in the period in which they arise.
- 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.

The Bank recognises fees earned on transaction-based arrangements at a point in time when the Bank has provided the service to the customer. Unearned fee and commission are included under other liabilities.

The fees pertaining to banking service to retail and corporate customer are based on schedule of charges reviewed regularly by the Bank.

- Rent and other income is recognised on an accrual basis.
- Profits on Bai Muajjal lendings are recognised on straight line accrual basis.
- Profit suspended in compliance with the Prudential Regulations issued by the SBP is recognised on receipt basis. Profit on rescheduled / restructured financing and investments is recognised as permitted by the SBP.
- Subsidized financing (TERF), staff financing and modified financing classified at amortized cost, is recognized using the effective yield rate (EIR) method. If the financing is at below-market rates, it is initially recognized at fair value. Subsequently, profit income is recorded using EIR.

6.19 Proposed dividend and transfer between reserves

Dividends and appropriations to reserves, except appropriations which are required by the law, made subsequent to the reporting date are considered as non-adjusting events and are recorded in the unconsolidated financial statements in accordance with the requirements of International Accounting Standard (IAS) 10, 'Events after the reporting period' in the year in which they are approved / transfers are made.

6.20 Foreign currencies

(a) Foreign currency transactions

Foreign currency transactions are recorded in rupees at exchange rates prevailing on the date of transaction. Monetary assets, monetary liabilities and contingencies and commitments in foreign currencies except forward commitments (promises) are reported in Rupees at exchange rates prevalent on the reporting date.

Forward commitments other than those with the SBP relating to the foreign currency deposits are valued at forward rates applicable to the respective maturities of the relevant foreign exchange commitments. Forward commitments with the SBP relating to foreign currency deposit, are valued at spot rate prevailing at the reporting date. Exchange gains and losses are included in the current year profit and loss account.

Commitments for outstanding forward foreign exchange transactions are disclosed at the rates applicable at the reporting date. Contingent liabilities / commitments for letters of credit, and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the exchange rates prevailing on the reporting date.

(b) Translation gains and losses

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

6.21 Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed in the unconsolidated financial statements at committed amounts. Commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the reporting date.

6.22 Acceptances

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

6.23 Earnings per share

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

6.24 Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating decision maker. The Chief Executive Officer (CEO) has been identified as the Bank's Chief Operating decision maker.

(a) Business Segments

(i) Retail banking

Retail banking provides services to small borrowers i.e. commercials, consumers, small enterprises, medium enterprises and agriculture sector. It includes financing, deposits, other transactions and balances with retail customers.

(ii) Corporate and investment banking

This includes strategic partnership with corporate entities to provide working capital financing, trade financing, cash management services, project finance, export finance, leasing, guarantees, bills of exchange, deposits and other short term and long term finance. Further, this includes investment banking activities such as mergers and acquisitions, underwriting, privatisation, securitisation, Initial Public Offerings (IPOs), secondary private placements, etc.

(iii) Treasury and equity capital market (ECM)

It includes fixed income, equity, foreign exchanges, funding, own position securities and placements.

(iv) Special asset management (SAM)

This includes recoveries from borrowers' accounts which became delinquent or have defaulted in their repayment obligations.

(v) Others

It includes functions which cannot be classified in any of the above segments.

(b) Geographical segment

The operations of the Bank are currently based only in Pakistan.

6.25 Provision of claims under guarantees

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

6.26 Lease liability and right-of-use assets

At the inception of the contract, the Bank assesses whether a contract is, or contains, a lease. The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease term.

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The Bank determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. After the commencement date, the Bank reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate. The Bank cannot readily determine the profit rate implicit in the lease, therefore, it uses its incremental fund acceptance rate to measure lease liabilities.

6.27 Share capital

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

6.28 Reserves

Reserves being held by the Bank in these unconsolidated financial statements include the following;

- Non - distributable capital reserve - gain on bargain purchase option (note 3.2).
- Statutory reserve represents amount set aside as per the requirements of section 21 of the Banking Companies Ordinance, 1962.

7 CASH AND BALANCES WITH TREASURY BANKS

	Note	2024	2023
		Rupees '000	
In hand			
- local currency		28,945,425	18,287,506
- foreign currencies		3,244,750	1,716,544
		32,190,175	20,004,050
With State Bank of Pakistan in			
- local currency current account	7.1	62,834,348	47,120,181
- foreign currency current account	7.2	2,367,675	2,684,723
- foreign currency deposit account	7.3	3,841,612	4,323,955
		69,043,635	54,128,859
With National Bank of Pakistan in			
- local currency current account		1,304,011	9,902,199
Prize bonds	7.4	1,443	1,450
Less: Credit loss allowance held against cash and balances with treasury banks (Stage 1)		(1,687)	-
Cash and balances with treasury banks - net of credit loss allowance		102,537,577	84,036,558

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

7.2 These represent cash reserve of 5% maintained with the SBP in US dollars current accounts on deposits held under the New Foreign Currency Accounts (FE-25 deposits) as per BSD Circular No. 14 and 15 dated June 21, 2008.

7.3 These mainly represent local US dollars clearing account maintained with the SBP to facilitate US dollars clearing and 6% special cash reserve requirement on FE-25 deposits maintained by Islamic Banking Branches under the requirements of BSD Circular No.15 dated June 21, 2008. Profit rate on these balances is Nil (2023 : 4.34%) per annum which is notified on monthly basis by SBP.

7.4 These represent the national prize bonds received from customers for onward surrendering to SBP. The Bank as a matter of Shari'ah principle, does not deal in prize bonds.

8 BALANCES WITH OTHER BANKS

	2024	2023
	Rupees '000	
In Pakistan		
- in current account	13,906	10,239
Outside Pakistan		
- in current account	5,525,561	1,802,160
Less: Credit loss allowance held against balances with other banks (Stage 1)	(3)	-
Balances with other banks - net of credit loss allowance	5,539,464	1,812,399

9 INVESTMENTS

	Note	2024			
		Amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
		Rupees '000			
9.1 Investments by type:					
Debt Instruments					
Classified / Measured at amortised cost					
Non Government debt securities		8,214,351	(1,405,081)	-	6,809,270
		8,214,351	(1,405,081)	-	6,809,270
Classified / Measured at FVOCI					
Federal Government securities		586,829,381	-	20,573,146	607,402,527
Non Government debt securities		47,570,932	(1,321,184)	1,631,343	47,881,091
		634,400,313	(1,321,184)	22,204,489	655,283,618
Classified / Measured at FVPL					
Federal Government securities		2,624,853	-	-	2,624,853
		2,624,853	-	-	2,624,853
Equity instruments					
Classified / Measured at FVOCI (Non-Reclassifiable)					
Shares					
Listed companies		7,645,244	-	2,446,681	10,091,925
Unlisted companies		743,916	-	(676,230)	67,686
		8,389,160	-	1,770,451	10,159,611
Associates *	9.5				
Faysal Islamic Savings Growth Fund		205,151	-	-	205,151
Faysal Halal Amdani Fund		150,000	-	-	150,000
		355,151	-	-	355,151
Subsidiaries *	9.5				
Faysal Asset Management Limited		1,139,893	-	-	1,139,893
Faysal Islami Currency Exchange Company (Private) Limited		1,000,000	-	-	1,000,000
		2,139,893	-	-	2,139,893
Total Investments		656,123,721	(2,726,265)	23,974,940	677,372,396

* related parties

	2023			
	Amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees '000			
Debt Instruments				
Held-to-maturity securities				
Non Government debt securities	8,174,964	(1,409,394)	-	6,765,570
	8,174,964	(1,409,394)	-	6,765,570
Available-for-sale securities				
Federal Government securities	522,195,325	-	1,949,879	524,145,204
Non Government debt securities	47,917,827	(519,291)	2,371,729	49,770,265
	570,113,152	(519,291)	4,321,608	573,915,469
Equity instruments				
Available-for-sale securities				
Shares				
Listed companies	4,770,525	(1,238,834)	2,214,770	5,746,461
Unlisted companies	743,916	(666,723)	30,345	107,538
	5,514,441	(1,905,557)	2,245,115	5,853,999
Associates *				
Faysal Islamic Savings Growth Fund	205,151	-	-	205,151
Faysal Islamic Stock Fund	114,509	-	-	114,509
Faysal Halal Amdani Fund	1,550,000	-	-	1,550,000
	1,869,660	-	-	1,869,660
Subsidiary *				
Faysal Asset Management Limited	1,139,893	-	-	1,139,893
Total Investments	586,812,110	(3,834,242)	6,566,723	589,544,591

* related parties

	Note	2024			
		Amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
9.2 Investments by segments		---------- Rupees '000----------			
Federal Government securities					
Ijarah Sukuks	9.2.1	586,829,381	-	20,573,146	607,402,527
Islamic Naya Pakistan Certificate	9.2.2	2,624,853	-	-	2,624,853
		589,454,234	-	20,573,146	610,027,380
Shares					
Listed companies		7,645,244	-	2,446,681	10,091,925
Unlisted companies		743,916	-	(676,230)	67,686
		8,389,160	-	1,770,451	10,159,611
Non Government debt securities	9.2.3				
Listed		45,000,000	(937)	1,647,000	46,646,063
Unlisted		10,785,283	(2,725,328)	(15,657)	8,044,298
		55,785,283	(2,726,265)	1,631,343	54,690,361
Associates *	9.5				
Faysal Islamic Saving Growth Fund		205,151	-	-	205,151
Faysal Halal Amdani Fund		150,000	-	-	150,000
		355,151	-	-	355,151
Subsidiaries *	9.5				
Faysal Asset Management Limited		1,139,893	-	-	1,139,893
Faysal Islami Currency Exchange Company (Private) Limited		1,000,000	-	-	1,000,000
		2,139,893	-	-	2,139,893
Total Investments		656,123,721	(2,726,265)	23,974,940	677,372,396

* related parties

	2023			
	Amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
Investments by segments	---------- Rupees '000----------			
Federal Government securities				
Ijarah Sukuks	516,492,289	-	1,949,879	518,442,168
Islamic Naya Pakistan Certificate	5,703,036	-	-	5,703,036
	522,195,325	-	1,949,879	524,145,204
Shares				
Listed companies	4,770,525	(1,238,834)	2,214,770	5,746,461
Unlisted companies	743,916	(666,723)	30,345	107,538
	5,514,441	(1,905,557)	2,245,115	5,853,999
Non Government debt securities				
Listed	45,000,000	-	2,383,000	47,383,000
Unlisted	11,092,791	(1,928,685)	(11,271)	9,152,835
	56,092,791	(1,928,685)	2,371,729	56,535,835
Associates *				
Faysal Islamic Saving Growth Fund	205,151	-	-	205,151
Faysal Islamic Stock Fund	114,509	-	-	114,509
Faysal Halal Amdani Fund	1,550,000	-	-	1,550,000
	1,869,660	-	-	1,869,660
Subsidiary *				
Faysal Asset Management Limited	1,139,893	-	-	1,139,893
Total Investments	586,812,110	(3,834,242)	6,566,723	589,544,591

* related parties

9.2.1 GoP Ijara Sukuks have tenure ranging from 1 to 10 years. The Bank's return on these instruments ranges from 6.36% to 23.08% per annum (2023: 6.36% to 23.71% per annum) with maturities from April 2025 to October 2034.

9.2.2 The Bank has invested in PKR and foreign currency denominated Mudarabah based pools maintained by the Islamic Naya Pakistan Certificate Company Limited (INPCCL), a special purpose vehicle formed by the Government of Pakistan. As at December 31, 2024, the Bank's investment in PKR, USD, EURO and GBP denominated pools amounted to Rs. 771.724 million (2023: Rs. 477.759 million), USD 4.719 million with PKR equivalent of Rs. 1,314.365 million (2023: Rs. 4,367.162 million), EURO 0.388 million with PKR equivalent of Rs.112.567 million (2023: Rs 177.522 million) and GBP 1.219 million with PKR equivalent of Rs. 426.197 million (2023: Rs. 680.593 million) respectively. The actual profit rates on these pools are calculated in line with the Islamic principle of Mudarabah and communicated to the Bank at the end of each month. The profit earned by the Bank on these investment pools during the year 17% for PKR denominated pool, 5.75% for USD denominated pool, 5.25% for GBP denominated pool and 4% for EURO denominated pool. These investments are perpetual in nature and have no fixed maturity.

9.2.3 These include Sukuks having tenures ranging from 3 to 11 years. The Bank's return on these instruments ranges from 13.32% to 18.71% per annum (2023: 21.14% to 24.01% per annum) with maturities up to December 2032.

		2024	2023
9.3	**Investments given as collateral - at market value**	----------Rupees '000----------	
	Federal Government Securities		
	- Ijarah Sukuks	128,477,500	73,587,500
9.4	**Particulars of credit loss allowance**		
9.4.1	Opening balance	3,834,242	3,284,350
	Impact of adopting IFRS 9 as at January 1, 2024	(920,972)	-
	Restated balance as at January 1, 2024	2,913,270	3,284,350
	Charge / (reversals)		
	Charge for the year	99	1,811,871
	Reversals for the year	(182,783)	(58,113)
	Reversals on disposals	(4,321)	(1,203,866)
		(187,005)	549,892
	Closing balance	2,726,265	3,834,242

		2024		
		Stage 1	Stage 2	Stage 3
9.4.2	**Investments - exposure**	---------- Rupees '000----------		
	Opening balance	-	-	-
	Impact of adopting IFRS 9 as at January 1, 2024	574,797,431	1,562,000	1,928,685
	Restated balance as at January 1, 2024	574,797,431	1,562,000	1,928,685
	New investments / Increase	163,448,226	-	-
	Investments derecognised or repaid	(98,769,492)	(347,865)	(4,321)
	Transfer to stage 1	-	-	-
	Transfer to stage 2	-	-	-
	Transfer to stage 3	-	(1,214,135)	1,214,135
		64,678,734	(1,562,000)	1,209,814
	Amounts written off / charged Off	-	-	-
	Closing balance	639,476,165	-	3,138,499

9.4.3 Investments - credit loss allowance

	2024		
	Stage 1	Stage 2	Stage 3
	Rupees '000		
Opening balance	-	-	-
Impact of adopting IFRS 9 as at January 1, 2024	1,873	982,712	1,928,685
Restated balance as at January 1, 2024	1,873	982,712	1,928,685
New investments	-	-	74,665
Investments derecognised or repaid	-	(181,807)	-
Transfer to stage 1	-	-	-
Transfer to stage 2	-	-	-
Transfer to stage 3	-	(800,905)	800,905
	-	(982,712)	875,570
Amounts written off / charged off	-	-	-
Changes in risk parameters (PDs/LGDs)	(877)	-	(78,986)
Closing balance	996	-	2,725,269

9.4.4 Particulars of credit loss allowance against debt securities

Category of classification		2024	
		Outstanding amount	Credit loss allowance held
		Rupees '000	
Performing	Stage 1	639,476,165	996
Underperforming	Stage 2	-	-
Non-performing	Stage 3		
Substandard		-	-
Doubtful		1,214,135	800,905
Loss		1,924,364	1,924,364
Total		642,614,664	2,726,265

	2023	
	Non-performing investments	Provision Held
	Rupees '000	
Domestic		
Loss	1,928,685	1,928,685

9.5 Investment in subsidiaries and associates

	Note	As at December 31, 2024				For the year ended December 31, 2024		
		Country of incorporation	% Holding	Assets	Liabilities	Revenue	Profit	Total comprehensive income
		Rupees '000						
Associates								
Faysal Islamic Savings Growth Fund		Pakistan	16.26	1,402,941	13,345	346,540	305,339	305,339
Faysal Halal Amdani Fund		Pakistan	0.23	66,801,085	3,328,286	12,593,142	11,515,323	11,515,323
Subsidiaries								
Faysal Asset Management Limited	9.5.1	Pakistan	99.99	3,309,808	690,603	2,583,131	845,636	838,605
Faysal Islami Currency Exchange Company (Private) Limited	9.5.2	Pakistan	100	1,040,550	10,041	8,937	30,509	30,509

	As at December 31, 2023				For the year ended December 31, 2023		
	Country of incorporation	% Holding	Assets	Liabilities	Revenue	Profit	Total comprehensive income
	Rupees '000						
Associates							
Faysal Islamic Savings Growth Fund	Pakistan	9.1	2,468,411	19,922	397,466	358,441	358,441
Faysal Islamic Stock Fund	Pakistan	28.6	494,748	57,173	214,169	192,667	192,667
Faysal Halal Amdani Fund	Pakistan	3.7	42,865,974	215,288	7,828,006	7,392,453	7,392,453
Subsidiary							
Faysal Asset Management Limited	Pakistan	99.99	2,308,798	528,198	1,078,926	423,729	423,729

9.5.1 Faysal Asset Management Limited (the Company) was incorporated in Pakistan under the provisions of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on August 6, 2003 as an unlisted public limited company. The Company commenced its operations on November 14, 2003. The Company is a Non-Banking Finance Company (NBFC). The Company has obtained a license to carry out asset management and investment advisory services under the requirements of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

9.5.2 Faysal Islami Currency Exchange Company (Private) Limited was incorporated in Pakistan on January 16, 2024 under the Companies Act, 2017 ('the Act'). The registered office of the Company is situated at ST-02, Faysal House, Sharah-e-Faisal, Karachi. The principal activities of the Company are to buy and sell foreign exchange. The Company has received operational license from State Bank of Pakistan on March 26, 2024. As at December 31, 2024, the Company has 10 branches all over Pakistan.

9.6 Quality of securities

Details regarding quality of securities held under "Held to Collect and Sell" model (2023 : Available for Sale)

	2024	2023
	Cost	
	----------Rupees '000----------	
Federal Government securities - Government guaranteed		
Ijarah Sukuks	586,829,381	516,492,289
Other Federal Government securities	-	5,703,036
	586,829,381	522,195,325
Shares		
Listed companies		
Oil and gas exploration company	2,126,728	1,155,963
Cement	1,682,440	897,154
Fertilizer	971,105	420,758
Oil and gas marketing company	807,461	361,379
Chemical	631,767	578,402
Power generation and distribution	450,867	568,851
Refinery	238,699	-
Pharmaceuticals	209,380	-
Cable & Electrical Goods	146,111	-
Automobile Assembler	145,546	272,925
Textile composite	112,060	22,546
Synthetic & Rayon	45,040	-
Paper & Board	43,197	-
Real estate	16,372	16,372
Investment banks / investment companies / securities	12,528	12,528
Textile spinning	4,362	4,362
Textile weaving	1,271	1,271
Vanaspati and allied industries	243	243
Glass and ceramics	38	38
Miscellaneous	16	13
Engineering	13	13
Commercial banks	-	405,124
Technology & communication	-	52,583
	7,645,244	4,770,525

	2024		2023	
	Cost	Breakup value	Cost	Breakup value
	Rupees '000			
Unlisted companies				
1Link (Private) Limited	50,000	1,182,173	50,000	733,214
Al Hamra Avenue (Private) Limited	265,938	N/A	265,938	N/A
Al Hamra Hills (Private) Limited	5	N/A	5	N/A
DHA Cogen (Private) Limited	325,000	N/A	325,000	N/A
Himont Chemical	1,037	N/A	1,037	N/A
Pace Barka Properties Limited	52,000	N/A	52,000	N/A
Pakistan Export Finance Guarantee	5,686	N/A	5,686	N/A
Naymat Collateral Management	25,000	5,715	25,000	N/A
ISE Towers REIT Management Company	-	62,264	-	62,264
Pakistan Corporate Restructuring Company Limited	19,250	11,829	19,250	N/A
	743,916	1,261,981	743,916	795,478

	2024	2023
	Cost	
	Rupees '000	
Non Government debt securities		
Listed		
- Unrated *	45,000,000	45,000,000
	45,000,000	45,000,000
Unlisted		
- AAA	750,000	-
- AA+, AA, AA-	89,000	750,000
- A+, A, A-	-	89,000
- BB	-	1,562,000
- B+, B, B-	1,214,135	-
- Unrated	517,797	516,827
	2,570,932	2,917,827

*This represents investment in Pakistan Energy Sukuk-I and Pakistan Energy Sukuk-II issued by Power Holding Limited, wholly owned by the Government of Pakistan. These Energy Sukuks are guaranteed by the Government of Pakistan and are eligible for Statutory Liquidity Requirements.

9.7 Securities classified Under "Held to Collect " model

Details regarding quality of securities held under "Held to Collect" model (2023: held to maturity)

	Note	2024	2023
		Cost	
		Rupees '000	
Non Government debt securities			
Unlisted			
- AAA	9.7.2	6,809,278	6,765,678
- Unrated *		1,405,073	1,409,286
		8,214,351	8,174,964

* These investments are fully provided.

9.7.1 The market value of securities classified as held-to-collect as at December 31, 2024 amounted to Rs. 6,818 million (December 31, 2023: Rs. 6,779 million).

9.7.2 This represents investment in Neelum Jhelum Hydropower Company (Private) Limited and Water and Power Development Authority sukuks, wholly owned by the Government of Pakistan. These Sukuks are guaranteed by the Government of Pakistan.

10 ISLAMIC FINANCING AND RELATED ASSETS - NET

	Note	Performing		Non-performing		Total	
		2024	2023	2024	2023	2024	2023
		Rupees '000					
Murabaha financing and related assets							
Murabaha financing	10.1	16,772,851	38,284,881	128,898	166,424	16,901,749	38,451,305
Advance against Murabaha financing		8,809,831	3,219,979	14,687	5,000	8,824,518	3,224,979
Inventory related to Murabaha		2,558,743	2,174,051	-	-	2,558,743	2,174,051
		28,141,425	43,678,911	143,585	171,424	28,285,010	43,850,335
Running Musharaka		235,138,286	195,753,370	-	545,166	235,138,286	196,298,536
Istisna financing and related assets							
Istisna		34,068,949	36,501,975	1,896,048	551,792	35,964,997	37,053,767
Advance against Istisna		23,683,828	30,317,852	298,335	172,166	23,982,163	30,490,018
Inventory related to Istisna		30,242,203	7,382,419	1,122,330	-	31,364,533	7,382,419
		87,994,980	74,202,246	3,316,713	723,958	91,311,693	74,926,204
Tijarah financing and related assets							
Tijarah		3,928,174	2,455,035	409,720	316,722	4,337,894	2,771,757
Advance against Tijarah		3,810,688	766,202	88,000	-	3,898,688	766,202
Inventory related to Tijarah		10,780,109	4,136,549	-	3,500	10,780,109	4,140,049
		18,518,971	7,357,786	497,720	320,222	19,016,691	7,678,008
Musawamah financing and related assets							
Musawamah		4,559,401	2,788,837	184,088	100,516	4,743,489	2,889,353
Advance against Musawamah		735	4,190	-	-	735	4,190
Inventory related to Musawamah		345	7,408	-	-	345	7,408
		4,560,481	2,800,435	184,088	100,516	4,744,569	2,900,951
Salam financing and related assets							
Salam		-	100,000	1,200	1,200	1,200	101,200
Advance against Salam		10,100,000	9,850,771	-	-	10,100,000	9,850,771
		10,100,000	9,950,771	1,200	1,200	10,101,200	9,951,971
Diminishing Musharaka financing and related assets							
Diminishing Musharaka		230,599,744	210,560,169	6,616,512	5,624,139	237,216,256	216,184,308
Advance against Diminishing Musharaka		9,064,745	10,225,549	335,000	97,500	9,399,745	10,323,049
		239,664,489	220,785,718	6,951,512	5,721,639	246,616,001	226,507,357
Wakala Istithmar		6,302,669	6,302,669	-	-	6,302,669	6,302,669
Tawwaruq		18,880,445	13,673,003	248,336	98,423	19,128,781	13,771,426
Advance against Islamic export refinance		-	2,414,376	-	-	-	2,414,376
Musharaka		7,473	27,534	731	722	8,204	28,256
Bai salam		579,527	277,076	-	-	579,527	277,076
Islamic financing and related assets - Gross		649,888,746	577,223,895	11,343,885	7,683,270	661,232,631	584,907,165
Other financing		734,485	478,042	12,991,197	15,376,371	13,725,682	15,854,413
Gross Financing		650,623,231	577,701,937	24,335,082	23,059,641	674,958,313	600,761,578
Credit loss allowance against financing	10.5						
Stage 1		(906,457)	-	-	-	(906,457)	-
Stage 2		(2,034,675)	-	-	-	(2,034,675)	-
Stage 3		-	-	(21,687,048)	-	(21,687,048)	-
Specific provision		-	-	-	(19,172,592)	-	(19,172,592)
General provision		-	(877,670)	-	-	-	(877,670)
		(2,941,132)	(877,670)	(21,687,048)	(19,172,592)	(24,628,180)	(20,050,262)
Fair value loss	10.10	(16,420,585)	-	-	-	(16,420,585)	-
Financing - net of credit loss allowance		631,261,514	576,824,267	2,648,034	3,887,049	633,909,548	580,711,316

		Note	2024	2023
			----------Rupees '000----------	
10.1	Murabaha receivable - gross	10.1.2	17,675,934	39,623,889
	Less: Deferred murabaha income	10.1.3	(474,640)	(29,223)
	Profit receivable shown in other assets		(299,545)	(1,143,361)
	Murabaha financing	10.1.1	16,901,749	38,451,305
10.1.1	The movement in Murabaha financing during the year is as follows:			
	Opening balance		38,451,305	10,837,970
	Sales during the year		158,526,120	218,668,554
	Adjusted during the year		(180,075,676)	(191,055,219)
	Closing balance		16,901,749	38,451,305
10.1.2	Murabaha sale price		17,675,934	39,623,889
	Murabaha purchase price		(16,901,749)	(38,451,305)
			774,185	1,172,584
10.1.3	Deferred murabaha income			
	Opening balance		29,223	350,063
	Arising during the year		5,058,731	4,874,300
	Less: recognised during the year		(4,613,314)	(5,195,140)
	Closing balance		474,640	29,223
10.2	**Particulars of Islamic financing and related assets - Gross**			
	- in local currency		663,438,554	599,815,539
	- in foreign currencies		11,519,759	946,039
			674,958,313	600,761,578
10.3	**Financing to Women, Women-owned and Managed Enterprises**			
	Women		37,738	51,383
	Women Owned and Managed Enterprises		2,497,085	1,768,721
			2,534,823	1,820,104

10.3.1 Gross financing disbursed to women, women-owned and managed enterprises during the year is Rs. 7,039.869 million (December 31, 2023: Rs. 5,024.638 million).

10.4 Islamic financing and related assets include Rs. 24,335.082 million (December 31, 2023: Rs. 23,059.641 million) which have been placed under non-performing / Stage 3 status as detailed below:

Category of classification in stage 3	2024		2023	
	Non-performing financing	Credit loss allowance	Non-performing financing	Provision held
	Rupees '000			
Domestic				
- other assets especially mentioned	300,209	1,545	204,748	448
- substandard	1,229,356	637,774	883,657	104,142
- doubtful	2,615,793	1,593,190	670,909	170,824
- loss	20,189,724	19,454,539	21,300,327	18,897,178
Total	24,335,082	21,687,048	23,059,641	19,172,592

10.5 Islamic financing and related assets - Particulars of credit loss allowance

	Note	2024						2023		
		Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Total	Specific Provision	General Provision	Total
		Rupees '000								
Opening balance		-	-	-	19,172,592	877,670	20,050,262	18,557,417	771,609	19,329,026
Impact of adopting IFRS 9 as of January 1, 2024		936,972	5,264,393	20,954,552	(19,172,592)	(877,670)	7,105,655	-	-	-
Restated balance as at January 1, 2024		936,972	5,264,393	20,954,552	-	-	27,155,917	18,557,417	771,609	19,329,026
Exchange adjustment		-	-	(9,663)	-	-	(9,663)	132,838	-	132,838
Charge for the year		529,876	990,613	3,373,969	-	-	4,894,458	1,960,357	106,061	2,066,418
Reversals during the year		(560,391)	(4,220,331)	(2,149,262)	-	-	(6,929,984)	(1,338,179)	-	(1,338,179)
		(30,515)	(3,229,718)	1,224,707	-	-	(2,035,526)	622,178	106,061	728,239
Amounts written-off	10.9.1	-	-	(4,783)	-	-	(4,783)	(139,841)	-	(139,841)
Amounts charged-off	10.12	-	-	(477,765)	-	-	(477,765)	-	-	-
Closing balance		906,457	2,034,675	21,687,048	-	-	24,628,180	19,172,592	877,670	20,050,262

10.5.1 Credit loss allowance for Stage 1 and Stage 2 represents credit loss allowance maintained against performing and under-performing portfolio respectively as required under IFRS 9.

10.5.2 Particulars of credit loss allowance against financing

	2024				2023		
	Stage 1	Stage 2	Stage 3	Total	Specific Provision	General Provision	Total
	Rupees '000						
In local currency	901,561	2,033,007	21,027,745	23,962,313	18,503,626	877,670	19,381,296
In foreign currencies	4,896	1,668	659,303	665,867	668,966	-	668,966
	906,457	2,034,675	21,687,048	24,628,180	19,172,592	877,670	20,050,262

10.5.3 As allowed by the SBP, the Bank has availed benefit of forced sale value (FSV) of collaterals held as security of Rs 771.625 million (December 31, 2023: Rs 2,457.777 million) related to financing while determining the provisioning requirement against non-performing financing as at December 31, 2024. The additional profit arising from availing the FSV benefit (net of tax) as at December 31, 2024 which is not available for distribution as either cash or stock dividend to shareholders approximately amounted to Rs 354.947 million (December 31, 2023: Rs 1,253.466 million).

10.6 Islamic financing and related assets - Gross Exposure

	2024		
	Stage 1	Stage 2	Stage 3
	Rupees '000		
Opening balance	-	-	-
Impact of adopting IFRS 9 as at January 1, 2024	519,072,926	58,629,011	23,059,641
Restated balance as at January 1, 2024	519,072,926	58,629,011	23,059,641
New financing	254,141,496	39,054,512	-
Financing derecognised or repaid	(197,118,005)	(19,305,771)	(2,083,286)
Transfer to stage 1	628	(628)	-
Transfer to stage 2	(18,009,404)	18,075,380	(65,976)
Transfer to stage 3	(1,449,707)	(2,467,207)	3,916,914
	37,565,008	35,356,286	1,767,652
Amounts written-off	-	-	(4,783)
Amounts charged-off	-	-	(477,765)
Exchange adjustment	-	-	(9,663)
Closing balance	556,637,934	93,985,297	24,335,082

10.7 Islamic financing and related assets - Credit loss allowance

	2024		
	Stage 1	Stage 2	Stage 3
	Rupees '000		
Opening balance	-	-	-
Impact of adopting IFRS 9 as at January 1, 2024	936,972	5,264,393	20,954,552
Restated balance as at January 1, 2024	936,972	5,264,393	20,954,552
New Financing / Increase	805,133	191,006	1,725,492
Financing derecognised or repaid	(241,527)	(1,670,418)	(2,147,246)
Transfer to stage 1	31	(31)	-
Transfer to stage 2	(457,946)	459,962	(2,016)
Transfer to stage 3	(16,394)	(1,872,697)	1,889,091
	89,297	(2,892,178)	1,465,321
Amounts written off	-	-	(4,783)
Amounts charged off	-	-	(477,765)
Changes in risk parameters (PD/LGD)	(119,812)	(337,540)	(240,614)
Exchange adjustment	-	-	(9,663)
Closing balance	906,457	2,034,675	21,687,048

10.8 Islamic financing and related assets - Credit loss allowance details Internal / External rating / stage classification	Note	2024	
		Outstanding Amount	ECL
		----------Rupees '000----------	
Outstanding gross exposure			
Performing - Stage 1		556,637,934	906,457
Under Performing - Stage 2		93,985,297	2,034,675
Non-performing - Stage 3			
Other assets especially mentioned		300,209	1,545
Substandard		1,229,356	637,774
Doubtful		2,615,793	1,593,190
Loss		20,189,724	19,454,539
		24,335,082	21,687,048
			-
Total		674,958,313	24,628,180

10.9	**Particulars of write-offs**			
10.9.1	Against credit loss allowance	10.5	4,783	139,841
	Directly charged to profit and loss account		12,758	45,511
			17,541	185,352
10.9.2	Write-offs of Rs. 500,000 and above*			
	- domestic	10.11	825	21,632
	- overseas		-	-
	Write-offs of below Rs. 500,000 - domestic*		16,716	163,720
			17,541	185,352

*The write-offs do not, in any way, prejudice the Bank's right of recovery from these customers.

10.10 Fair value loss pertains to SBP subsidized financing, subsidized staff financing and modified financing amounting to Rs. 7,948 million , Rs. 5,234 million and 3,238 respectively.

10.11 Details of financing written-off of Rs. 500,000/- and above

In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962, the statement in respect of written-off financing or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended December 31, 2024 is given in Annexure - I to these unconsolidated financial statements. The write-offs (including written-off amount less than Rs. 500,000/-) do not, in any way, prejudice the Bank's right of recovery from these customers.

10.12 Charged-off Financing

Particulars	2024	
	No. of Borrowers	Rupees '000
Opening Balance of charged-offs	65,561	6,337,971
Charge-off during the year	3,552	525,797
Sub-total	69,113	6,863,768
Less : Recoveries made during the year against already charged-off cases	29,341	251,891
Less : Amount written off from already charged off financing	819	33,776
Closing Balance of charge-offs	38,953	6,578,101

	Note	2024	2023
		Rupees '000	
11 PROPERTY AND EQUIPMENT			
Capital work-in-progress	11.1	6,661,796	4,115,708
Property and equipment	11.2	38,049,256	25,439,596
		44,711,052	29,555,304

11.1 Capital work-in-progress

Civil works	678,866	266,236
Equipment	3,686,465	2,968,971
Furniture and fixture	787,138	299,479
Vehicles	1,188,023	16,824
Building	321,304	564,198
	6,661,796	4,115,708

11.2 Property and equipment

2024	Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Leasehold property and improvement	Total
	Rupees '000								
At January 1, 2024									
Cost / revalued amount	3,773,600	7,908,776	806,796	5,716,428	1,885,937	11,518,797	521,978	6,274,605	38,406,917
Accumulated depreciation	-	-	52,255	298,156	1,133,272	8,041,791	216,643	3,225,204	12,967,321
Net book value	3,773,600	7,908,776	754,541	5,418,272	752,665	3,477,006	305,335	3,049,401	25,439,596
Year ended December 31, 2024									
Opening net book value	3,773,600	7,908,776	754,541	5,418,272	752,665	3,477,006	305,335	3,049,401	25,439,596
Additions	171,559	2,581,162	23,531	1,193,208	480,959	4,935,605	3,757,059	2,716,156	15,859,239
Transfer from non-banking assets (note 14.1.1)	-	-	36,827	-	-	-	-	-	36,827
Disposals	-	-	-	-	(217)	(2,513)	(574)	(378)	(3,682)
Depreciation charge	-	-	(53,845)	(328,890)	(142,065)	(1,876,380)	(199,363)	(682,181)	(3,282,724)
Other adjustments / transfers	-	-	-	36	1,173	3,661	1	(4,871)	-
Closing net book value	3,945,159	10,489,938	761,054	6,282,626	1,092,515	6,537,379	3,862,458	5,078,127	38,049,256
At December 31, 2024									
Cost / revalued amount	3,945,159	10,489,938	868,628	6,909,635	2,364,410	16,437,460	4,276,718	8,968,882	54,260,830
Accumulated depreciation	-	-	107,574	627,009	1,271,895	9,900,081	414,260	3,890,755	16,211,574
Net book value	3,945,159	10,489,938	761,054	6,282,626	1,092,515	6,537,379	3,862,458	5,078,127	38,049,256
Rate of depreciation (%)	-	-	2%-11%	2%-20%	10%	14%-50%	20%	10%-20%	

	2023								
	Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Leasehold property and improvement	Total
	Rupees '000								
At January 1, 2023									
Cost / revalued amount	3,353,600	7,775,976	801,796	5,394,348	1,484,438	9,073,271	353,975	5,105,048	33,342,452
Accumulated depreciation	-	-	-	-	1,032,231	7,044,275	203,844	2,728,764	11,009,114
Net book value	3,353,600	7,775,976	801,796	5,394,348	452,207	2,028,996	150,131	2,376,284	22,333,338
Year ended December 31, 2023									
Opening net book value	3,353,600	7,775,976	801,796	5,394,348	452,207	2,028,996	150,131	2,376,284	22,333,338
Additions	175,000	132,800	-	274,880	403,481	2,596,421	240,031	1,170,448	4,993,061
Transfer from non-banking assets (note 14.1.1)	245,000	-	4,806	47,200	-	-	-	-	297,006
Disposals	-	-	-	-	(14)	(1,467)	(37,143)	(171)	(38,795)
Depreciation charge	-	-	(52,255)	(298,156)	(103,009)	(1,147,606)	(47,115)	(496,873)	(2,145,014)
Other adjustments / transfers	-	-	194	-	-	662	(569)	(287)	-
Closing net book value	3,773,600	7,908,776	754,541	5,418,272	752,665	3,477,006	305,335	3,049,401	25,439,596
At December 31, 2023									
Cost / revalued amount	3,773,600	7,908,776	806,796	5,716,428	1,885,937	11,518,797	521,978	6,274,605	38,406,917
Accumulated depreciation	-	-	52,255	298,156	1,133,272	8,041,791	216,643	3,225,204	12,967,321
Net book value	3,773,600	7,908,776	754,541	5,418,272	752,665	3,477,006	305,335	3,049,401	25,439,596
Rate of depreciation (%)	-	-	2%-11%	2%-20%	10%	14%-50%	20%	10%-20%	

11.2.1 The cost of fully depreciated property and equipment that are still in the Bank's use is as follows:

	2024	2023
	Rupees '000	
Furniture and fixture	805,440	791,955
Electrical, office and computer equipment	6,887,470	5,389,998
Vehicles	184,998	171,564
Leasehold property and improvement	1,736,513	1,574,977
Building on leasehold land	99,000	-
Building on freehold land	17,000	-
	9,730,421	7,928,494

11.2.2 During the year, the Bank has transferred a property from non-banking assets to property and equipment having book value of Rs 36.827 million.

11.2.3 The Bank's freehold / leasehold land and buildings on freehold / leasehold land were last revalued by Joseph Lobo Co. (Private) Limited on December 31, 2022 on the basis of professional assessments of the market value.

Had there been no revaluation, the carrying amount of revalued assets as at December 31, 2024 would have been as follows;

	Note	2024	2023
		----------Rupees '000----------	
Building on leasehold land		2,652,659	1,565,900
Leasehold land		5,051,803	2,470,641
Freehold land		1,479,596	1,308,037
Building on freehold land		385,028	333,632
		9,569,086	5,678,210

12 RIGHT-OF-USE ASSETS

	Buildings	
	2024	2023
	----------Rupees '000----------	
Opening balance		
Cost	18,669,210	16,341,616
Accumulated Depreciation	7,956,164	6,032,837
Net carrying amount as at January 1, 2024	10,713,046	10,308,779
Additions during the year	4,891,312	2,435,802
Modifications during the year	2,365	34,696
Deletions during the year	(218,307)	(129,500)
Depreciation charge for the year	(2,098,815)	(1,936,731)
Net carrying amount as at December 31, 2024	13,289,601	10,713,046

	Note	2024	2023
		----------Rupees '000----------	

13 INTANGIBLE ASSETS

Capital work-in-progress	13.1	817,657	798,462
Intangibles	13.2	1,782,701	1,533,313
		2,600,358	2,331,775

13.1 Capital work-in-progress

Computer software	817,657	798,462

13.2 Intangibles

	2024		
	Computer software	Customer relationship (note 13.2.2)	Total
	Rupees '000		
At January 1, 2024			
Cost	4,139,117	2,557,167	6,696,284
Accumulated amortisation	2,975,018	2,187,953	5,162,971
Net book value	1,164,099	369,214	1,533,313
Year ended December 31, 2024			
Opening net book value	1,164,099	369,214	1,533,313
Additions - directly purchased	775,289	-	775,289
Amortisation charge (note 31)	(445,303)	(80,598)	(525,901)
Closing net book value	1,494,085	288,616	1,782,701
At December 31, 2024			
Cost	4,914,406	2,557,167	7,471,573
Accumulated amortisation	3,420,321	2,268,551	5,688,872
Net book value	1,494,085	288,616	1,782,701
Rate of amortisation (percentage)	14%-20%	5%-7%	
Useful life	5-7 years	10-19 years	

	2023		
	Computer software	Customer relationship (note 13.2.2)	Total
	Rupees '000		
At January 1, 2023			
Cost	3,471,689	2,557,167	6,028,856
Accumulated amortisation	2,649,566	2,105,822	4,755,388
Net book value	822,123	451,345	1,273,468
Year ended December 31, 2023			
Opening net book value	822,123	451,345	1,273,468
Additions - directly purchased	667,428	-	667,428
Amortisation charge (note 31)	(325,452)	(82,131)	(407,583)
Closing net book value	1,164,099	369,214	1,533,313
At December 31, 2023			
Cost	4,139,117	2,557,167	6,696,284
Accumulated amortisation	2,975,018	2,187,953	5,162,971
Net book value	1,164,099	369,214	1,533,313
Rate of amortisation (percentage)	14%-20%	5%-7%	
Useful life	5-7 years	10-19 years	

13.2.1 The cost of fully amortised intangible assets that are still in the Bank's use is as follows:

	Note	2024	2023
		----------Rupees '000----------	
Computer software		2,430,463	2,191,750
Customer relationship	13.2.2	1,185,532	1,099,722
		3,615,995	3,291,472

13.2.2 This represents an intangible asset (customer relationship) which comprises of core deposits which were recognised at the time of acquisition of ex-RBS Pakistan. These core deposits represent the funding benefit that would be available to the Bank on account of availability of funding through customers deposit rather than from the wholesale or interbank market. This benefit also considers the fact that the economic life time of these deposits is longer than their contractual life. Based on this assumption, this intangible asset had been valued using certain valuation techniques and is being amortised over the life expectancy of these deposits. As more fully explained in note 13.3 to these unconsolidated financial statements, the SBP allowed the Bank to adjust the amortisation charge arising on this intangible asset against non-distributable capital reserve. The remaining amortisation period of this intangible asset is ranging from 5 to 6 years.

13.3 Non-distributable capital reserve - gain on bargain purchase

As per the directive of the SBP through its letter BPRD (R&P-02)/625-99/2011/3744 dated March 28, 2011, gain arising on bargain purchase of Pakistan operations of Royal Bank of Scotland (ex-RBS Pakistan) was credited directly into equity as non-distributable capital reserve (NCR). The SBP allowed the Bank to adjust the amortisation of the intangible asset against the portion of reserve which arose on account of such asset. Accordingly, the Bank has adjusted amortisation of intangible asset amounting to Rs 52.650 million (2023: Rs. 68.968 million) (net of tax) from the non-distributable capital reserve.

	Note	2024	2023
		----------Rupees '000----------	
14 OTHER ASSETS			
Profit / return accrued in local currency	14.2	35,606,612	44,142,282
Profit / return accrued in foreign currency	14.2	40,309	82,278
Advances, deposits, advance rent and other prepayments		1,698,598	1,650,813
Advance taxation (provision less payments)		3,480,441	-
Non-banking assets acquired in satisfaction of claims	14.1	1,375,587	929,659
Mark to market gain on forward foreign exchange contracts		196,593	550,232
Acceptances	20	24,059,259	13,152,356
Cards and other products fee receivable		2,186,211	1,235,999
Receivable from brokers against sale of shares		69,391	89,252
Dividend receivable		74,341	75,348
Receivable from 1Link (Private) Limited		1,177,791	4,407,978
Deferred fair value loss	14.4	3,139,855	-
Prepaid employment benefit	14.5	5,234,138	-
Rebate receivable - net		1,216,984	280,127
Receivable from defined benefit plan asset	38.4	-	90,806
Others		4,359,707	3,273,839
		83,915,817	69,960,969
Less: credit loss allowance held against other assets	14.3	(327,153)	(327,580)
Other assets - net of credit loss allowance		83,588,664	69,633,389
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22.2	1,734,105	1,735,172
Other assets - total		85,322,769	71,368,561

14.1 Market value of non-banking assets acquired in satisfaction of claims 3,116,825 2,667,419

The non-banking assets acquired in satisfaction of claims by the Bank have been revalued by an independent professional valuer as at December 31, 2024. The revaluation was carried out by Joseph Lobo (Private) Limited on the basis of professional assessment of present market values. The above market values are based on desktop valuations. The SBP's Regulations for Debt Property Swap require the Bank to carry out a full scope valuation of non-banking assets after every three years.

	Note	2024	2023
		----------Rupees '000----------	
14.1.1 Non-banking assets acquired in satisfaction of claims			
Opening balance		2,664,831	3,167,480
Additions		484,250	114,000
Revaluation		-	-
Transferred to property and equipment	11.2.2	(36,827)	(297,006)
Reversal of surplus	22.2	-	(273,475)
Impairment	33	-	(41,525)
Depreciation	31	(2,562)	(4,643)
Closing balance		3,109,692	2,664,831

14.2 This includes profit / return accrued from stage 1 and stage 2 customers amounting to Rs. 33,781.611 million and Rs. 1,865.310 million respectively.

	Note	2024	2023
		----------Rupees '000----------	
14.3 Credit loss allowance held against other assets			
Dividend receivable		74,341	75,348
Receivable from customers		51,173	52,799
Security deposits		22,994	22,994
Acceptances		2,206	-
Others		176,439	176,439
		327,153	327,580
14.3.1 Movement in credit loss allowance held against other assets			
Opening balance		327,580	325,254
Impact of adopting IFRS 9 as at January 1, 2024		2,575	-
Restated balance as at January 1, 2024		330,155	325,254
Charge for the year		-	2,731
Reversals during the year		(3,002)	(405)
	33	(3,002)	2,326
Amounts written off		-	-
Closing balance		327,153	327,580

14.4 This amount represents deferred fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). SBP through its circular BPRD/BRD/PIAHCL/733688–2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 6 years at rates of 5%, 10%, 15%, 20%, 25%, and 25% from year 1 to year 6, accordingly, the Bank has amortized 5% in the current year.

14.5 The amount represents the prepaid employment benefit recognized in connection with concessional Islamic financing facilities provided to employees. These facilities were initially recognized at fair value due to the adoption of IFRS 9 as applicable in Pakistan. The resultant benefit arising from these concessional facilities is subsequently accounted for under IAS 19 Employee Benefits. The prepaid employee benefit is amortized in a manner that reflects the concessional facilities' income recognition. The current year amortization of prepaid employee benefit asset amounts to Rs. 628.644 million.

	Note	2024	2023
		----------Rupees '000----------	
15 BILLS PAYABLE			
In Pakistan		39,169,649	16,550,469
16 DUE TO FINANCIAL INSTITUTIONS			
Secured			
To the State Bank of Pakistan (SBP) under			
Long term financing facility for Renewable Power Energy (RPE)		-	230
Islamic export refinance scheme - part I and II	16.1	25,700,039	30,665,904
Islamic financing for renewable energy	16.2	7,656,474	6,641,671
Islamic long term financing facility	16.3	9,245,606	11,126,779
Islamic temporary economic refinance scheme	16.4 & 16.13	27,139,072	31,034,309
Islamic refinance facility for combating COVID-19	16.5	99,444	166,111
Islamic refinance facility for storage of agricultural produce	16.6	641,836	513,439
Scheme of Islamic Rupee-based discounting facility under EFS / IERS	16.7	679,690	708,777
		71,162,161	80,857,220
Due to SBP under Shari'ah compliant Open Market Operations (OMO) and Mudarabah based Financing Facility (MFF)	16.8 & 16.11	128,110,425	73,594,497
Due to other financial institutions	16.9	2,849,632	3,402,344
Total secured		202,122,218	157,854,061
Unsecured			
Overdrawn nostro accounts		839,944	2,128,409
Musharaka acceptances	16.10	85,650,000	6,904,333
Total unsecured		86,489,944	9,032,742
Fair value adjustment	16.13	(8,169,622)	-
		280,442,540	166,886,803

16.1 In accordance with the Islamic export refinance scheme (IERS), the Bank has entered into musharaka agreements for financing with the SBP for extending export finance to the customers. The average profit rates on this facility range from 2% to 18% (2023: 3% to 18%) payable on quarterly basis with maturities upto 180 days from the date of grant. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.

16.2 In accordance with the Islamic financing facility for renewable energy, the Bank has entered into mudarabah agreements for financing with the SBP for extending renewable energy finance to customers. The average profit rates on this facility range from 1% to 3% (2023: 2% to 3%) payable on quarterly basis with maturities upto May 2033. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.

16.3 In accordance with the Islamic long term financing facility for plant and machinery, the Bank has entered into mudarabah agreements for financing with the SBP for extending islamic long term finance to the customers. The average profit rates on this facility range from 2% to 7% (2023: 3% to 18%) payable on quarterly basis with maturities upto December 2034. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.

16.4 In accordance with the Islamic temporary economic refinance facility (ITERF), the Bank has entered into mudarabah agreements for financing with the SBP for extending finance to the customers. The average profit rate on this facility is 1% (2023: 1%) payable on quarterly basis with maturities upto December 2032. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.

16.5 In accordance with the Islamic refinance facility for combating COVID-19, the Bank has entered into mudarabah agreements for financing with the SBP for extending medical equipment finances to the customers. The average profit rate on this facility is 0% (2023: 0%) payable on quarterly basis with maturities upto June 2026. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.

16.6 These represent balances due to the SBP under scheme of Islamic financing facility for storage of agricultural produce (IFFSAP). The profit rate on this facility is 2% per annum (2023: 2%) payable on quarterly basis with maturity upto February 2029. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.

16.7 In accordance with rupee based discounting scheme under IERS, the Bank has entered into musharaka agreements for financing with the SBP for extending export finance to the customers. The average profit rates on this facility range from 0.5% to 2% (2023: 0.5% to 2%) payable on quarterly basis with maturities upto 180 days from the date of grant. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.

16.8 This represents borrowing from State Bank of Pakistan under Open Market Operation and Mudarabah based Financing Facility (MFF). The average profit rates on these borrowing ranges from 13.13% to 14% (2023: 22.10% to 23%) per annum having maturity in January 2025.

16.9 This represents borrowing from Pakistan Mortgage Refinance Company (PMRC). The average profit rate on this ranging 8.75% to 20.86% (2023: 8.75% to 20.86%) per annum having maturity in June 2026.

16.10 This represents Musharaka acceptance on profit and loss sharing basis. The expected rates on these deal ranges from 11.15% to 13.50% (2023: 21.70% to 22%) per annum having maturity in March 2025.

16.11 Details and nature of securities pledged as collateral against due to financial institution are given in note 9.3 to these unconsolidated financial statements.

	2024	2023
	----------Rupees '000----------	
16.12 Particulars of due to financial institutions with respect to currencies		
- in local currency	279,602,596	164,758,394
- in foreign currencies	839,944	2,128,409
	280,442,540	166,886,803

16.13 This amount pertains to fair valuation adjustment pertains to SBP subsidized financing.

17 DEPOSITS AND OTHER ACCOUNTS

	2024			2023		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees '000					
Customers						
Current deposits	298,972,004	33,564,674	332,536,678	271,673,365	30,468,754	302,142,119
Savings deposits	326,085,655	20,015,285	346,100,940	246,343,937	21,489,149	267,833,086
Term deposits	147,345,424	2,983,343	150,328,767	244,250,942	1,484,842	245,735,784
Margin deposits	11,428,184	22,645	11,450,829	12,175,267	48,071	12,223,338
	783,831,267	56,585,947	840,417,214	774,443,511	53,490,816	827,934,327
Financial institutions						
Current deposits	63,430,479	679,223	64,109,702	11,726,778	275,306	12,002,084
Savings deposits	138,802,511	64,080	138,866,591	169,738,779	-	169,738,779
Term deposits	885,000	-	885,000	8,600,547	-	8,600,547
	203,117,990	743,303	203,861,293	190,066,104	275,306	190,341,410
	986,949,257	57,329,250	1,044,278,507	964,509,615	53,766,122	1,018,275,737

17.1 Composition of deposits

	Note	2024	2023
		Rupees '000	
- Individuals		214,764,642	177,379,755
- Government (Federal and Provincial)		12,732,040	29,697,729
- Public sector entities		22,346,944	42,137,269
- Banking companies		362,015	12,081,399
- Non-banking financial institutions		203,499,278	178,260,011
- Private sector		590,573,588	578,719,574
	17.1.1	1,044,278,507	1,018,275,737

17.1.1 These include deposits eligible to be covered under insurance arrangements amounting to Rs 628,344 million (2023: Rs. 522,349 million).

18 LEASE LIABILITIES

	2024	2023
	Rupees '000	
Outstanding amount at the start of the year	12,868,103	11,827,762
Additions during the year	4,891,312	1,232,013
Lease payments including profit	(3,808,291)	(1,672,349)
Profit expense for the year	1,862,095	1,528,718
Modifications during the year	2,365	-
Termination / deletion during the year	(268,691)	(48,041)
Outstanding amount at the end of the year	15,546,893	12,868,103
Contractual maturity of lease liabilities		
Short-term lease liabilities - within one year	39,553	218,318
Long-term lease liabilities		
- 1 to 5 years	2,991,272	2,896,857
- 5 to 10 years	11,147,614	9,752,928
- More than 10 years	1,368,454	-
	15,507,340	12,649,785
Total lease liabilities	15,546,893	12,868,103

19 DEFERRED TAX LIABILITIES

	2024			
	At December 31, 2023	Recognised in P&L	Recognised in OCI / Equity (note 19.1)	At December 31, 2024
	Rupees '000			
Deductible temporary differences on:				
- credit loss allowance against investments	(847,159)	66,796	451,276	(329,087)
- credit loss allowance against financing, off balance sheet etc.	20,472	809,548	(3,524,814)	(2,694,794)
- fair value adjustment relating to financing	-	(73,527)	(61,038)	(134,565)
- credit loss allowance against other assets	(125,297)	(8,741)	(1,261)	(135,299)
	(951,984)	794,076	(3,135,837)	(3,293,745)
Taxable temporary differences on:				
- surplus on revaluation of property and equipment	2,093,908	(142,228)	171,497	2,123,177
- surplus on revaluation of non-banking assets	16,201	-	757	16,958
- surplus on revaluation of investments	3,217,694	-	9,489,024	12,706,718
- fair value adjustment relating to net assets acquired upon amalgamation	180,916	-	(27,949)	152,967
- accelerated tax depreciation	350,473	927,412	-	1,277,885
	5,859,192	785,184	9,633,329	16,277,705
	4,907,208	1,579,260	6,497,492	12,983,960

	2023			
	At January 1, 2023	Recognised in P&L	Recognised in OCI / Equity	At December 31, 2023
	Rupees '000			
Deductible temporary differences on:				
- provision for diminution in the value of investments	43,998	(891,157)	-	(847,159)
- provision against financing, off balance sheet etc.	(40,380)	60,852	-	20,472
- provision against other assets	(123,959)	(1,338)	-	(125,297)
	(120,341)	(831,643)	-	(951,984)
Taxable temporary differences on:				
- surplus on revaluation of property and equipment	1,957,237	(137,998)	274,669	2,093,908
- surplus on revaluation of non-banking assets	15,591	-	610	16,201
- surplus on revaluation of investments	(1,392,303)	-	4,609,997	3,217,694
- fair value adjustment relating to net assets acquired upon amalgamation	194,079	-	(13,163)	180,916
- accelerated tax depreciation	39,762	310,711	-	350,473
	814,366	172,713	4,872,113	5,859,192
	694,025	(658,930)	4,872,113	4,907,208

19.1 Impact of adoption of IFRS 9 amounting to Rs. 3,606.679 million has been adjusted in opening balances of deferred tax liabilities and restated balance as at January 1, 2024 is Rs. 1,300.529 million.

	Note	2024	2023
		Rupees '000	
20 OTHER LIABILITIES			
Profit / return payable in local currency		9,959,755	13,233,050
Profit / return payable in foreign currency		47,730	9,728
Unearned commission and income on bills discounted		1,860,553	1,496,869
Accrued expenses		8,181,838	6,392,588
Acceptances	14	24,059,259	13,152,356
Dividend payable including unclaimed dividends		469,361	7,078,679
Mark to market loss on forward foreign exchange contracts		945,503	664,315
Current taxation (provision less payments)		-	3,219,685
Credit loss allowance against off-balance sheet obligations	20.1	187,485	91,297
Charity fund payable	20.2	27,926	93,385
Withholding tax payable		147,945	261,322
Federal excise duty payable		218,306	159,996
Payable to brokers against purchase of shares		105,647	91,311
Fair value of derivative contracts		982,880	1,657,226
Payable related to cards and other products		60,346	261,302
Funds held as security		361,711	321,357
Takaful payable		11,176	59,974
Clearing and settlement accounts		15,491,080	11,115,181
Payable to defined benefit plan	38.4	94,527	-
Others		1,286,819	1,027,248
		64,499,847	60,386,869
20.1 Credit loss allowance against off-balance sheet obligations			
Opening balance		91,297	87,700
Impact of adopting IFRS 9 as at January 1, 2024		82,603	-
Restated balance as at January 1, 2024		173,900	87,700
Charge for the year		13,585	3,597
Reversals during the year		-	-
	33	13,585	3,597
Closing balance		187,485	91,297
20.2 Charity fund balance			
Opening balance		279,974	199,678
Additions during the year			
Received from customers on account of delayed payment		177,933	174,388
Profit from residual (ring-fenced) Non-Shari'ah compliant portfolio	20	11,409	86,702
Non-Shari'ah compliant income on account of:			
i) Dividend Purification amount	20	16,517	4,919
ii) Shari'ah non-compliant transactions		2,405	5,408
Profit on charity saving account		15,686	15,879
		223,950	287,296
Payments / utilisation during the year			
Education		106,800	77,000
Health		143,000	80,000
Social work		45,500	50,000
		295,300	207,000
Closing balance		208,624	279,974

20.2.1 The balance in Charity's savings account is Rs. 180.698 million (2023: Rs. 186.589 million).

20.2.2 Charity paid through savings account during the year is Rs. 295.300 million (2023: Rs. 207 million). Charity of Rs. 500,000 or higher was paid to the following organisations;

	2024	2023
	----------Rupees '000----------	
The Citizens Foundation	30,000	20,000
Habib University	30,000	16,000
Akhuwat Foundation	30,000	-
Lahore University of Management Sciences (LUMS) - Related party	30,000	-
Lahore Businessmen Association for Rehabilitation of the Disabled (LABARD)	30,000	-
Pakistan Children s Heart Foundation	25,000	5,000
Indus Hospital & Health Network	25,000	20,000
Patients' Aid Foundation	23,000	23,000
Afzaal Memorial Thalassemia Foundation (AMTF)	20,000	-
Patients Behbud Society for AKUH	10,000	7,000
Karachi Relief Fund	10,000	-
Karachi Vocational Training Centre	7,800	-
Karachi Down Syndrome Program (KDSP)	5,000	5,000
Path Educational Society (Rehnuma Schools)	5,000	-
The Layton R. Benevolent Trust (LRBT)	5,000	-
Alkhidmat	5,000	-
Jamiat Taleem ul Quran	4,000	3,000
Saylani Welfare Trust	500	25,000
Sindh Institute of Urology and Transplantation (SIUT)	-	20,000
Alamgir Welfare Trust	-	15,000
Institute of Management Sciences	-	10,000
Professional Education Foundation	-	8,000
Bait us Salam Welfare Trust	-	5,000
IBA Centre for Excellence in Islamic Finance	-	5,000
Institute of Business Management	-	5,000
Fatima Jinnah Medical College	-	5,000
Islamic International University	-	5,000
Dawat-e-Islami	-	5,000
	295,300	207,000

21 SHARE CAPITAL

21.1 Authorised capital

2024	2023		2024	2023
----------Number of shares----------			----------Rupees '000----------	
2,200,000,000	2,200,000,000	Ordinary shares of Rs.10 each	22,000,000	22,000,000

21.2 Issued, subscribed and paid up

2024	2023		2024	2023
----------Number of shares----------			----------Rupees '000----------	
		Ordinary shares		
201,451,420	201,451,420	Fully paid in cash	2,014,514	2,014,514
1,298,772,879	1,298,772,879	Issued as bonus shares	12,987,729	12,987,729
17,472,226	17,472,226	Issued for consideration other than cash	174,722	174,722
1,517,696,525	1,517,696,525		15,176,965	15,176,965

21.2.1 As at December 31, 2024, Ithmaar Bank B.S.C. (closed) (the parent company of the Bank) directly and indirectly holds 1,013,473,709 ordinary shares of Rs. 10 each (2023: 1,013,473,709 ordinary shares).

	Note	2024	2023
		----------Rupees '000----------	
22 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
Surplus on revaluation of:			
Securities measured at FVOCI - Debt	9.1	22,204,489	4,321,608
Securities measured at FVOCI - Equity		1,770,451	2,245,115
Property and equipment	22.1	11,909,691	12,176,979
Non-banking assets acquired in satisfaction of claims	22.2	1,734,105	1,735,172
		37,618,736	20,478,874
Deferred tax on surplus on revaluation of:			
Securities measured at FVOCI - Debt		(11,768,379)	(2,117,588)
Securities measured at FVOCI - Equity		(938,339)	(1,100,106)
Property and equipment	22.1	(2,123,177)	(2,093,908)
Non-banking assets acquired in satisfaction of claims	22.2	(16,958)	(16,201)
		(14,846,853)	(5,327,803)
		22,771,883	15,151,071
22.1 Surplus on revaluation of property and equipment			
Surplus on revaluation of property and equipment as at January 1		12,176,979	12,341,050
Recognised during the year		-	-
Surplus realised on disposal during the year		-	-
Transferred from surplus on revaluation of non-banking assets	22.2	1,067	117,557
Transferred to unappropriated profit in respect of incremental depreciation charged during the year		(268,355)	(281,628)
Surplus on revaluation of property and equipment as at December 31		11,909,691	12,176,979
Less: related deferred tax liability on:			
- revaluation as at January 1		(2,093,908)	(1,957,237)
- revaluation recognised during the year		-	-
- impact of change in rate of tax		(170,921)	(273,103)
- transferred from surplus on revaluation of non-banking assets		(576)	(1,566)
- incremental depreciation charged during the year		142,228	137,998
		(2,123,177)	(2,093,908)
		9,786,514	10,083,071
22.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims			
Surplus on revaluation as at January 1		1,735,172	2,126,204
Recognised / (de-recognised) during the year	14.1.1	-	(273,475)
Transferred to surplus on revaluation of property and equipment	22.1	(1,067)	(117,557)
Surplus on revaluation as at December 31		1,734,105	1,735,172
Less: related deferred tax liability on:			
- revaluation as at January 1		(16,201)	(15,591)
- Transferred to surplus on revaluation of property and equipment		523	1,566
- impact of change in rate of tax		(1,280)	(2,176)
- revaluation recognised during the year		-	-
		(16,958)	(16,201)
		1,717,147	1,718,971

22.3 Securities which will not be recycled to unconsolidated statement of profit and loss account are disclosed in note 9.

	Note	2024	2023
		----------Rupees '000----------	
23 CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	52,565,820	39,050,948
Commitments	23.2	312,113,009	225,759,797
Other contingent liabilities	23.3	4,122,244	4,122,244
		368,801,073	268,932,989
23.1 Guarantees			
Financial guarantees		4,266,928	4,523,565
Performance guarantees		13,608,155	9,201,571
Other guarantees		34,690,737	25,325,812
		52,565,820	39,050,948
23.2 Commitments			
Documentary credits and short-term trade-related transactions			
- letters of credit		95,392,494	80,258,955
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	80,620,255	65,125,446
- forward government securities transactions	23.2.2	128,375,400	73,777,500
- derivatives - cross currency rate swaps (notional principal)	23.2.3	964,082	1,678,515
- extending credit (irrevocable)	23.5	5,358,314	3,429,739
Commitments for acquisition of:			
- property and equipment		1,069,179	1,180,860
- intangible assets		333,285	308,782
		312,113,009	225,759,797
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		54,802,453	55,514,935
Sale		25,817,802	9,610,511
		80,620,255	65,125,446
23.2.2 Commitments in respect of forward government securities transactions			
Purchase		128,375,400	73,777,500
Sale		-	-
		128,375,400	73,777,500
23.2.3 Commitments in respect of derivatives			
Cross currency swaps			
Purchase		-	-
Sale	24	964,082	1,678,515
23.3 Other contingent liabilities			
Suit filed by a customer for recovery of alleged losses suffered which is pending in the Honourable High Court of Sindh. The Bank's legal advisors are confident that the Bank has a strong case		2,510,000	2,510,000
Indemnity issued favouring the Honorable High Court in one of the cases		457,543	457,543
Tax liability of gain on bargain purchase on the acquisition of ex-RBS Pakistan	23.3.1	1,154,701	1,154,701
		4,122,244	4,122,244

23.3.1 Income tax assessments of the Bank have been finalised upto the tax year 2024 (accounting year ended December 31, 2023).

The department and the Bank has disagreement on a matter relating to taxability of gain on bargain purchase on the acquisition of ex-RBS Pakistan. The additional tax liability on the matter amounts to Rs. 1,154.701 million (December 31, 2023: Rs. 1,154.701 million). The Commissioner Inland Revenue (Appeals) [(CIR(A)] had deleted the said additional tax liability, however the income tax department had filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A). During the current year, the ATIR passed an order and maintained the decision of the CIR(A) in favour of the Bank that gain on bargain purchase is not taxable. Subsequently, the department has challenged the order in Honourable High Court of Sindh. However, the management of the Bank is confident that the matter will be decided in the Bank's favour and accordingly, no provision has been recorded in these unconsolidated financial statements in respect of this matter.

23.4 There are certain claims against the Bank not acknowledged as debt amounting to Rs 32,754 million (December 31, 2023: Rs 29,647 million). These mainly represent counter claims filed by the borrowers for restricting the Bank from disposal of assets (such as mortgaged / pledged assets kept as security), cases where the Bank was proforma defendant for defending its interest in the underlying collateral kept by it at the time of financing, certain cases filed by ex-employees of the Bank for damages sustained by them consequent to the termination from the Bank's employment and cases for damages towards opportunity losses suffered by the customers due to non-disbursements of running finance facility as per the agreed terms. The above also includes an amount of Rs 25,299 million (December 31, 2023: 25,299 million) in respect of a suit filed against the Bank for declaration, recovery of monies, release of securities, rendition of account and damages.

Based on legal advice and / or internal assessments, the management is confident that the above matters will be decided in the Bank's favour and accordingly no provision has been made in these unconsolidated financial statements.

23.5 Commitments to extend credits

The Bank makes commitments to extend credit (including to related parties) in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facilities are unilaterally withdrawn except for Rs. 5,358 million (2023: Rs. 3,430 million) which are irrevocable in nature.

	2024	2023
	----------Rupees '000----------	
24 DERIVATIVE INSTRUMENTS		
Cross currency swaps (notional principal)	964,082	1,678,515

Derivative instruments, such as forward rate agreements, cross currency swaps and FX options, are forward transactions that provide market making opportunities / hedge against the adverse movement of exchange rates. Derivatives business provides risk solutions for the existing and potential customers of the Bank. All derivative transactions are governed by "The Financial Derivatives Business Regulations" (FDBR) issued by the SBP.

24.1 Product analysis

Counterparties	2024	
	Cross currency swaps	
	Notional principal	Mark to market loss
	Rupees '000	
With banks for		
Hedging	-	-
Market making	140,136	(171,412)
With other entities for		
Hedging	-	-
Market making	823,946	(811,468)
Total		
Hedging	-	-
Market making	964,082	(982,880)

Counterparties	2023	
	Cross currency swaps	
	Notional principal	Mark to market loss
	Rupees '000	
With banks for		
Hedging	-	-
Market making	101,866	(139,900)
With other entities for		
Hedging	-	-
Market making	1,576,649	(1,517,326)
Total		
Hedging	-	-
Market making	1,678,515	(1,657,226)

24.2 Maturity analysis

Remaining maturity	2024				
	No. of contracts	Notional principal	Mark to market		
			Negative	Positive	Net
		Rupees '000			
Upto 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 to 6 months	-	-	-	-	-
6 months to 1 year	6	391,527	(915,782)	529,376	(386,406)
1 to 2 years	4	572,555	(2,480,077)	1,883,603	(596,474)
2 to 3 years	-	-	-	-	-
3 to 5 years	-	-	-	-	-
5 to 10 years	-	-	-	-	-
Above 10 years	-	-	-	-	-
Total		964,082	(3,395,859)	2,412,979	(982,880)

Remaining maturity	2023				
	No. of contracts	Notional principal	Mark to market		
			Negative	Positive	Net
		Rupees '000			
Upto 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 to 6 months	-	-	-	-	-
6 months to 1 year	-	-	-	-	-
1 to 2 years	6	798,467	(1,897,025)	1,120,085	(776,940)
2 to 3 years	4	880,048	(3,975,920)	3,095,634	(880,286)
3 to 5 years	-	-	-	-	-
5 to 10 years	-	-	-	-	-
Above 10 years	-	-	-	-	-
Total		1,678,515	(5,872,945)	4,215,719	(1,657,226)

24.3 Risk management policies related to derivatives are discussed in note 46.6 to these unconsolidated financial statements.

	Note	2024	2023
		Rupees '000	
25 PROFIT / RETURN EARNED			
On:			
Financing	25.1	102,474,362	92,880,378
Investments		122,013,615	95,617,084
Due from financial institutions		561,004	936,557
Balances with banks		2,870	7,527
Securities purchased under resale agreements		-	6,865
		225,051,851	189,448,411

25.1 This includes Rs. 1,864.174 million and Rs. 628.644 million related to unwinding of Temporary Economic Refinance Facility and staff financing, respectively.

	2024
	Rupees '000
25.2 Profit / return recognised on:	
Financial assets measured at amortised cost	6,496,824
Financial assets measured at FVOCI	120,062,212
Financial assets measured at cost	98,117,687
Financial assets measured at FVPL	375,128
	225,051,851

	Note	2024	2023
		Rupees '000	
26 PROFIT / RETURN EXPENSED			
On:			
Deposits		110,424,868	87,594,280
Due to financial institutions	26.1	26,298,901	23,530,948
Lease liability against right-of-use assets		1,862,095	1,528,718
Cost of foreign currency swaps against foreign currency deposits / dues		6,083,077	5,741,225
		144,668,941	118,395,171

26.1 This includes Rs. 1,884.106 million related to unwinding of Temporary Economic Refinance Facility.

	Note	2024	2023
		----------Rupees '000----------	
27 FEE AND COMMISSION INCOME			
Branch banking customer fees		1,316,347	1,099,862
Consumer finance related fees		600,820	610,434
Card related fees		4,512,976	4,143,876
Credit related fees		62,636	38,206
Investment banking fees		185,988	199,745
Commission on trade		1,135,035	688,918
Commission on guarantees		160,538	180,385
Commission on cash management		159,288	156,281
Commission on remittances including home remittances		1,565,107	902,831
Commission on bancatakaful		109,302	123,196
Commission on sale of funds units		567,665	267,018
Others		98,434	106,778
		10,474,136	8,517,530
28 GAIN / (LOSS) ON SECURITIES			
Realised:			
Federal Government securities		427,828	(207,182)
Shares		546,897	(1,752,255)
Open end mutual funds		-	31
Associates		28,695	10,063
Others		66,979	36,186
		1,070,399	(1,913,157)
28.1 Net gain / (loss) on financial assets / liabilities			
Net gain / (loss) on financial assets / liabilities measured at FVPL:			
Designated upon initial recognition		-	
Mandatorily measured at FVPL		583,353	
		583,353	
Net gain / (loss) on financial assets / liabilities measured at amortised cost		-	
Net gain / (loss) on financial assets measured at FVOCI		391,372	
Net gain / (loss) on investments in equity instruments designated at FVOCI		-	
		391,372	
Net gain on investments in associates / others		95,674	
		1,070,399	
29 NET GAIN / LOSS ON FINANCIAL ASSETS / LIABILITIES MEASURED AT AMORTISED COST			
Loss on derecognition of financial assets measured at amortised cost	14.4	(165,256)	-

		Note	2024	2023
30	**OTHER INCOME**		----------Rupees '000----------	
	Rent on property		242,092	277,279
	Gain on disposal of property and equipment- net		35,886	22,088
	Gain on termination of leases (IFRS 16)		65,819	13,404
	Notice pay		8,868	6,330
	Scrap income		8,914	19
	Amortization of government grant		19,932	-
	Others		3,485	872
			384,996	319,992
31	**OPERATING EXPENSES**			
	Total compensation expense	31.2	19,196,584	16,012,753
	Property expense			
	Rent and taxes		406,992	297,055
	Takaful		51,484	50,575
	Utilities cost		2,052,085	1,846,066
	Security (including guards)		1,386,432	1,031,674
	Repair and maintenance (including janitorial charges)		1,052,760	776,859
	Depreciation on property and equipment	11.2	1,064,916	847,284
	Depreciation on non-banking assets	14.1.1	2,562	4,643
	Depreciation on right-of-use assets	12	2,098,815	1,936,731
	Others		383,073	269,827
			8,499,119	7,060,714
	Information technology expenses			
	Software maintenance		2,299,027	1,800,504
	Hardware maintenance		408,373	578,808
	Depreciation	11.2	1,011,525	609,599
	Amortisation	13.2	445,303	325,452
	Network charges		367,647	312,967
	Others		-	-
			4,531,875	3,627,330
	Other operating expenses			
	Directors' fees and allowances	40.2	139,680	184,480
	Legal and professional charges		766,928	682,729
	Outsourced services costs - staff	37.1	994,787	795,756
	Travelling and conveyance		486,922	325,255
	NIFT clearing charges		106,441	74,841
	Depreciation	11.2	1,206,283	688,131
	Training and development		278,585	118,248
	Postage and courier charges		234,188	269,370
	Communication		1,618,971	1,200,375
	Marketing, advertisement and publicity		2,403,014	2,015,845
	Donations	31.3	140,930	113,215
	Auditors' remuneration	31.4	45,181	38,660
	Takaful		858,953	832,734
	Stationery and printing		1,086,016	591,971
	Bank fees and charges		3,294,122	2,238,174
	Brokerage and commission		42,846	32,881
	Deposit protection premium		835,758	705,017
	Repair and maintenance		482,492	407,755
	Subscriptions and publications		185,912	134,112
	Cash handling charges		634,208	552,496
	Others		605,996	1,111,361
			16,448,213	13,113,406
			48,675,791	39,814,203

31.1 Total cost for the year included in other operating expenses relating to outsourced activities other than ancillary services cost is Rs. 678.790 million (2023: Rs. 556.103 million). Out of this cost, Rs. 293.782 million (2023: Rs. 228.219 million) pertains to the payment to companies incorporated in Pakistan and Rs. 385.008 million (2023: Rs 327.884 million) pertains to payment to companies incorporated outside Pakistan. This includes payments other than outsourced services costs, which are disclosed above. Total cost of outsourced activities for the year given to related parties is Rs. Nil (2023: Rs. Nil). Outsourcing shall have the same meaning as specified in Annexure-I of BPRD Circular No. 06 of 2017.

S.No	Name of outsourced agency	Nature of service	Estimated cost (Rupees '000)
1	Euronet Pakistan Private Limited	Credit cards, debit cards, prepaid cards and ATMs switch system host	385,008

31.2 Total compensation expense

	Note	2024	2023
		----------Rupees '000----------	
Managerial Remuneration			
i) Fixed		7,444,365	5,883,783
ii) Variable			
of which :			
a) Cash bonus / awards, etc.		2,657,209	3,160,887
b) Commission incentives		1,713,364	1,308,950
Charge for defined benefit plan		353,387	264,900
Contribution to defined contribution plan		481,672	385,131
Rent & house maintenance		2,316,998	1,823,166
Utilities		449,724	442,915
Medical		541,971	347,529
Takaful		690,008	571,737
Conveyance		1,745,439	1,692,025
Amortization of staff financing	14.5	628,644	-
Others		173,803	131,730
Sub-total		19,196,584	16,012,753
Sign-on bonus		-	-
Grand Total		19,196,584	16,012,753

31.3 Donations made during the year were as follows:

Donees

	2024	2023
- Waqf Faisal (Trust)	130,430	113,215
- Kutiyana Memon Association	5,000	-
- Patients' Aid Foundation	4,000	-
- The Hunar Foundation	1,500	-
	140,930	113,215

31.3.1 The President and Chief Executive Officer of the Bank is acting as trustee of Waqf Faisal (Trust). No other interest of any of the directors or their spouses exists.

31.4 Auditors' remuneration

	2024	2023
	----------Rupees '000----------	
Statutory audit fee	7,638	6,954
Fee for the consolidated financial statements	2,883	2,622
Fee for other statutory certifications	15,005	6,498
Fee for the quarterly and the annual group reportings	13,883	15,333
Fee for the review of the half yearly financial statements	1,817	1,653
Fee for the audit of employee funds	152	285
Out-of-pocket expenses	3,803	5,315
	45,181	38,660

	Note	2024	2023
		Rupees '000	
32 OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		97,238	119,148
33 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
Credit loss allowance against cash and balances with treasury banks		(3,553)	-
Credit loss allowance against balances with other banks		3	-
Credit loss allowance against investments	9.4.1	(187,005)	549,892
Credit loss allowance against islamic financing and related assets	10.5	(2,035,526)	728,239
Credit loss allowance against other assets	14.3.1	(3,002)	2,326
Credit loss allowance against off balance sheet obligations	20.1	13,585	3,597
Bad debts written off directly		21,205	45,511
Recoveries of written off / charged off bad debts		(270,154)	(457,163)
Impairment / (reversal of impairment) for non-banking assets	14.1.1	-	41,525
		(2,464,447)	913,927
34 TAXATION			
Current		25,800,207	21,287,669
Prior years		-	746,856
Deferred	19	1,579,260	(658,930)
		27,379,467	21,375,595
34.1 Relationship between tax expense and accounting profit			
Profit before tax		50,407,660	41,421,534
Tax calculated at the rate of 54% (2023: 49%)		27,220,136	20,296,552
Effect of:			
- Tax effect of permanent differences		191,901	188,525
- Prior year charge		-	746,856
- Others		(32,570)	143,662
Tax charge for the year		27,379,467	21,375,595

34.2 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.

	2024	2023
	Rupees '000	
35 BASIC / DILUTED EARNINGS PER SHARE		
Profit for the year	23,028,193	20,045,939
	Number of shares in thousands	
Weighted average number of ordinary shares	1,517,697	1,517,697
	Rupees	
Basic earnings per share	15.17	13.21

35.1 Diluted earnings per share has not been presented as the Bank does not have any convertible instruments in issue at December 31, 2024 and December 31, 2023 which would have any effect on the earnings per share if the option to convert is exercised.

	Note	2024	2023
		Rupees '000	
36 CASH AND CASH EQUIVALENTS			
Cash and balance with treasury banks	7	102,537,577	84,036,558
Balance with other banks	8	5,539,464	1,812,399
Overdrawn nostros	16	(839,944)	(2,128,409)
		107,237,097	83,720,548

	2024	2023
	Number of employees	
37 STAFF STRENGTH		
Permanent	9,781	8,751
On Bank's contract	43	36
Bank's own staff strength at the end of the year	9,824	8,787

37.1 In addition to the above, 1,466 (2023: 1,297) employees of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than guarding and janitorial services.

38 DEFINED BENEFIT PLAN

38.1 General description

The Bank operates an approved funded gratuity scheme for all its permanent employees and employees who are on contractual service in non-management cadre. The benefits under the gratuity schemes are payable on retirement at the age of 60 years or earlier cessation of service in lumpsum. The benefits are equal to one month's last drawn basic salary for each year of eligible service or part thereof. The minimum qualifying eligible service for gratuity is 1 year for employees who became members of the Funds before November 12, 2002. In the case of other members of the Funds the minimum qualifying eligible service is 5 years. The minimum qualifying eligible service for contractual employees not employed under the management cadre is 6 months. The latest actuarial valuation of the Bank's defined benefit plan, based on the Projected Unit Credit Actuarial Cost Method, was carried out as at December 31, 2024.

The balance of conventional sub-funds has been transferred to islamic sub-fund.

	2024	2023
	Number of employees	
38.2 Number of employees under the scheme		
The number of employees covered under the following defined benefit scheme are:		
- Gratuity fund	9,824	8,787

38.3 Principal actuarial assumptions

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

	2024	2023
	% per annum	
Discount rate	12.25	16.00
Expected rate of salary increase	13.25	16.00

38.3.1 Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the adjusted SLIC 2001 - 2005 mortality tables.

	Note	2024	2023
		----------Rupees '000----------	
38.4 Reconciliation of payable to defined benefit plan			
Present value of obligations	38.5	2,550,507	1,869,596
Fair value of plan assets	38.6	(2,455,980)	(1,960,402)
		94,527	(90,806)
38.5 Movement in defined benefit obligations			
Obligations at the beginning of the year		1,869,596	1,418,129
Current service cost		366,877	287,777
Return expense		314,782	217,980
Benefits paid by the Bank		(174,058)	(90,692)
Re-measurement loss / (gain)		173,310	36,402
Obligations at the end of the year		2,550,507	1,869,596
38.6 Movement in fair value of plan assets			
Fair value at the beginning of the year		(1,960,402)	(1,586,954)
Return income on plan assets		(328,272)	(240,857)
Contribution by the Bank - net		(264,793)	(98,287)
Benefits paid by the Bank		174,058	90,692
Re-measurements loss / (gain):			
Net return on plan assets excluding amounts included in return income	38.8.2	(76,571)	(124,996)
Fair value at the end of the year		(2,455,980)	(1,960,402)
38.7 Movement in payable / (receivable) under defined benefit scheme			
Opening balance		(90,806)	(168,825)
Charge for the year		353,387	264,900
Contribution by the Bank - net		(264,793)	(98,287)
Re-measurement (gain) / loss recognised in OCI during the year	38.8.2	96,739	(88,594)
Closing balance		94,527	(90,806)
38.8 Charge for defined benefit plans			
38.8.1 Cost recognised in profit and loss			
Current service cost		366,877	287,777
Net return expensed on defined benefit asset / liability		(13,490)	(22,877)
		353,387	264,900
38.8.2 Re-measurements recognised in OCI during the year			
(Gain) / loss on obligation			
- demographic assumptions		-	-
- financial assumptions		179,264	6,073
- experience adjustment		(5,954)	30,329
Return on plan assets over profit income		(76,571)	(124,996)
Total re-measurements recognised in OCI		96,739	(88,594)

38.9 Components of plan assets

	2024	2023
	Rupees '000	
Cash and cash equivalents - net	125,095	33,530
Ijarah sukuks	2,330,885	1,598,473
Shares	-	824
Mutual funds	-	327,575
	2,455,980	1,960,402

The funds are invested in GOP Ijara Sukuks and accordingly do not carry any credit risk. These are subject to profit rate risk. Cash and cash equivalents includes balances maintained with the Bank which are subject to credit risk.

38.10 Historical information

	2024	2023	2022	2021	2020
	Rupees '000				
Present value of defined benefit obligation	(2,550,507)	(1,869,596)	(1,418,129)	(1,189,884)	(1,042,493)
Fair value of plan assets	2,455,980	1,960,402	1,586,954	1,317,669	1,106,698
Surplus / (deficit)	(94,527)	90,806	168,825	127,785	64,205
Remeasurement of plan liabilities	173,310	36,402	(49,967)	105,490	78,713
Remeasurement of plan assets	76,571	124,996	685	(41,910)	(15,343)

38.11 Sensitivity analysis

The analysis based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position. The increase / (decrease) in the present value of defined benefit obligations as a result of change in each assumption should be summarised as illustrated below:

	2024	2023
	Rupees '000	
1% increase in discount rate	(193,444)	(131,397)
1% decrease in discount rate	222,389	149,748
1% increase in expected rate of salary increase	224,308	152,716
1% decrease in expected rate of salary increase	(198,665)	(136,223)
1 year increase in expected life / withdrawal rate	(59,824)	(43,853)
1 year decrease in expected life / withdrawal rate	53,475	39,198

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

38.12 Expected maturity analysis of undiscounted obligation

Less than a year	211,093	163,763
Between 1-2 years	614,498	509,153
Between 2-5 years	1,695,662	1,454,162
Over 5 years	65,934,673	91,220,959
Total	68,455,926	93,348,037

	2025 Rupees '000
38.13 Expected contributions to be paid to the scheme in the next financial year	522,769
38.14 Expected charge for the next financial year	522,769

38.15 Maturity profile

The weighted average duration of the defined benefit obligation is 8.11 years.

38.16 Funding policy

The policy followed by the Bank in respect of the staff retirement benefit schemes is disclosed in note 6.14 of these unconsolidated financial statements.

38.17 The gratuity scheme exposes the Bank to the following risks:

Asset volatility

The Defined Benefit Gratuity Islamic Fund is invested in Ijarah Sukuk. The investment is almost 94.91% (Rs. 2,331 million) for Ijarah Sukuk. Islamic Fund has not such investment in any Government Bonds and Corporate Bonds hence the asset volatility risk is lower.

Changes in bond yields

There are two dimensions to the changes in Bond yields: first, as described above; second, the valuation of the gratuity Liability is discounted with reference to these bond yields. So any increase in Bond yields will lower the gratuity Liability and vice versa, but, it will also lower the asset values.

Inflation risk

The salary inflation is the major risk that the gratuity fund liability carries. In a general economic sense and in a longer view, there is a case that if bond yields increase, the change in salary inflation generally offsets the gains from the decrease in discounted gratuity liability. But viewed with the fact that asset values will also decrease, the salary inflation does, as an overall affect, increases the net liability of the Bank.

Life expectancy / withdrawal rate

The Gratuity is paid off at the maximum of age 60. The Life expectancy is in almost minimal range and is quite predictable in the ages when the employee is in the accredited employment of the Bank for the purpose of the Gratuity. Thus, the risk of life expectancy is almost negligible. However, had a post- retirement benefit been given by the Bank like monthly pension, post-retirement medical etc., this would have been a significant risk which would have been quite difficult to value even by using advance mortality improvement models.

The withdrawal risk is dependent upon the: benefit structure; age and retention profile of the staff; the valuation methodology; and long-term valuation assumptions. In this case, it is not a significant risk.

Other risks

Though, not imminent and observable, over long term there are some risks that may crystallize. These includes:

- Retention risk – The risk that employee will not be motivated to continue the service or start working with the Bank if no market comparable retirement benefit is provided.
- Final Salary Risk – The risk, for defined benefit gratuity, that any disproportionate salary merit increases in later service years will give rise to multiplicative increase in the gratuity liability as such increase is applicable to all the past years of service.
- Model Risk – The defined benefit gratuity liability is usually actuarially valued each year. Further, the assets in the Gratuity Fund are also marked to market. This two-tier valuation gives rise to the model risk.
- Operational Risk related to a separate entity - Retirement benefits are funded through a separate trust fund which is a different legal entity than the Bank. Generally, the protocols, processes and conventions used throughout the Bank are not applicable or are not actively applied to the retirement benefit Funds. This gives rise to some specific operational risks.
- Compliance Risk – The risk that retirement benefits offered by the Bank does not comply with minimum statutory requirements.
- Legal/Political Risk – The risk that the legal/political environment changes and the Bank is required to offer additional or different retirement benefits than what the Bank projected.

39 DEFINED CONTRIBUTION PLAN

The Bank operates an approved funded contributory provident fund for all its permanent employees to which equal monthly contributions are made both by the Bank and the employees at the rate of 10% of the basic salary. The financial statements of the fund are separately prepared and are not included as part of these unconsolidated financial statements.

	2024	2023
	----------Rupees '000----------	
Contribution from the Bank	481,672	385,131
Contribution from the employees	481,672	385,131
	963,344	770,262

40 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

Particulars	2024					
	Directors		Members Shari'ah Board	President & CEO	Key executives	Other material risk takers / Controllers
	Chairman	Non Executive				
	Rupees '000					
Fees and allowances, etc.	12,480	127,200	-	-	-	-
Managerial remuneration						
i) Fixed	-	-	29,604	95,972	231,006	442,753
ii) Total variable	-	-	14,400	209,380	393,000	479,618
of which :						
a) Cash bonus / awards - paid	-	-	11,080	157,035	294,750	385,394
b) Cash bonus / awards - deferred	-	-	3,320	52,345	98,250	94,224
c) Bonus and awards in shares	-	-	-	-	-	-
Charge for defined benefit plan	-	-	1,850	7,998	12,826	25,378
Contribution to defined contribution plan	-	-	-	9,597	11,378	29,910
Rent & house maintenance	-	-	-	5,000	69,262	136,528
Utilities	-	-	-	1,769	1,281	5,911
Medical	-	-	-	807	15,391	30,453
Conveyance	-	-	4,497	-	42,042	110,814
Sign on bonus	-	-	-	-	-	-
Others	-	-	512	8,156	12,579	23,865
Total	12,480	127,200	50,863	338,679	788,765	1,285,230
Number of persons	1	9	6	1	15	75

Particulars	2023					
	Directors		Members Shari'ah Board	President & CEO	Key executives	Other material risk takers / Controllers
	Chairman	Non Executive				
	Rupees '000					
Fees and allowances, etc.	17,440	167,040	-	-	-	-
Managerial remuneration						
i) Fixed	-	-	19,220	84,081	210,796	380,437
ii) Total variable	-	-	11,448	107,898	204,378	245,781
of which :						
a) Cash bonus / awards - paid	-	-	9,268	82,898	157,578	207,156
b) Cash bonus / awards - deferred	-	-	2,180	25,000	46,800	38,625
c) Bonus and awards in shares	-	-	-	-	-	-
Charge for defined benefit plan	-	-	1,397	7,006	11,693	21,235
Contribution to defined contribution plan	-	-	-	8,408	10,354	24,512
Rent & house maintenance	-	-	269	4,875	63,144	114,234
Utilities	-	-	67	2,437	17,439	25,482
Medical	-	-	56	1,780	1,344	5,922
Conveyance	-	-	6,274	-	52,611	130,574
Sign on bonus	-	-	-	-	-	-
Others	-	-	-	4,857	2,462	32,560
Total	17,440	167,040	38,731	221,342	574,221	980,737
Number of persons	1	10	5	1	16	74

40.1 The President & CEO and Key Executives are entitled to Bank's cars in accordance with the terms of the employment.

40.2 Remuneration paid to directors for participation in board and committee meetings

S.No.	Name of director	2024								
		Board meetings	Meeting fees and allowances paid							
			Recruitment, Nomination & Remuneration Committee	Board Strategy Committee	Board Audit & Corporate Governance Committee	Board IT Committee	Board Risk Management Committee	Board Sustainability and Development Committee	Additional Fee to Chairman Committee	Total
		Rupees '000								
1	Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	6,400	4,800	3,200	4,800	-	-	-	960	20,160
2	Mr. Mian Muhammad Younis	5,600	-	3,200	-	-	-	1,600	2,080	12,480
3	Mr. Imtiaz Ahmad Pervez	5,600	-	3,200	-	-	3,200	-	640	12,640
4	Mr. Juma Hasan Ali Abul	6,400	4,800	3,200	4,800	-	-	-	-	19,200
5	Mr. Abdulelah Ebrahim Mohamed AlQasimi	5,600	-	-	-	4,800	3,200	1,600	-	15,200
6	Mr. Abdulla Abdulaziz Ali Taleb *	2,400	-	-	-	1,600	800	-	-	4,800
7	Mr. Ali Munir	4,800	-	-	4,000	-	3,200	-	800	12,800
8	Ms. Fatima Asad	5,600	4,000	2,400	-	-	-	1,600	-	13,600
9	Mr. Mohsin Tariq	4,800	4,000	-	4,000	800	-	-	-	13,600
10	Ms. Sadia Khan	4,800	4,000	-	-	4,000	-	1,600	800	15,200
	Total amount paid	52,000	21,600	15,200	17,600	11,200	10,400	6,400	5,280	139,680

* Mr. Abdulla Abdulaziz Ali Taleb ceased to be director with effect from April 2, 2024.

S.No.	Name of director	2023								
		Board meetings	Meeting fees and allowances paid							
			Recruitment, Nomination & Remuneration Committee	Board Strategy Committee	Board Audit & Corporate Governance Committee	Board IT Committee	Board Risk Management Committee	Board Sustainability and Development Committee	Additional Fee to Chairman Committee	Total
		Rupees '000								
1	Mr. Farooq Rahmatullah Khan	3,200	-	2,400	-	-	-	-	1,120	6,720
2	Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	8,000	6,400	4,800	4,800	-	-	-	1,280	25,280
3	Mr. Mian Muhammad Younis	8,000	3,200	1,600	1,600	-	1,600	-	1,440	17,440
4	Mr. Imtiaz Ahmad Pervez	7,200	-	1,600	-	-	3,200	-	640	12,640
5	Mr. Juma Hasan Ali Abul	8,000	6,400	4,800	4,800	-	-	-	-	24,000
6	Mr. Abdulelah Ebrahim Mohamed AlQasimi	8,000	-	-	-	4,800	4,000	-	-	16,800
7	Mr. Abdulla Abdulaziz Ali Taleb	8,000	-	-	-	4,800	4,000	-	-	16,800
8	Mr. Ali Munir	8,000	3,200	-	4,800	2,400	1,600	-	1,120	21,120
9	Ms. Fatima Asad	8,000	5,600	3,200	-	-	-	-	-	16,800
10	Mr. Mohsin Tariq	7,200	2,400	2,400	3,200	2,400	-	-	-	17,600
11	Ms. Sadia Khan	4,000	2,400	-	-	2,400	-	-	480	9,280
	Total amount paid	77,600	29,600	20,800	19,200	16,800	14,400	-	6,080	184,480

40.3 Remuneration paid to Shari'ah board members

Items	2024				2023			
	Chairman	Resident member	Non-resident member	Shari'ah board member	Chairman	Resident member	Non-resident member	Shari'ah board member
	Rupees '000							
Fees and allowances etc.	-	-	-	-	-	-	-	-
Managerial remuneration								
i) Fixed	8,341	5,067	15,746	450	8,022	3,980	4,427	2,791
ii) Total variable	12,000	2,400	-	-	8,736	1,204	263	1,245
of which :								
a) Cash bonus / awards - paid	9,000	2,080	-	-	6,736	1,024	263	1,245
b) Cash bonus / awards - deferred	3,000	320	-	-	2,000	180	-	-
Charge for defined benefit plan	695	334	799	22	668	332	230	167
Rent & house maintenance	-	-	-	-	-	-	-	269
Utilities	-	-	-	-	-	-	-	67
Medical	-	-	-	-	-	-	-	56
Conveyance	3,484	1,013	-	-	3,600	1,685	-	989
Others	512							
Total	25,032	8,814	16,545	472	21,026	7,201	4,920	5,584
Number of persons	1	1	3	1	1	1	1	2

41 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified under held to collect model, is based on quoted market price. Quoted securities classified under held to collect model are carried at amortized 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 financial statements.

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

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. derived from prices).

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

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2024			
	Level 1	Level 2	Level 3	Total
	---------- Rupees '000----------			
On-balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	610,027,380	-	610,027,380
Shares	10,091,925	67,686	-	10,159,611
Non-Government debt securities	-	47,881,091	-	47,881,091
Financial assets - disclosed but not measured at fair value				
Investments				
Non-Government debt securities (note 9.7.1)	-	6,818,118	-	6,818,118
Non-financial assets - measured at fair value				
Property and equipment (land and buildings) (note 11.2)	-	21,478,777	-	21,478,777
Non-banking assets acquired in satisfaction of claims (note 14.1)	-	3,116,825	-	3,116,825
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	53,913,508	-	53,913,508
Forward sale of foreign exchange	-	25,677,767	-	25,677,767
Derivatives sales	-	982,880	-	982,880

	2023			
	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	---------- Rupees '000----------			
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	524,145,204	-	524,145,204
Shares	5,746,460	107,539	-	5,853,999
Non-Government debt securities	-	49,770,265	-	49,770,265
Financial assets - disclosed but not measured at fair value				
Investments				
Non-Government debt securities (note 10.7.1)	-	6,779,489	-	6,779,489
Non-financial assets - measured at fair value				
Property and equipment (land and buildings)	-	17,855,189	-	17,855,189
Non-banking assets acquired in satisfaction of claims	-	2,667,419	-	2,667,419
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	55,514,935	-	55,514,935
Forward sale of foreign exchange	-	9,610,511	-	9,610,511
Derivatives sales	-	1,678,515	-	1,678,515

The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date when the event or change in circumstances require the Bank to exercise such transfers.

Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
Ijara Sukuk	Fair values of GoP Ijara Sukuk are derived using the PKISRV rates announced by the Financial Markets Association of Pakistan (FMAP) through Reuters and GIS revaluation rates issued by PSX. These rates denote an average of quotes received from different pre-defined / approved dealers / brokers.
Unlisted ordinary shares	Break-up value is determined on the basis of the NAV of the company using the latest available financial statements.
Sukuk Certificates	Sukuk certificates are determined using the MUFAP or PSX rates.
Forward foreign exchange contracts	The valuation has been determined by interpolating the mark-to-market currency rates announced by the State Bank of Pakistan.
Derivative instruments	The Bank enters into derivative contracts with various counterparties. Derivatives that are valued using valuation techniques with market observable inputs are mainly cross currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations.
Mutual funds	Units of mutual funds are valued using the net asset value (NAV) announced by the Mutual Funds Association of Pakistan (MUFAP).
Property and equipment (land and buildings)	Land and buildings and NBA are revalued by professionally qualified valuers of the Bank. The valuations, mentioned above, are conducted by the valuation experts appointed by the Bank which are also on the panel of the Pakistan Banks' Association (PBA). The valuation experts use a market based approach to arrive at the fair value of the Bank s properties. The market approach uses 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
Non-banking assets acquired in satisfaction of claims (NBAs)	

42 SEGMENT INFORMATION

42.1 Segment details with respect to business activities

	2024					
	Retail	CIBG	Treasury	SAM	Others	Total
	Rupees '000					
Profit and loss account						
Net return / profit	(81,651,028)	67,500,477	96,449,787	217,758	(2,134,084)	80,382,910
Inter segment revenue - net	158,537,506	(60,430,902)	(91,407,208)	102,163	(6,801,559)	-
Other income	9,585,705	3,917,484	6,614,788	19,627	(2,775,544)	17,362,060
Total income	86,472,183	10,987,059	11,657,367	339,548	(11,711,187)	97,744,970
Segment direct expenses	30,393,241	1,833,555	637,316	314,297	16,623,348	49,801,757
Inter segment expense allocation	14,341,858	1,655,066	337,948	288,476	(16,623,348)	-
Total expenses	44,735,099	3,488,621	975,264	602,773	-	49,801,757
Credit loss allowance	211,563	2,183,002	-	(1,278,638)	(3,580,374)	(2,464,447)
Profit before tax	41,525,521	5,315,436	10,682,103	1,015,413	(8,130,813)	50,407,660
Statement of financial position						
Cash and bank balances	34,229,666	-	73,847,375	-	-	108,077,041
Due from financial institutions	-	-	-	-	-	-
Investments	150,000	8,854,179	666,675,032	1,924,405	2,495,045	680,098,661
Investment - credit loss allowance	-	(800,904)	(956)	(1,924,405)	-	(2,726,265)
Net inter segment lending	766,579,757	-	-	-	(766,579,757)	-
Financing- performing	164,573,602	461,547,691	-	(1,832,270)	9,913,623	634,202,646
Financing- non-performing	4,890,511	6,350,382	-	12,824,289	269,900	24,335,082
Financing- credit loss allowance	(4,375,818)	(7,291,863)	-	(12,748,614)	(211,885)	(24,628,180)
Others	106,076,705	13,502,169	(49,573,384)	196,963	75,721,327	145,923,780
Total assets	1,072,124,423	482,161,654	690,948,067	(1,559,632)	(678,391,747)	1,565,282,765
Due to financial institutions	11,360,310	59,456,649	209,625,581	-	-	280,442,540
Subordinated sukuk	-	-	-	-	-	-
Deposits and other accounts	984,636,217	68,594,518	-	394,284	(9,346,512)	1,044,278,507
Net inter segment borrowing	-	347,306,553	468,974,869	(1,954,873)	(814,326,549)	-
Others	76,127,896	6,803,934	1,307,507	957	47,960,055	132,200,349
Total liabilities	1,072,124,423	482,161,654	679,907,957	(1,559,632)	(775,713,006)	1,456,921,396
Equity	-	-	11,040,110	-	97,321,259	108,361,369
Total equity and liabilities	1,072,124,423	482,161,654	690,948,067	(1,559,632)	(678,391,747)	1,565,282,765
Contingencies and commitments	70,610,584	83,427,173	209,959,737	1,608,047	3,195,532	368,801,073

	2023					
	Retail	CIBG	Treasury	SAM	Others	Total
	Rupees '000					
Profit and loss account						
Net return / profit	(63,316,526)	63,800,840	70,805,067	174,783	(410,924)	71,053,240
Inter segment revenue - net	116,464,591	(58,890,617)	(68,229,751)	(172,641)	10,828,418	-
Other income	7,842,522	1,749,588	4,360,875	6,741	(1,870,941)	12,088,785
Total income	60,990,587	6,659,811	6,936,191	8,883	8,546,553	83,142,025
Segment direct expenses	23,684,924	1,295,404	467,218	176,896	15,182,122	40,806,564
Inter segment expense allocation	13,536,254	1,175,879	247,859	222,130	(15,182,122)	-
Total expenses	37,221,178	2,471,283	715,077	399,026	-	40,806,564
Credit loss allowance	519,660	364,216	607,884	(604,800)	26,967	913,927
Profit before tax	23,249,749	3,824,312	5,613,230	214,657	8,519,586	41,421,534
Statement of financial position						
Cash and bank balances	30,486,904	-	55,362,053	-	-	85,848,957
Due from financial institutions	-	-	-	-	-	-
Investments	150,000	9,166,074	580,117,122	2,805,744	1,139,893	593,378,833
Investment provision	-	-	(1,028,498)	(2,805,744)	-	(3,834,242)
Net inter segment lending	846,815,880	-	-	-	(846,815,880)	-
Financing - performing	126,927,551	442,189,965	-	-	8,584,421	577,701,937
Financing- non-performing	5,137,297	6,013,184	-	11,721,277	187,883	23,059,641
Financing- provisions	(3,554,912)	(4,720,383)	-	(11,644,505)	(130,462)	(20,050,262)
Others	21,892,608	12,862,528	35,499,058	227,367	43,487,125	113,968,686
Total assets	1,027,855,328	465,511,368	669,949,735	304,139	(793,547,020)	1,370,073,550
Due to financial institutions	11,110,677	75,277,296	80,498,830	-	-	166,886,803
Subordinated sukuk	-	-	-	-	-	-
Deposits and other accounts	947,772,275	70,100,426	-	403,036	-	1,018,275,737
Net inter segment borrowing	-	319,258,252	584,231,018	(99,779)	(903,389,491)	-
Others	68,972,376	875,394	1,870,858	882	22,993,139	94,712,649
Total liabilities	1,027,855,328	465,511,368	666,600,706	304,139	(880,396,352)	1,279,875,189
Equity	-	-	3,349,029	-	86,849,332	90,198,361
Total equity and liabilities	1,027,855,328	465,511,368	669,949,735	304,139	(793,547,020)	1,370,073,550
Contingencies and commitments	45,666,205	78,801,025	140,581,461	1,797,031	2,087,267	268,932,989

43 TRUST ACTIVITIES

The Bank acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These are not assets of the Bank and, therefore, are not included in the unconsolidated statement of financial position. The following is the list of assets held under trust:

Category	2024				
	No. of IPS accounts	Securities held (face value)			
		Pakistan Investment Bonds	Government Ijara Sukuks	Islamic Naya Pakistan Certificate	Total
	---------- Rupees '000 ----------				
Corporate	62	-	1,488,100	-	1,488,100
Insurance companies	2	-	-	-	-
Asset management companies	64	-	4,098,000	-	4,098,000
Employees funds	171	2,000	162,900	-	164,900
Charitable institution / NGOs	23	-	14,600	-	14,600
Individuals	19,846	-	1,228,100	8,161,547	9,389,647
Related parties	118	-	7,874,900	161,510	8,036,410
Others	6	-	-	-	-
	20,292	2,000	14,866,600	8,323,057	23,191,657

Category	2023				
	No. of IPS accounts	Securities held (face value)			
		Pakistan Investment Bonds	Government Ijara Sukuks	Islamic Naya Pakistan Certificate	Total
	---------- Rupees '000 ----------				
Corporate	59	58,100	839,800	-	897,900
Insurance companies	2	-	-	-	-
Asset management companies	62	-	7,685,000	-	7,685,000
Employees funds	173	26,100	143,100	-	169,200
Charitable institution / NGOs	22	-	291,700	-	291,700
Individuals	15,324	119,200	1,219,900	2,191,988	3,531,088
Related parties	36	68,400	5,120,600	-	5,189,000
Others	6	-	-	-	-
	15,684	271,800	15,300,100	2,191,988	17,763,888

44 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with various parties including its parent, subsidiaries, associates, employee benefit plans and its directors and key management personnel.

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

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

	2024						2023					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
	Rupees '000											
Investments												
Opening balance	-	-	-	1,139,893	1,869,660	2,009,039	-	-	-	1,139,893	1,751,322	3,268,466
Investment made during the year	-	-	-	1,000,000	5,600,000	138,306	-	-	-	-	18,601,771	-
Investment redeemed / sold during the year	-	-	-	-	(7,114,509)	(37,546)	-	-	-	-	(18,483,433)	(1,259,427)
Transfer in / (out) - net	-	-	-	-	-	(2,234,998)	-	-	-	-	-	-
Other movements	-	-	-	-	-	282,486	-	-	-	-	-	-
Closing balance	-	-	-	2,139,893	355,151	157,287	-	-	-	1,139,893	1,869,660	2,009,039
Credit loss allowance against investments / provision held	-	-	-	-	-	-	-	-	-	-	-	1,951,094
Islamic financing and related assets												
Opening balance	-	54	652,579	-	-	6,684,998	-	7	523,065	-	-	1,392,371
Addition during the year	-	2,494	204,548	-	-	4,113,676	-	49	602,609	-	-	16,958,966
Repaid during the year	-	(2,270)	(324,588)	-	-	(5,510,760)	-	(2)	(473,095)	-	-	(11,666,339)
Transfer in / (out) - net	-	-	-	-	-	(245,372)	-	-	-	-	-	-
Closing balance	-	278	532,539	-	-	5,042,542	-	54	652,579	-	-	6,684,998
Credit loss allowance held against Islamic financing and related assets / provision held	-	20	2,720	-	-	165,057	-	-	-	-	-	407,688
Right-of-use assets												
Opening balance	-	-	-	-	-	-	-	-	-	16,138	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-	(13,015)	-	-
Depreciation for the year	-	-	-	-	-	-	-	-	-	(3,123)	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-

	2024						2023					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
	Rupees '000											
Other assets												
Profit / return accrued	-	-	26,283	-	-	55,970	-	-	9,829	-	-	152,624
Commission income receivable	-	-	-	47,012	-	-	-	-	-	-	-	-
Receivable from defined benefit plan	-	-	-	-	-	-	-	-	-	-	-	90,806
Rent receivable	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance and other receivables	-	-	-	-	-	-	-	-	-	11,773	-	-
Receivable from 1Link (Private) Limited	-	-	-	-	-	1,177,791	-	-	-	-	-	2,320,075
Total other assets	-	-	26,283	47,012	-	1,233,761	-	-	9,829	11,773	-	2,563,505
Deposits and other accounts												
Opening balance	182	99,238	78,073	11,203	45,920,675	2,895,486	182	58,656	105,177	20,087	57,393	24,347,670
Received during the year	-	545,472	2,506,651	37,698,785	1,914,650,050	333,651,931	-	232,893	1,623,827	27,819,887	991,268,019	52,145,606
Withdrawn during the year	-	(585,253)	(2,481,718)	(37,447,487)	(1,915,015,288)	(332,946,011)	-	(192,311)	(1,650,931)	(27,828,771)	(945,404,737)	(73,597,790)
Transfer in / (out) - net	-	-	-	-	-	(79,726)	-	-	-	-	-	-
Closing balance	182	59,457	103,006	262,501	45,555,437	3,521,680	182	99,238	78,073	11,203	45,920,675	2,895,486
Other liabilities												
Profit / return payable	-	474	134	1,607	501,225	21,953	-	931	326	109	684,274	24,669
Dividend payable	-	-	-	-	-	-	4,923,232	-	-	-	-	1,811,176
Payable to 1Link (Private) Limited	-	-	-	-	-	296,305	-	-	-	-	-	595,002
Payable to defined benefit plan	-	-	-	-	-	94,527	-	-	-	-	-	-
Other payable	-	-	-	9,583	-	-	-	-	-	-	-	-
Total other liabilities	-	474	134	11,190	501,225	412,785	4,923,232	931	326	109	684,274	2,430,847
Contingencies and commitments												
Trade related commitments	-	-	-	-	-	129,689	-	-	-	-	-	330,829

44.1 Balances pertaining to parties that were related at the beginning of the period but ceased to be related during any part of the current period are not reflected as part of the closing balance. The same are accounted for through the movement presented above.

44.2 Details of outstanding investments in the subsidiary company and donations made during the year relating to related parties are given in notes 9 and 31.3 to these unconsolidated financial statements. Contributions to and accruals in respect of retirement benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan (refer notes 38 and 39 to these unconsolidated financial statements for the details of the plans). Remuneration of the President and Chief Executive Officer, directors' fee, and certain related information are disclosed in note 40 to these unconsolidated financial statements. Such remuneration is determined in accordance with the terms of their employment. Details of shares held by the parent company are disclosed in note 21.2.1 to these unconsolidated financial statements. Details of assets held under trust arrangement on behalf of the related parties are given in note 43 to these unconsolidated financial statements.

RELATED PARTY TRANSACTIONS

	2024						2023					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
	Rupees '000											
Income												
Profit / return earned	-	8	81,914	-	-	718,720	-	-	52,416	-	-	131,996
Fee and commission income	-	125	240	567,707	2,689	2,231	-	83	125	267,066	3,371	4,508
Dividend income	-	-	-	-	37,339	101,690	-	-	-	-	12,315	49,661
Net gain on sale of securities	-	-	1,655	9,219	28,695	94,597	-	-	188	-	29,420	37,040
Net gain on disposal of property and equipment	-	-	-	-	-	-	-	-	23	-	-	-
Maintenance income	-	-	-	9,679	-	-	-	-	-	8,173	-	-
Rent on property	-	-	-	35,726	-	-	-	-	-	-	-	-
Other income	-	-	-	5,042	-	-	-	-	-	30,167	-	-
Expense												
Profit / return expensed	-	9,372	3,447	57,020	6,969,444	352,250	-	8,777	4,804	3,409	3,296,944	194,052
Charges expense on lease liability	-	-	-	-	-	-	-	-	-	885	-	-
Exchange Loss	-	-	-	-	-	1,852	-	-	-	-	-	-
Director's fee and other expenses	-	139,680	-	-	-	-	-	184,480	-	-	-	-
Remuneration	-	-	995,571	-	-	5,043	-	-	735,778	-	-	3,591
Subscription Fees	-	-	-	-	-	4,841	-	-	-	-	-	8,391
Commission expense	-	-	-	31,557	-	-	-	-	-	33,333	-	-
Charge for defined benefit plan	-	-	-	-	-	353,387	-	-	-	-	-	264,900
Donations made during the period	-	-	-	-	-	130,430	-	-	-	-	-	113,215
Contribution to defined contribution plan	-	-	-	-	-	481,672	-	-	-	-	-	385,131
(Reversal) / provision against investment	-	-	-	-	-	-	-	-	-	-	-	(50,299)
Others												
No. Shares / units purchased during the year	-	-	-	10,000	47,983	2,702	-	-	-	-	164,111	-
No. Shares / units sold during the year	-	-	-	-	61,420	550	-	-	-	-	171,697	5,283
Government securities purchased during the year	-	-	296,735	809,086	-	194,868	-	-	43,300	-	-	222,900
Government securities sold during the year	-	-	315,525	1,375,220	-	2,699,895	-	-	75,249	-	-	3,617,594
Contribution to defined benefit plan	-	-	-	-	-	264,793	-	-	-	-	-	98,287
Sale proceeds from disposal of property and equipment	-	-	-	-	-	-	-	-	37,171	-	-	-
Acquisition of property and equipment	-	-	-	-	-	-	-	-	-	85,339	-	-

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

45 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum capital requirement (MCR):		
Paid-up capital (net of losses)	15,176,965	15,176,965
Capital adequacy ratio (CAR):		
Eligible common equity tier 1 (CET 1) capital	84,304,346	72,868,421
Eligible additional tier 1 (ADT 1) capital	-	-
Total eligible tier 1 capital	84,304,346	72,868,421
Eligible tier 2 capital	21,353,226	14,309,769
Total eligible capital (tier 1 + tier 2)	105,657,572	87,178,190
Risk weighted assets (RWAs):		
Credit risk	420,380,649	338,652,592
Market risk	73,324,362	55,101,145
Operational risk	145,242,197	105,584,800
Total	638,947,208	499,338,537
Common equity tier 1 capital adequacy ratio (in %)	13.19%	14.59%
Tier 1 Capital adequacy ratio (in %)	13.19%	14.59%
Total Capital adequacy ratio (in %)	16.54%	17.46%

Capital adequacy is regularly monitored by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee and as per the requirements of the SBP. The required information is submitted to the SBP on a quarterly basis.

Since December 31, 2021, the SBP requires each bank or banking group to: (a) hold the minimum level of the paid-up capital of Rs 10 billion; (b) maintain a ratio of total regulatory capital to the risk-weighted assets at or above the required minimum level of 10% and (c) maintain common equity tier I (CET1) ratio and tier 1 ratio of 6% and 7.5% respectively.

An additional capital conservation buffer (CCB) of 1.5% (to be met from CET1) has to be maintained over and above the minimum required level.

The paid-up capital of the Bank for the year ended December 31, 2024, stood at Rs 15.177 billion (2023: Rs 15.177 billion). As at December 31, 2024, the Bank's CAR stood at 16.54% (December 31, 2023: 17.46%) whereas CET1 and Tier 1 ratios both stood at 13.21% (December 31, 2023: 14.59%).

The Bank is also in compliance with the capital conservation buffer requirements.

The Bank calculates capital requirement as per Basel III regulatory framework, using the following approaches:

Credit Risk	Standardised Approach
Market Risk	Standardised Approach
Operational Risk	Basic Indicator Approach

	2024	2023
	----------Rupees '000----------	
Leverage ratio (LR):		
Eligible tier-1 capital	84,304,346	72,868,421
Total exposures	1,795,066,750	1,593,114,720
Leverage ratio (%)	4.70%	4.57%
Liquidity coverage ratio (LCR):		
Total high quality liquid assets	694,009,852	517,873,833
Total net cash outflow	436,826,211	339,165,609
Liquidity coverage ratio (Ratio)	1.589	1.527
Net stable funding ratio (NSFR):		
Total available stable funding	902,289,025	837,268,976
Total required stable funding	543,341,887	481,779,578
Net stable funding ratio (%)	166.06%	173.79%

45.1 The link to the full disclosure is available at https://www.faysalbank.com/financials

46 RISK MANAGEMENT

Risk management group (RMG) has been organised under the Chief Risk Officer (CRO). It has been authorised by the Board of Directors (BoD) to monitor the implementation of an integrated risk management framework across the Bank. As an ongoing exercise to integrate risk related functions, RMG has been expanded, strengthened and entrusted to monitor the risk areas across the organisation, including adoption and convergence towards regulatory and Basel guidelines on risk management.

The primary objective of this architecture is to inculcate risk management into the organisation flows to ensure that risks are timely and accurately identified and assessed, properly documented, approved and adequately monitored and managed in order to ensure that risk taking activities are in line with the guidelines approved by the BoD and to protect the interests of the Bank's depositors and shareholders.

The 'risk management framework' at the Bank encompasses:

- scope of risks to be managed;
- process, systems and procedures to manage risk; and
- roles and responsibilities of individuals involved in risk management.

The Bank has adopted an approach that gives an integrated view of the risks faced by the organisation. This calls for aligning strategic vision, policy objectives and business processes / procedures within the risk management framework. The management of risk is integrated with the Bank's management of capital and strategy. This ensures that risks taken in pursuit of the Bank's strategic objectives are consistent with the policies, translating into targeted shareholder return as well as the Bank's desired credit rating and risk appetite.

With this in view, the risk management framework endeavours to be a comprehensive and evolving set of guidelines to cater to changing business dynamics. The risk management framework includes:

- clearly defined risk management policies;
- well constituted organisational structure; and
- mechanism for ongoing review of all policies and procedures and risk exposures.
  The 'risk management framework' is built on the following elements:
- comprehensive risk governance; and
- effective risk processes.

The Bank has developed and implemented a governance and management structure, processes surrounding each risk area, including credit risk, market risk, liquidity risk, capital management, operational risk, environmental & social risk, Shari'ah non-compliance risk and information security risk.

The essential components which contribute in effective management of all these risks are as follows:

- active board / senior management strategic direction and centralised RMG oversight;
- sufficient policies, procedures and limits;
- adequate risk measurement, monitoring and management information systems; and
- comprehensive internal controls.

The Board of Directors (BoD) monitoring and oversight is facilitated through the Board Risk Management Committee (BRMC), comprising of directors including the President & CEO. It is appointed and authorised by the BoD to assist in the design, regular evaluation and timely updation of the risk management framework. The BRMC has further authorised management committees such as Country Credit Committee (CCC), Agriculture Credit Committee (ACC), Enterprise Risk Management Committee (ERMC) and Assets and Liabilities Committee (ALCO) to supervise risk management activities within their respective areas.

In order to have an effective and efficient risk assessment, and to closely align its functions with business, RMG has separate risk management functions for credit risk management, based on the specialised skill sets and required specific experience in various business segments. These functions comprise of corporate risk, CBSME, agri and retail risk management.

The common responsibilities of all credit risk management functions include:

- conduct a thorough and an independent due diligence of the proposed / existing exposures in the respective risk portfolios.
- work with compliance department of the Bank to ensure conformity to the relevant Government regulations, the SBP PRs as well as internal policies.
- work with relationship teams to structure exposures such that they mitigate key risks, cater to customer requirements, remain economical in terms of risk weighted assets / capital allocation to ensure adequate risk coverage.

The risk management architecture is further fostered by enterprise risk management, risk policy, analytics & ESG, information security function and an independent credit administration department.

The enterprise risk management function is responsible for managing and controlling market, operational and liquidity risks at an enterprise level and monitoring regulatory capital requirements of the Bank.

Credit administration department - independent from the Risk Management function - looks after the security, financing documentation, disbursement and post disbursement monitoring aspects of the credit portfolio.

Risk policy, analytics & ESG department serves as an independent check in the risk management function. It performs periodic review of all credit related portfolios (corporate, CBSME, retail, agri, SAM) and analyses portfolio compositions, risk rating distributions, emerging trends of NPLs, renewal status of Risk Approvals (RAs) as per policy and other policy related matters. It also formulates / updates credit policies (along with various limits prescribed therein) in line with regulatory environment, business strategy, the BoD approvals and the best practices.

Moreover, the Green Banking Office (GBO) has been consolidated under the Risk Policy, Analytics & ESG umbrella at FBL. Established in accordance with the State Bank of Pakistan's Green Banking Guidelines (Circular #08 of IH&SMEFD, dated October 09, 2017), the GBO operates within the Risk function to oversee the entity-wide implementation of Green Banking and ESG initiatives. This office is responsible for the day-to-day management of green banking activities at FBL

and supports the integration of ESG considerations into business decision-making. The GBO ensures the Bank's compliance with SBP's Green Banking Guidelines, FBL's Green Banking Policy, and any other relevant regulatory directives.

The information security risk function is responsible for information security risk identification, monitoring and reporting.

46.1 Credit risk

Credit risk is the identification of probability that a counterparty will cause a financial loss to the Bank due to its inability or unwillingness to meet its contractual obligation. This credit risk arises mainly from both direct financing activities as well as contingent liabilities.

The Bank's credit risk philosophy is based on the Bank's overall business strategy / direction as established by the Board. The Bank is committed to the appropriate level of due diligence to ensure that credit risks have been properly analysed, fully disclosed to the approving authorities, appropriately rated, appropriately structured, appropriately priced and documented.

The Bank deals with many different types of obligors/customers and financing structures across the corporate, commercial, SME, agriculture and retail segments. The Bank manages customer credit risk exposures within appropriate limits to ensure that it does not provide a disproportionate level of credit to a single customer or group of connected clients. The Bank follows aggregation principles – summing of credit risk limits to the same customer, or group of connected clients – to identify and manage effectively all significant credit risk exposures to a single customer within an individual business and, where appropriate, across other business segments.

The Bank has well-defined credit approval and review processes under which senior officers with the requisite credit background, critically scrutinise, advise and discuss associated risks and recommend / review / approve credit facilities and financing, through respective credit committees. Besides financial, industry and transaction analysis, in order to quantify risks of counterparty, the credit evaluation also includes risk rating system to evaluate risk rating of the customers which is then monitored on a portfolio basis to gauge the Bank's credit portfolio quality. To avoid risk concentration, counterparty limits, counterparty group limits and industry concentration limits are also established, monitored and assessed in the light of changing counterparty and market conditions.

With a view to develop and effectively manage a diversified credit portfolio within each business segment (as an integral part of the credit risk management process), the Bank has adopted the concept of an industry / sector-wise exposure concentration grid which dictates target market exposures.

As part of the Bank's portfolio strategy and planning activity, these industry concentration limits are continually overseen by the management against the Bank's approved exposures in these sectors and reviewed by the Board Risk Management Committee (BRMC) in its meetings with an aim to monitor the overall risk and to avoid high exposure to a single group or industry.

The Bank is regularly conducting credit portfolio reviews to assess early warning signs, with robust post disbursement credit review mechanism to identify obligors/customers most likely to be affected in the challenging business and economic environment. Bank is confident that it has adequate capacity to withstand challenges.

The Bank uses the Standardised Approach to calculate capital charge for credit risk as per Basel regulatory framework, with comprehensive approach for credit risk mitigation.

Stress testing for credit risk is carried out regularly to estimate the impact of increase in non performing financing and downward shift in these categories.

46.1.1 Segment by class of business

Credit Risk Management (CRM) Framework (non-individual portfolio) covers three business segments: corporate risk management, commercial banking and SME (including agri) risk management. Based on overall guidance provided by a recognised and established external consultant, in line with the global best practices while ensuring regulatory compliance and alleviation of any (perceived) conflict of interest, credit management process has been segregated into

two distinct categories:

- independent risk advice by risk management function.
- credit approvals by credit committee(s), while taking into consideration the business unit recommendations / approvals and independent risk advice.

With this segregation, the role of risk management function in credit approval process is focused to provide risk advice only, based on key risk parameters; whereas relevant credit committees are responsible for providing credit related approvals.

The common responsibilities of corporate risk management and commercial banking and SME (including agri) risk management include:

- conduct a thorough and an independent due diligence of the proposed / existing exposures in the respective risk portfolios.
- work with relationship teams to advise on structure of exposures such that they mitigate key risks, cater to customer requirements, remain economical in terms of risk weighted assets / capital allocation to ensure risk coverage.
- work with the independent credit risk review team (under internal audit) for effective and periodic review of the credit portfolio.

Retail risk management is responsible for managing the credit risk of consumer finance credit products, with credit facilities extended to individual (non-corporate) customers. The consumer finance function operates on a program approach, which are approved by the Country Credit Committee and subsequently by the BoD. The retail risk management provides its input on risk parameters in term of 'risk advice', at the time of approval / changes in product programs. The retail risk management also ensures that all the ongoing individual credit approvals are within pre-defined risk parameters as per the approved product programs.

46.1.2 Credit risk: general disclosures Basel specific

The Bank has adopted the standardised approach under Basel. According to the regulatory statement submitted under the standardised approach, the portfolio has been divided into claims on public sector entities in Pakistan (PSEs), claims on corporate (excluding equity exposure) and claims categorised as retail portfolio. Claims on corporate constitute 61.38% (2023: 59.45%) of the total credit risk weighted assets, 2.30% (2023: 1.27%) represents claims on PSEs and 14.86% (2023: 13.91%) exposure pertains to claims categorised as retail portfolio.

46.1.3 Credit risk: disclosures for portfolio subject to standardised approach

For domestic claims, external credit assessment institutions (ECAIs) recommended by the SBP, namely Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited are used. For claims on foreign entities, ratings assigned by Standard and Poor, Fitch and Moody's are used. Exposures not rated by any of the aforementioned rating agencies are categorised as unrated.

Exposures	PACRA	VIS	Standard and Poor's	Moody's	Fitch
Corporate	✓	✓	-	-	-
Banks	✓	✓	✓	✓	✓
Sovereigns	-	-	✓	✓	✓
PSEs	✓	✓	-	-	-

The SBP's indicative mapping process as instructed in the SBP's circular "Minimum capital requirements for banks and DFIs" (indicated in table below) was used to map alpha numeric ratings of PACRA, VIS, S&P's. Moody's, Fitch ratings, and numeric scores of ECAs, to the SBP's rating grades.

Long term rating grades mapping

SBP rating	ECA scores	PACRA	VIS	S & P	Moody's	Fitch
1	0,1	AA- and above	AA- and above	AA- and above	Aa3 and above	AA- and above
2	2	A+ to A-	A+ to A-	A+ to A-	A1 to A3	A+ to A-
3	3	BBB+ to BBB-	BBB+ to BBB-	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-
4	4	BB+ to BB-	BB+ to BB-	BB+ to BB-	Ba1 to Ba3	BB+ to BB-
5	5,6	B+ to B-	B+ to B-	B+ to B-	B1 to B3	B+ to B-
6	7	CCC+ & Below	CCC+ & Below	CCC+ & Below	Caa1 & Below	CCC+ & Below

Short term rating grades mapping

SBP rating	PACRA	VIS	S & P	Moody's	Fitch
S1	A-1 & above	A-1 & above	A-1 & above	P-1	F1
S2	A-2	A-2	A-2	P-2	F2
S3	A-3	A-3	A-3	P-3	F3
S4	Others	Others	Others	Others	Others

Particulars of the Bank's significant on-balance sheet and off-balance sheet credit risk in various sectors are analysed as follows:

46.1.4 Investment in debt securities

Credit risk by industry sector

	Gross investments		Non-performing investments		Credit loss allowance Stage 1		Credit loss allowance Stage 2		Credit loss allowance Stage 3	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees '000									
Textile	10,981	10,981	10,981	10,981	-	-	-	-	10,981	10,981
Chemical and pharmaceuticals	1,405,073	1,409,393	1,405,072	1,409,393	-	-	-	-	1,405,072	1,409,393
Cement	500,000	500,000	500,000	500,000	-	-	-	-	500,000	500,000
Sugar	8,311	8,311	8,311	8,311	-	-	-	-	8,311	8,311
Power (electricity), gas, water, sanitary	51,807,783	51,765,570	-	-	945	-	-	-	-	-
Financial	839,000	839,000	-	-	51	-	-	-	-	-
Services	1,214,135	1,559,536	1,214,135	-	-	-	-	-	800,905	-
	55,785,283	56,092,791	3,138,499	1,928,685	996	-	-	-	2,725,269	1,928,685

Credit risk by public / private sector

	Gross investments		Non-performing investments		Credit loss allowance Stage 1		Credit loss allowance Stage 2		Credit loss allowance Stage 3	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees '000									
Public / Government	51,807,783	51,765,570	-	-	945	-	-	-	-	-
Private	3,977,500	4,327,221	3,138,499	1,928,685	51	-	-	-	2,725,269	1,928,685
	55,785,283	56,092,791	3,138,499	1,928,685	996	-	-	-	2,725,269	1,928,685

46.1.5 Islamic financing and related assets

Credit risk by industry sector

	Gross financing		Non-performing financing		Credit loss allowance Stage 1		Credit loss allowance Stage 2		Credit loss allowance Stage 3	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees '000									
Agriculture, forestry, hunting and fishing	66,662,227	125,042,619	834,176	824,736	68,395	-	17,947	-	751,064	731,580
Mining and quarrying	5,978,762	5,907,246	3,451	3,451	2,054	-	22,991	-	3,451	3,451
Textile	108,857,008	83,560,348	5,932,654	5,993,318	78,306	-	29,218	-	5,710,332	5,700,126
Chemical and pharmaceuticals	37,703,439	24,382,400	494,595	510,236	19,070	-	108,071	-	493,316	508,957
Cement	19,527,558	17,689,081	41,608	41,608	17,389	-	165,113	-	39,108	39,108
Sugar	26,512,510	14,723,291	441,575	545,736	25,473	-	288,412	-	441,575	545,736
Footwear and leather garments	1,261,353	1,748,453	329,162	347,956	2,664	-	-	-	274,692	258,680
Automobile and transportation equipment	15,879,292	8,994,187	415,285	439,663	18,352	-	6,690	-	324,780	205,271
Electronics and electrical appliances	9,185,906	7,958,823	540,201	550,432	7,415	-	1,324	-	427,316	437,547
Construction	4,239,562	5,718,270	703,417	1,254,945	1,263	-	281,577	-	856,421	339,492
Power (electricity), gas, water, sanitary	86,357,627	84,832,610	1,804,497	1,827,534	42,936	-	158,566	-	1,804,497	1,827,534
Wholesale and retail trade	40,949,777	19,166,009	2,261,255	2,358,603	172,445	-	296,505	-	1,984,332	1,740,960
Transport, storage and communication	27,477,488	27,811,454	91,085	96,895	2,323	-	33,388	-	70,285	73,021
Financial	2,584,287	1,550,389	50,853	50,853	1,710	-	-	-	50,309	50,309
Insurance	6,317	8,477	-	-	21	-	-	-	-	-
Services	23,310,784	20,239,876	1,020,748	369,212	35,964	-	106,479	-	979,038	323,784
Individuals	63,751,509	56,094,627	1,708,897	1,752,820	226,435	877,670	153,262	-	942,528	1,149,659
Iron & Steel	15,005,445	14,003,671	2,552,654	448,362	78,816	-	2,710	-	1,799,497	195,675
Food Products	29,200,581	30,977,183	-	721,818	23,449	-	87,068	-	-	383,765
Telecommunication	27,968,474	8,521,768	-	-	38,238	-	188,104	-	-	-
Manufacture of refined petroleum products	13,838,122	7,516,675	1,837,450	1,881,088	4,011	-	12,890	-	1,808,092	1,818,588
Manufacture of rubber and plastic products	10,834,307	5,593,341	287,236	-	9,290	-	23,834	-	287,236	-
Others	37,865,978	28,720,780	2,984,283	3,040,375	30,438	-	50,526	-	2,639,179	2,839,349
	674,958,313	600,761,578	24,335,082	23,059,641	906,457	877,670	2,034,675	-	21,687,048	19,172,592
Credit risk by public / private sector										
Public / Government	144,086,135	208,587,989	-	-	15,686	-	41,230	-	-	-
Private	530,872,178	392,173,589	24,335,082	23,059,641	890,771	877,670	1,993,445	-	21,687,048	19,172,592
	674,958,313	600,761,578	24,335,082	23,059,641	906,457	877,670	2,034,675	-	21,687,048	19,172,592

46.1.6 Contingencies and Commitments

	2024	2023
	Rupees '000	
Credit risk by industry sector		
Agriculture, forestry, hunting and fishing	-	-
Mining and quarrying	1,945,504	3,420,801
Textile	18,908,090	12,682,742
Chemical and pharmaceuticals	10,554,381	13,747,425
Cement	1,443,658	1,184,104
Sugar	86,539	287,663
Footwear and leather garments	198,479	712,450
Automobile and transportation equipment	2,752,781	4,376,658
Electronics and electrical appliances	2,071,649	2,664,880
Construction	2,590,572	3,108,004
Power (electricity), gas, water, sanitary	6,053,932	7,554,600
Wholesale and retail trade	57,273,821	30,667,811
Exports / imports	-	-
Transport, storage and communication	1,328,958	1,458,548
Financial	3,934,091	4,379,717
Services	3,316,857	4,416,605
Individuals	-	-
Others	35,956,545	29,105,438
	148,415,857	119,767,446
Credit risk by public / private sector		
Public / Government	511,085	2,872,826
Private	147,904,772	116,894,620
	148,415,857	119,767,446

46.1.7 Concentration of Islamic financing and related assets - exposures

The Bank's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 212,284 million (2023: Rs. 266,946 million) are as following:

	2024	2023
	Rupees '000	
Funded	179,748,973	261,026,933
Non-funded	32,534,820	5,919,270
Total exposure	212,283,793	266,946,203

The sanctioned limits against these top 10 exposures aggregated to Rs. 215,529 million (2023: Rs. 280,123 million).

There are no classified exposures under this category of advances.

46.1.8 Islamic financing and related assets - province / region-wise disbursement and utilisation

Province / region	2024						
	Disbursements	Utilisation					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
	Rupees '000						
Punjab	403,020,803	380,664,370	21,281,113	320,137	275	714,867	40,041
Sindh	772,799,170	17,321,130	754,835,416	42,329	110,401	88,188	401,706
KPK including FATA	2,318,496	-	125,000	2,185,496	-	8,000	-
Balochistan	158,444	-	158,444	-	-	-	-
Islamabad	38,117,735	2,878,350	330,896	2,906,827	5,122	31,892,745	103,795
AJK including Gilgit-Baltistan	10,000	-	-	-	-	-	10,000
Total	1,216,424,648	400,863,850	776,730,869	5,454,789	115,798	32,703,800	555,542

Province / region	2023						
	Disbursements	Utilisation					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
	Rupees '000						
Punjab	329,814,512	319,006,126	8,847,371	540,980	5,322	1,409,713	5,000
Sindh	505,689,386	15,647,839	489,196,382	25,202	67,439	162,100	590,424
KPK including FATA	4,646,542	-	-	4,646,542	-	-	-
Balochistan	27,444	-	27,444	-	-	-	-
Islamabad	31,020,108	1,222,368	306,794	2,236,524	6,042	27,192,450	55,930
AJK including Gilgit-Baltistan	15,000	-	-	-	-	-	15,000
Total	871,212,992	335,876,333	498,377,991	7,449,248	78,803	28,764,263	666,354

46.1.9 Forward-looking information contained in ECL

The Bank's Expected Credit Loss (ECL) calculation incorporates forward-looking information by integrating macroeconomic variables to enhance the accuracy and reliability of credit risk estimates. The use of forward-looking data helps in better predicting potential credit losses under different economic conditions.

To estimate Probability of Default (PD) and Loss Given Default (LGD), the Bank utilizes historical and forecasted macroeconomic data. For ECL calculations, the Bank considers Gross Domestic Product (GDP) and Consumer Price Index (CPI) as the primary macroeconomic variables, with forecasted data sourced from the International Monetary Fund (IMF). The selection of these variables is based on their relevance and sensitivity to specific portfolios.

The Bank has developed three macroeconomic scenarios—Base, Best, and Worst—to reflect potential economic conditions. These scenarios have been assigned probability weightings of 60% for the Base scenario, 10% for the Best scenario, and 30% for the Worst scenario to ensure a comprehensive assessment of credit risk exposure.

As part of its forward-looking assessment, the Bank conducted a sensitivity analysis on macroeconomic indicators used in Expected Credit Loss (ECL) calculations. As of December 31, 2024, the Bank developed three scenarios—Base, Best, and Worst—based on a five-year forecast. A 10% change in macroeconomic variables (GDP and CPI) in the Base scenario was applied to assess the upside and downside impact on PD / ECL. The resulting variations across different segments are as follows:

Segment	Upwards	Downwards
Corporate/Commercial	-9.080%	10.293%
SME	-9.404%	10.344%
AGRI	-7.223%	7.699%
Consumer	-3.697%	3.838%

46.1.10 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 recognized on each of its segments.

The table below shows the loss allowance on each segment assuming each forward-looking scenario (e.g. Base, Best and Worst) were weighted 100% instead of applying scenario probability across the three scenarios.

	Total ECL as per FS	Base		Best		Worst	
		Total ECL after sensitivity analysis	Increase / decrease in %	Total ECL after sensitivity analysis	Increase / decrease in %	Total ECL after sensitivity analysis	Increase / decrease in %
Corporate / Commercial	2,270,705	1,593,831	-29.809%	580,320	-74.443%	4,187,915	84.432%
SME	77,959	59,789	-23.307%	24,454	-68.632%	132,136	69.494%
AGRI	82,331	66,440	-19.301%	30,433	-63.036%	131,413	59.615%
Consumer	510,137	431,526	-15.410%	246,050	-51.768%	755,386	48.075%

46.2 Market Risk

It is the risk that the value of on-balance sheet and off-balance sheet positions of the Bank will be adversely affected by movements in market rates or prices such as benchmark rates, deposit rates, foreign exchange rates, equity prices and / or commodity prices resulting in a loss to earnings and capital. Market risks arise generally from trading activities, open foreign currency positions, holding common equity and other products. All such instruments and transactions are exposed to general and specific market movements.

The Bank seeks to mitigate market risk by employing strategies that correlate price, rate and spread movements of its earning assets, liabilities and trading activities. Treasury front office, market risk management and treasury middle office perform market risk management activities within the Bank. The Bank has Enterprise Risk Management Committee which is responsible for recommending market risk policies and strategies for the Board approval and its subsequent implementation and review.

46.2.1 Unconsolidated statement of financial position split by trading and banking books

	2024			2023		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	Rupees '000					
Cash and balances with treasury banks	102,537,577	-	102,537,577	84,036,558	-	84,036,558
Balances with other banks	5,539,464	-	5,539,464	1,812,399	-	1,812,399
Due from financial institutions	-	-	-	-	-	-
Investments	10,526,436	666,845,960	677,372,396	16,298,368	573,246,223	589,544,591
Islamic financing and related assets	633,909,548	-	633,909,548	580,711,316	-	580,711,316
Property and equipment	44,711,052	-	44,711,052	29,555,304	-	29,555,304
Right-of-use assets	13,289,601	-	13,289,601	10,713,046		10,713,046
Intangible assets	2,600,358	-	2,600,358	2,331,775	-	2,331,775
Other assets	85,322,769	-	85,322,769	71,368,561	-	71,368,561
	898,436,805	666,845,960	1,565,282,765	796,827,327	573,246,223	1,370,073,550

46.2.2 Foreign Exchange Risk

Foreign exchange risk / currency risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. It refers to the impact of adverse movements in currency exchange rates on the value of open foreign currency positions. Changes in currency rates affect the value of assets and liabilities denominated in foreign currencies and may affect revenues from foreign exchange dealing.

The Bank undertakes currency risk mostly to support its trade services and maintains overall foreign exchange risk position to the extent of statutory Foreign Exchange Exposure Limit (FEEL) prescribed by the SBP.

Exposure limits such as counterparty, gap, net open position, dealer and bucket-wise currency delta limits are in place in accordance with the Bank's approved policies in order to manage associated risk and concentration at the acceptable tolerance levels.

	2024				2023			
	Assets	Liabilities	Off-balance sheet items	Net currency exposure	Assets	Liabilities	Off-balance sheet items	Net currency exposure
	Rupees '000							
United States Dollar	24,867,483	45,055,392	18,973,173	(1,214,736)	14,260,891	52,058,694	36,636,382	(1,161,421)
Great Britain Pound Sterling	2,315,004	6,579,388	4,266,408	2,024	1,399,874	6,746,248	5,343,098	(3,276)
Euro	729,021	5,635,262	4,908,187	1,946	698,175	3,788,752	3,107,196	16,619
Japanese Yen	4,080	26	-	4,054	313	10,059	9,948	202
Other currencies	208,056	237,717	38,756	9,095	336,923	286,669	(10,862)	39,392
	28,123,644	57,507,785	28,186,524	(1,197,617)	16,696,176	62,890,422	45,085,762	(1,108,484)

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	Rupees '000			
Impact of 1% change in foreign exchange rates on				
- profit and loss account	-	(30,507)	(52,253)	(10,690)
- other comprehensive income	-	-	-	-

46.2.3 Equity position Risk

Equity position risk is the risk arising from unfavourable fluctuations in prices of shares in which the Bank carries positions. It is a risk to earnings or capital that results from adverse changes in the value of equity related portfolios of the Bank. Price risk associated with equities could be systematic or unsystematic. Systematic risk is due to sensitivity of portfolio's value to changes in overall level of equity prices, while unsystematic risk is associated with price volatility that is determined by the specific characteristics of the investee company.

The Bank's equity position is governed by position limits imposed by the SBP for overall investment and per scrip exposure. Additionally, there are internal limits set to manage overall earnings in the form of stop loss limits and maintain a diverse portfolio through sector concentration limits.

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	Rupees '000			
Impact of 5% change in equity prices on				
- profit and loss account	-	-	-	-
- other comprehensive income	13,720	508,634	9,752	371,054

46.2.4 Yield / profit rate risk in the banking book (IRRBB)-Basel II specific

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	Rupees '000			
Impact of 1% change in discount rates on				
- profit and loss account	1,256,149	3,515,231	(288,043)	3,623,102
- other comprehensive income	-	(4,954,794)	(41,658)	(3,824,231)

46.2.5 Mismatch of yield rate sensitive assets and liabilities

		2024										
		Exposed to yield risk										
	Effective yield rate	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	Non-Yield bearing financial instruments
	(%)	Rupees '000										
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		102,537,577	-	-	-	-	-	-	-	-	-	102,537,577
Balances with other banks		5,539,464	-	-	-	-	-	-	-	-	-	5,539,464
Due from financial institutions		-	-	-	-	-	-	-	-	-	-	-
Investments	19.0	677,372,396	88,833,294	41,624,143	419,493,738	6,804,950	43,263,422	14,007,894	44,402,300	6,288,000	-	12,654,655
Islamic financing and related assets	18.7	633,909,548	431,748,036	91,794,324	24,647,113	30,381,008	15,386,895	6,842,595	1,080,279	25,530,043	4,096,611	2,402,644
Other assets		68,660,045	-	-	-	-	-	-	-	-	-	68,660,045
		1,488,019,030	520,581,330	133,418,467	444,140,851	37,185,958	58,650,317	20,850,489	45,482,579	31,818,043	4,096,611	191,794,385
Liabilities												
Bills payable		39,169,649	-	-	-	-	-	-	-	-	-	39,169,649
Due to financial institutions	15.4	280,442,540	215,002,314	3,150,058	23,533,344	648,663	1,407,450	1,943,439	2,141,132	31,741,065	35,130	839,945
Deposits and other accounts	10.4	1,044,278,507	126,188,101	25,840,595	25,667,971	42,327,833	37,466,116	145,800,937	75,578,268	103,327,400	86,214	461,995,072
Sub-ordinated sukuk		-	-	-	-	-	-	-	-	-	-	-
Other liabilities		61,541,048	-	-	-	-	-	-	-	-	-	61,541,048
		1,425,431,744	341,190,415	28,990,653	49,201,315	42,976,496	38,873,566	147,744,376	77,719,400	135,068,465	121,344	563,545,714
On-balance sheet gap		62,587,286	179,390,915	104,427,814	394,939,536	(5,790,538)	19,776,751	(126,893,887)	(32,236,821)	(103,250,422)	3,975,267	(371,751,329)
Net non-financial assets		45,774,083										
Total net assets		108,361,369										
Off-balance sheet financial instruments												
Commitments in respect of:												
- forward foreign exchange contracts - purchase		54,802,453	28,910,306	20,821,146	4,174,641	896,360	-	-	-	-	-	-
- forward foreign exchange contracts - sale		(25,817,802)	(8,557,232)	(8,205,470)	(9,055,100)	-	-	-	-	-	-	-
- forward government securities transactions - purchase		128,375,400	-	-	-	-	-	-	-	-	-	128,375,400
- forward government securities transactions - sale		-	-	-	-	-	-	-	-	-	-	-
- cross currency swaps		(964,082)	-	-	-	-	-	-	-	-	-	(964,082)
- forward lending		-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		156,395,969	20,353,074	12,615,676	(4,880,459)	896,360	-	-	-	-	-	127,411,318
Total yield risk rate sensitivity gap			199,743,989	117,043,490	390,059,077	(4,894,178)	19,776,751	(126,893,887)	(32,236,821)	(103,250,422)	3,975,267	
Cumulative yield risk rate sensitivity gap			199,743,989	316,787,479	706,846,556	701,952,378	721,729,129	594,835,242	562,598,421	459,347,999	463,323,266	

		2023										
		Exposed to yield risk										
	Effective yield rate	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	Non-Yield bearing financial instruments
On-balance sheet financial instruments	(%)	Rupees '000										
Assets												
Cash and balances with treasury banks		84,036,558	-	-	-	-	-	-	-	-	-	84,036,558
Balances with other banks		1,812,399	-	-	-	-	-	-	-	-	-	1,812,399
Due from financial institutions		-	-	-	-	-	-	-	-	-	-	-
Investments	18.9	589,544,591	17,420,562	66,376,054	421,439,465	3,003,321	5,505,972	39,497,517	27,438,150	-	-	8,863,550
Islamic financing and related assets	18.0	580,711,316	211,913,824	74,474,164	75,270,003	34,454,803	50,154,589	40,708,879	47,190,918	39,010,266	3,646,821	3,887,049
Other assets		65,654,986	-	-	-	-	-	-	-	-	-	65,654,986
		1,321,759,850	229,334,386	140,850,218	496,709,468	37,458,124	55,660,561	80,206,396	74,629,068	39,010,266	3,646,821	164,254,542
Liabilities												
Bills payable		16,550,469	-	-	-	-	-	-	-	-	-	16,550,469
Due to financial institutions	16.6	166,886,803	81,781,500	25,785,129	4,380,308	530,236	2,424,102	1,734,466	4,537,715	43,403,752	181,185	2,128,410
Deposits and other accounts	10.3	1,018,275,737	119,011,995	116,354,723	48,855,525	60,910,660	66,587,703	88,318,995	54,181,266	106,453,928	284,636	357,316,306
Sub-ordinated sukuk		-	-	-	-	-	-	-	-	-	-	-
Other liabilities		67,349,759	-	-	-	-	-	-	-	-	-	67,349,759
		1,269,062,768	200,793,495	142,139,852	53,235,833	61,440,896	69,011,805	90,053,461	58,718,981	149,857,680	465,821	443,344,944
On-balance sheet gap		52,697,082	28,540,891	(1,289,634)	443,473,635	(23,982,772)	(13,351,244)	(9,847,065)	15,910,087	(110,847,414)	3,181,000	(279,090,402)
Net non-financial assets		37,501,279										
Total net assets		90,198,361										
Off-balance sheet financial instruments												
Commitments in respect of:												
- forward foreign exchange contracts - purchase		55,514,935	20,546,022	22,293,654	12,675,259	-	-	-	-	-	-	-
- forward foreign exchange contracts - sale		(9,610,511)	(7,992,914)	(1,579,350)	(38,247)	-	-	-	-	-	-	-
- forward government securities transactions - purchase		73,777,500	-	-	-	-	-	-	-	-	-	73,777,500
- forward government securities transactions - sale		-	-	-	-	-	-	-	-	-	-	-
- cross currency swaps		(1,678,515)	-	-	-	-	-	-	-	-	-	(1,678,515)
- forward lending		-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		118,003,409	12,553,108	20,714,304	12,637,012	-	-	-	-	-	-	72,098,985
Total yield risk rate sensitivity gap			41,093,999	19,424,670	456,110,647	(23,982,772)	(13,351,244)	(9,847,065)	15,910,087	(110,847,414)	3,181,000	
Cumulative yield risk rate sensitivity gap			41,093,999	60,518,669	516,629,316	492,646,544	479,295,300	469,448,235	485,358,322	374,510,908	377,691,908	

Yield curve risk is the risk that a financial instrument will suffer either a decline in income or capital because future changes in prevailing profit rates of return impact assets more or less than they impact liabilities.

The profit rate risk of the Bank arises when there is a mismatch between contractual maturities, which are subject to profit rate adjustment within a specified period or re-pricing of on and off-balance sheet assets and liabilities. Risk is addressed by Asset and Liability Management Committee that reviews the profit rate dynamics at regular intervals and decides re-pricing of assets and liabilities to ensure that the spread of the Bank remains at an acceptable level.

Major sources of Profit rate risk are;

i) differences between the timing of rate changes and the timing of cash flows (re-pricing risk);
ii) changing rate relationships among different yield curves affecting the Bank's activities (basis risk);
iii) changing rate relationships across the range of maturities (yield curve risk);
iv) Profit-related options embedded in the Bank's products (options risk); and
v) changes in marked-to-market value of financial instruments which occur when profit rate changes (price risk).

46.3 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes or systems, human factors or from external events. The Bank's businesses are dependent on the ability to process a large number of transactions efficiently and accurately. Operational risks and losses originate from business / operational process failure, IT security failure, natural disasters, dependence on key suppliers, fraud, service quality compromises, regulatory non-compliance, loss of key staff and social and environmental impacts.

The operational risk management department is primarily responsible for the oversight of operational risk management across the Bank. The operational risk management framework of the Bank is governed by the operational risk management policy and procedures, while the implementation is supported by an operational risk management system and designated operational risk coordinators within different units across the Bank. The framework is in line with international best practices, flexible enough to implement in stages and permits the overall approach to evolve in response to organizational learning and future requirements.

The Bank has implemented an effective operational risk management framework for managing operational risk. Each department has processes and system controls in place to address operational risks within their area. Operational loss data is collected through a well defined program implemented across the Bank. Periodic workshops are conducted for risk and control self assessment and key risk exposures are identified and assessed against existing controls to evaluate improvement opportunities. Key risk indicators are also defined for monitoring of risk exposures. New products, systems, activities and processes are subject to comprehensive operational risk assessments, before implementation. Regular updates on operational risk status is presented to Enterprise Risk Management Committee (ERMC) and the Board of Directors through the Board Risk Management Committee (BRMC). Further, as part of Bank's ongoing commitment to enhance Bank's services and to ensure Bank-wide risk awareness culture, Operational Risk Management Department has also orgainzed special workshops / class room trainings tailored for Pan Pakistan Branch Operations Team.

Operational risk-disclosures Basel II specific

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

The Bank is currently using basic indicator approach for calculating operational risk capital charge.

Under basic indicator approach the capital charge for operational risk is a fixed percentage (denoted alpha) of average positive annual gross income of the Bank over the past three years. Figures for any year in which annual gross income is negative or zero, should be excluded from both the numerator and denominator when calculating the average.

46.4 Shari'ah Non-Compliance Risk (SNCR)

Shari'ah Non-Compliance Risk (SNCR) is the financial and reputational risk that arises from a bank's failure to comply with the Shari'ah rules and principles prescribed by the State Bank of Pakistan and Shari'ah Board of the Bank. Managing Shari'ah non-compliance risk is vital for the establishment of an effective Shari'ah governance system.

Shari'ah compliance is critical to an Islamic bank's operations and such compliance requirements must permeate throughout the organization and its products and activities.

Faysal Bank Limited (FBL) is fully aware of the importance and implication of Shari'ah non-compliance risk on its business and strategy and therefore, ensures Shari'ah compliance in its business activities & operations. FBL has also developed a comprehensive framework for Shari'ah Non-Compliance Risk management, which entails identification, assessment, monitoring / controlling and reporting of SNCR residing in the Bank.

46.5 Liquidity risk

Liquidity risk is the risk that the Bank will be unable to meet its payment obligations associated with its financial liabilities when they fall due and to replenish funds when they are withdrawn.

Liquidity risk management framework is governed by the liquidity risk management policy. The policy provides specific directives for measuring and managing liquidity risk identifies responsible personnel; and defines their respective roles and responsibilities relating to liquidity risk management.

The management of liquidity risk is accomplished through a formal structure which includes:

- Board of Directors (BoD)
- Board Risk Management Committee (BRMC)
- Asset and Liability Committee (ALCO)
- Enterprise Risk Management Committee (ERMC)
- Treasury
- Risk management (enterprise risk management)
- Finance

The BoD approves the liquidity risk management policy including risk limits and ensures, through quarterly reviews by the BRMC, that the Bank's liquidity risk is being managed prudently. The BRMC plays a strategic role in liquidity risk management by overseeing the liquidity risk profile of the Bank. ERMC defines the risk tolerance levels and setting risk limits for effective liquidity risk management. ALCO ensures adherence with policy requirements and risk limits so that the Bank remains sufficiently liquid at all times.

The market and liquidity risk under enterprise risk management function overseas liquidity risk. The Bank's Asset and Liability Committee manages the liquidity position on a continuous basis.

The Bank ensures to maintain a diversified portfolio of liquid assets and funding base. Sources of funding comprise of a good mix of core deposits. Concentration in deposit, especially large volume deposits, is closely monitored to anticipate any potential liquidity issues in case of their withdrawals.

Various tools and techniques are used to measure and monitor the possible liquidity risk. These include monitoring of different liquidity ratios like liquid assets to liquid liabilities, liquid assets to total deposits, large volume deposits to total deposits, financing to deposit, liquid assets to volatile funding; on a regular basis against defined limits. Further, liquidity gaps over different time bands, are also monitored through maturity profiling of assets and liabilities. The Bank also ensures that statutory cash and liquidity requirements are maintained at all times. In addition, the Bank has also implemented the SBP's Basel III liquidity standards for ensuring compliance with the requirements of LCR, NSFR and other monitoring tools.

The Bank performs liquidity stress testing on periodic basis in order to ensure sufficient liquidity is always available to meet financial obligations / commitments. Stress testing aims to quantify the potential impact of extreme yet plausible events or movements on the value of portfolio. Shocks include withdrawal of deposits, withdrawal of wholesale / large deposits, withdrawal of top deposits, etc. The results of liquidity stress testing are shared with relevant authorities / committees, on periodic basis.

Contingency funding plan (CFP) is a part of liquidity risk management policy of the Bank. CFP provides a set of several early warning indicators of a possible liquidity shortfall situation; describes the actions to be taken to manage it and identifies the roles and responsibilities of ALCO, CFP team or other relevant authorities.

46.5.1 Maturities of 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 '000													
Assets														
Cash and balances with treasury banks	102,537,577	102,537,577	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	5,539,464	-	5,539,464	-	-	-	-	-	-	-	-	-	-	-
Due from financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	677,372,396	-	-	-	-	1,581,829	1,581,832	10,643,356	24,294,076	16,143,477	171,233,915	204,269,542	204,100,346	43,524,023
Islamic financing and related assets	633,909,548	57,169,474	14,202,161	11,140,537	33,684,210	123,302,438	80,910,273	87,378,509	25,352,218	28,391,627	34,335,224	30,562,483	41,583,491	65,896,903
Property and equipment	44,711,052	984,214	333,091	388,605	900,930	1,666,575	1,665,777	1,671,347	31,298	19,305	633,295	1,026,490	8,823,951	26,566,174
Right-of-use assets	13,289,601	-	-	-	-	658	6,163	9,671	28,003	56,246	311,565	436,160	1,512,954	10,928,181
Intangible assets	2,600,358	6,813	40,883	47,697	109,021	204,414	204,868	205,633	406	92,569	201,260	876,644	610,150	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	85,322,769	17,451,334	2,972,203	3,830,509	8,848,826	7,398,696	6,767,422	25,433,934	2,885,439	2,014,139	6,986,134	40,121	-	694,012
	1,565,282,765	178,149,412	23,087,802	15,407,348	43,542,987	134,154,610	91,136,335	125,342,450	52,591,440	46,717,363	213,701,393	237,211,440	256,630,892	147,609,293
Liabilities														
Bills payable	39,169,649	1,305,655	7,833,930	9,139,585	20,890,479	-	-	-	-	-	-	-	-	-
Due to financial institutions	280,442,540	887,491	214,073,635	246,034	635,098	1,456,296	1,693,762	23,533,344	58,842	589,821	1,407,450	1,943,439	2,141,132	31,776,196
Deposits and other accounts	1,044,278,507	893,330,250	40,399,183	10,213,648	41,858,754	9,296,480	7,793,401	16,572,401	13,132,906	11,607,285	49,269	13,175	11,755	-
Lease liabilities	15,546,893	-	-	-	-	-	-	612	2,332	36,609	308,545	560,007	2,122,720	12,516,068
Subordinated sukuk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	12,983,960	-	-	-	-	-	-	-	-	-	-	12,983,960	-	-
Other liabilities	64,499,847	14,792,673	2,494,643	2,129,629	5,750,937	3,918,060	6,999,377	13,447,459	4,200,558	6,255,934	4,461,968	47,604	1,005	-
	1,456,921,396	910,316,069	264,801,391	21,728,896	69,135,268	14,670,836	16,486,540	53,553,816	17,394,638	18,489,649	6,227,232	15,548,185	4,276,612	44,292,264
Net assets	108,361,369	(732,166,657)	(241,713,589)	(6,321,548)	(25,592,281)	119,483,774	74,649,795	71,788,634	35,196,802	28,227,714	207,474,161	221,663,255	252,354,280	103,317,029
Share capital	15,176,965													
Reserves	17,866,357													
Surplus on revaluation of assets - net	22,771,883													
Unappropriated profit	52,546,164													
	108,361,369													

	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 '000													
Assets														
Cash and balances with treasury banks	84,036,558	84,036,558	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	1,812,399	-	1,812,399	-	-	-	-	-	-	-	-	-	-	-
Due from financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	589,544,591	-	-	-	-	1,107,941	1,107,944	16,703,166	28,439,801	2,216,596	38,378,177	173,328,722	274,729,730	53,532,514
Islamic financing and related assets	580,711,316	66,387,604	73,190,828	24,999,051	63,739,812	37,064,998	36,519,305	73,771,925	17,400,802	13,072,756	45,526,264	35,302,916	47,190,919	46,544,136
Property and equipment	29,555,304	958,054	205,584	240,095	548,977	1,029,688	1,033,922	1,035,820	51,201	52,106	278,845	1,090,943	2,391,754	20,638,315
Right-of-use assets	10,713,046	-	-	-	-	1,157	3,084	7,926	20,448	63,423	220,811	515,171	1,502,768	8,378,258
Intangible assets	2,331,775	6,650	40,125	46,583	106,433	199,563	199,570	204,861	1,463	23,445	165,277	907,280	430,525	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	71,368,561	3,069,126	3,105,095	4,183,156	8,848,187	12,218,464	8,020,447	26,280,058	1,774,241	1,594,554	1,980,641	45,441	-	249,151
	1,370,073,550	154,457,992	78,354,031	29,468,885	73,243,409	51,621,811	46,884,272	118,003,756	47,687,956	17,022,880	86,550,015	211,190,473	326,245,696	129,342,374
Liabilities														
Bills payable	16,550,469	551,682	3,310,094	3,861,776	8,826,917	-	-	-	-	-	-	-	-	-
Due to financial institutions	166,886,803	302,706	80,929,512	797,112	1,880,579	9,719,434	16,065,695	4,380,308	14,502	515,734	2,424,102	1,734,466	4,537,715	43,584,938
Deposits and other accounts	1,018,275,737	764,260,439	28,635,973	13,543,964	42,720,646	65,474,411	42,910,499	33,525,834	11,262,191	15,817,427	64,164	41,120	19,069	-
Lease liabilities	12,868,103	85,788	514,724	600,511	1,372,598	1,286,810	1,286,810	2,573,621	1,286,810	1,286,810	2,573,621	-	-	-
Subordinated sukuk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	4,907,208	-	-	-	-	-	-	-	-	-	-	4,907,208	-	-
Other liabilities	60,386,869	419,858	3,402,968	2,548,035	6,383,597	8,835,469	12,038,902	11,678,881	4,173,060	5,328,746	5,526,922	48,969	1,462	-
	1,279,875,189	765,620,473	116,793,271	21,351,398	61,184,337	85,316,124	72,301,906	52,158,644	16,736,563	22,948,717	10,588,809	6,731,763	4,558,246	43,584,938
Net assets	90,198,361	(611,162,481)	(38,439,240)	8,117,487	12,059,072	(33,694,313)	(25,417,634)	65,845,112	30,951,393	(5,925,837)	75,961,206	204,458,710	321,687,450	85,757,436
Share capital	15,176,965													
Reserves	15,616,188													
Surplus on revaluation of assets - net	15,151,071													
Unappropriated profit	44,254,137													
	90,198,361													

46.5.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Bank

In line with the SBP BSD Circular Letter No. 02 and 03 of 2011 on "Maturity and Profit rate sensitivity gap reporting", deposit withdrawal pattern analysis on current and saving accounts (CASA) is conducted on at least ten years weekly data. The outliers (seasonal variations) are adjusted from data using fourth spread statistical methodology. The regression methodology is used to estimate deposits withdrawal pattern of both current and saving deposits. This methodology is in line with industry best practices and regulatory guidelines.

	2024									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	Rupees '000									
Assets										
Cash and balances with treasury banks	102,537,577	8,238,894	2,045,625	3,014,605	6,357,330	12,837,705	28,469,558	15,816,421	25,711,297	46,142
Balances with other banks	5,539,464	445,096	110,512	162,860	343,447	693,541	1,538,032	854,462	1,389,021	2,493
Due from financial institutions	-	-	-	-	-	-	-	-	-	-
Investments	677,372,396	88,833,294	44,787,807	422,657,403	13,132,279	43,263,422	14,007,894	44,402,297	6,288,000	-
Islamic financing and related assets	633,909,548	433,540,967	92,175,521	24,749,466	30,507,172	15,386,895	6,842,595	1,080,279	25,530,043	4,096,610
Property and equipment	44,711,052	941,390	1,454	5,898	3,381,501	3,964,193	1,026,490	8,823,951	5,992,501	20,573,674
Right-of-use assets	13,289,601	-	6,822	9,671	84,249	311,565	436,160	1,512,954	9,795,036	1,133,144
Intangible assets	2,600,358	-	-	454	410,454	501,398	201,260	876,644	610,148	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets	85,322,769	33,102,872	14,166,118	25,433,934	4,899,578	6,986,134	40,121	-	694,012	-
	1,565,282,765	565,102,513	153,293,859	476,034,291	59,116,010	83,944,853	52,562,110	73,367,008	76,010,058	25,852,063
Liabilities										
Bills payable	39,169,649	39,169,649	-	-	-	-	-	-	-	-
Due to financial institutions	280,442,540	215,842,258	3,150,056	23,533,344	648,663	1,407,450	1,943,439	2,141,132	31,741,065	35,133
Deposits and other accounts	1,044,278,507	164,579,892	34,895,699	43,085,185	80,765,823	113,048,510	246,100,067	137,116,011	224,277,709	409,611
Lease liabilities	15,546,893	-	-	612	38,941	308,545	560,007	2,122,720	11,147,614	1,368,454
Subordinated sukuk	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	12,983,960	-	-	-	-	-	12,983,960	-	-	-
Other liabilities	64,499,847	25,167,882	10,917,437	13,447,459	10,456,492	4,461,968	47,604	1,005	-	-
	1,456,921,396	444,759,681	48,963,192	80,066,600	91,909,919	119,226,473	261,635,077	141,380,868	267,166,388	1,813,198
Net assets	108,361,369	120,342,832	104,330,667	395,967,691	(32,793,909)	(35,281,620)	(209,072,967)	(68,013,860)	(191,156,330)	24,038,865
Share capital	15,176,965									
Reserves	17,866,357									
Surplus on revaluation of assets - net	22,771,883									
Unappropriated profit	52,546,164									
	108,361,369									

	2023									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	Rupees '000									
Assets										
Cash and balances with treasury banks	84,036,558	6,752,338	1,676,529	2,470,675	5,210,267	10,521,377	23,332,750	12,962,639	21,072,167	37,816
Balances with other banks	1,812,399	145,625	36,157	53,285	112,369	226,912	503,213	279,563	454,459	816
Due from financial institutions	-	-	-	-	-	-	-	-	-	-
Investments	589,544,591	17,420,562	68,591,940	423,655,354	7,435,099	5,505,972	39,497,517	27,438,147	-	-
Islamic financing and related assets	580,711,316	211,913,824	74,474,164	75,270,003	34,454,803	50,154,589	40,708,879	47,190,918	39,010,266	7,533,870
Property and equipment	29,555,304	923,731	5,651	6,840	2,161,267	2,336,805	1,090,943	2,391,754	3,690,768	16,947,545
Right-of-use assets	10,713,046	-	4,241	7,926	83,871	220,811	515,171	1,502,768	7,261,559	1,116,699
Intangible assets	2,331,775	17	-	7	405,886	422,570	165,277	907,280	430,738	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets	71,368,561	19,205,565	20,238,911	26,280,058	3,368,795	1,980,641	45,441	-	249,150	-
	1,370,073,550	256,361,662	165,027,593	527,744,148	53,232,357	71,369,677	105,859,191	92,673,069	72,169,107	25,636,746
Liabilities										
Bills payable	16,550,469	16,550,469	-	-	-	-	-	-	-	-
Due to financial institutions	166,886,803	83,909,909	25,785,129	4,380,308	530,236	2,424,102	1,734,466	4,537,715	43,403,752	181,186
Deposits and other accounts	1,018,275,737	146,739,740	123,608,244	56,394,899	75,489,165	97,602,759	209,163,369	116,818,814	192,102,646	356,101
Lease liabilities	12,868,103	2,573,621	2,573,621	2,573,621	2,573,621	2,573,619	-	-	-	-
Subordinated sukuk	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	4,907,208	-	-	-	-	-	4,907,208	-	-	-
Other liabilities	60,386,869	12,754,457	20,874,369	11,678,881	9,501,806	5,526,924	48,969	1,463	-	-
	1,279,875,189	262,528,196	172,841,363	75,027,709	88,094,828	108,127,404	215,854,012	121,357,992	235,506,398	537,287
Net assets	90,198,361	(6,166,534)	(7,813,770)	452,716,439	(34,862,471)	(36,757,727)	(109,994,821)	(28,684,923)	(163,337,291)	25,099,459
Share capital	15,176,965									
Reserves	15,616,188									
Surplus on revaluation of assets - net	15,151,071									
Unappropriated profit	44,254,137									
	90,198,361									

46.6 Derivative risk management

The Bank's derivatives risk management is performed under market risk management which is an independent unit reporting to the Chief Risk Officer. The risk management policies are governed by the regulatory and internal guidelines. The risk management department of the Bank reviews credit risk, market risk and other risks associated with the derivative transactions or related area of the activity and assigns limits within which the transactions / area of activity can be carried out. Furthermore, Banks' derivative portfolio is on run off basis due to conversion. Adherence to these limits is ensured through independent monitoring and control functions.

There are a number of risks undertaken by the Bank, which need to be monitored and assessed. The management of risks includes the following primary components:

- comprehensive risk measurement approach;
- detailed structure of limits, guidelines and other parameters used to govern risk taking; and
- strong management information system for controlling, monitoring and reporting risks.

Major risks associated with the derivative instruments are market risk, credit risk and liquidity risk. The Bank uses FIS-System to measure and manage these risks which provides end-to-end capability with respect to transaction life cycle.

Market risk

Market risk is the risk that the value of a derivative contract will be adversely affected by movements in equity prices, profit rates, currency exchange rates and commodity prices. The authority for approving policies, limits and periodic reviews rest with the Board of Directors. The critical measures used to manage market risks are profit rate delta and currency delta basis. These measures involve extreme shifts in a variety of parameters, such as FX rates, profit rates, equity prices, implied volatility levels and combinations of the above. These measures are calculated through the relevant systems.

Credit risk

Credit risk is the risk that a party to a derivative contract will fail to perform its obligation. There is a settlement risk associated with the derivative transactions. Settlement risk is monitored on a daily basis. Risk management department of the Bank sets the policies and limits for counterparty risk based on a pre-defined criteria linked with the internal risk rating of the customer.

Liquidity risk

Liquidity risk is managed as part of the overall liquidity risk of the Bank. The risk management policies related to liquidity risk are explained in note 46.5 to these unconsolidated financial statements.

47 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on February 20, 2025 by the Board of Directors of the Bank.

48 GENERAL

Comparative information has been re-classified, re-arranged or additionally incorporated in these unconsolidated financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current year.

49 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on February 20, 2025 has proposed a final cash dividend of Rs. 2.5 per share (25%) for the year ended December 31, 2024. This is in addition to Rs. 4.5 already paid during the year bringing the total dividend for the year to Rs. 7 per share (2023: Rs. 4). These unconsolidated financial statements for the year ended December 31, 2024 do not include the effect of this appropriation which will be accounted for subsequent to the year end.

President & CEO	Chief Financial Officer	Chairman	Director	Director

Statement showing written-off financing or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2024 as referred in note 10.9.2 to these unconsolidated financial statements.

S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Outstanding Liabilities at beginning of year				Principal written-off	Profit / Return written-off	Other Financial Reliefs	Total
						Principal	Profit / Return	Others	Total (7+8+9)				(11+12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
						---------- Rupees '000 ----------							
1	Hamid Waqas Printers	2453 F Sheranwala Lahore	Hamid Naseer	35202-2733674-9	Wajid Naseer	-	9,819	-	9,819	-	9,819	-	9,819
2	Alfalah International Agro Chemical	106 - C Khayaban-E-Sarwar, - D.G Khan	1. Qudrat Ullah 2. Rehmat Ali 3. Liaqat Ali	32102-1026834-5 32102-7307482-1 42000-9563675-3	1. Rehmat Ali 2. Ghulam Hussain 3. Ghlam Hussain Khan	-	15,060	-	15,060	-	15,060	-	15,060
3	S.E.S Packages	H No. 22, Block 5, Sector A/2 Township Lahore	Muhammad Sarwar Khan	35202-0178761-9	Ch. Mushtaq Ali	-	1,519	-	1,519	-	1,519	-	1,519
4	Hanif Traders	50 B6 Jinnah Townmian Chunnu Khanewal	Muhammad Hanif	36104-0502986-3	Haji Ali Muhammad	3,997	5,345	-	9,342	-	5,376	-	5,376
5	Qamar Construction Co	54 Block 23 Sargodha Sarghoda	Qamar Ul Hassan Usmani	38403-7826540-5	Sadr Ul Hassan	4,999	22,191	-	27,190	-	21,940	-	21,940
6	Sadeer Abbas	Chak No 136 Gb Po Iffatabad Tehsil Sumindari District Faisalabad	Sudheer Abbas	33105-0332484-7	Abbas Ali	-	1,032	-	1,032	-	1,032	-	1,032
7	Shahid Mehmood	Chak # 154-3L P-Haroonabad Pakistan Haroonabad	Shahid Mehmood	31104-3719268-3	Sher Muhammad	-	1,515	-	1,515	-	1,515	-	1,515
8	Muhammad Sharif	Goth Haji Usman Chandio Po Badin Nangro Tehsil And District Badin	Muhammad Sharif	41101-3379826-9	Muhammad Ali	-	679	-	679	-	679	-	679
9	Maqsood Ahmed	H.No 42-O Head Quarter Police Line Tehsil And District Sahiwal	Maqsood Ahmad	36502-8161392-7	Lal Din	-	865	-	865	-	865	-	865
10	Ghulam Rasool	Street No 07 Marzi Pura Burewala vehari	Ghulam Rasool	36601-1628444-7	Muhammad Azeem	-	549	-	549	-	549	-	549
11	Shaniz Razzaq / Ali Areeb	Moza Arianwahantehsil Mailsi Vehari	Shaniz Razzaq Ali Areeb	36602-1075838-7 36602-2915306-7	Abdul Razzaq	-	798	-	798	-	651	-	651
12	Choudhry Food Industry	Dheerkay Bypass G.T. Road - Gujrat	1. Muhammad Javed Iqbal 2. Bilal Javed Iqbal	34201-0562637-9 34201-9445694-1	1. Muhammad Sharif 2. Muhammad Javed Iqbal	11,402	6,000	-	17,402	-	6,179	-	6,179
13	Green Crop Pvt. Ltd.	105 Gcl Center Main Liaqatpur Road Vehari	1. Muhammad Sharif 2. Hafiz Mahmood Ahmad 3. Muhammad Ahmad Shad 4. Abid Masood	35202-2782328-9 36603-4386596-3 36603-4552355-1 36603-8699087-3	1. Muhammad Hayat 2. Muhammad Ahmed Shad 3. Chaudhry Muhammad 4. Taj Uddin	-	14,098	-	14,098	-	14,063	-	14,063
14	Aqsa Construction Co.	281 Sabza Zaar Scheme C Block Lahore	Chaudhry Riaz Ahmed	35202-3035224-9	Chaudhry Muhammad Tufail	196	2,677	-	2,873	-	2,665	-	2,665
15	M/S Khosa Tractor House	Chah Ali Walakot Chota No 2Dakhana Khasdera Ghazi Khan	Rab Nawaz	32102-4821780-7	Haji Mureed Hussain	-	2,691	-	2,691	-	2,691	-	2,691
16	Imran Usman & Brothers	14Azeem Park Oldpolice Chowki Lahore	Muhammad Usman	35202-5360693-9	Rehmat Ullah	1,277	1,535	-	2,812	-	1,229	-	1,229
17	National Tractor Company	217 Block 17 Dera Ghazi Khan	Mulazim Hussain Mazhar	32102-6773869-1	Haji Muhammad Ramzan	19,934	13,897	-	33,831	-	10,608	-	10,608
18	Engineering Construction Int'L (Pvt)	Union Commercial Area, Block 78, Sultan A. Shah Road, Karachi	1. Muhammad Riaz 2. Syed Arif Zia	122-85-191117 502-46-245684	1. Sualaheen 2. Syed Zia Ul Hasan	68,410	146,140	-	214,550	-	146,915	-	146,915
19	Muhammad Iqbal	Muhammad Iqbalchak # 30/3R Po Same Tehsil Haroonabad And Distt Bahawalnagar	Muhammad Iqbal	31104-1687890-7	Manzoor Ahmed	-	1,470	-	1,470	-	1,470	-	1,470
20	Ittehad Cold Storage	Chak No. 40/3-R Teshil Okara	1. Sardar Liaquat 2. Muhammad Kashif Warraich 3. Chaudhary Waseem Warraich	35103-1336432-5 35302-1939093-1 35302-8466273-1	1. Sardar Shaukat Ali 2. Sana Ullah Warraich 3. Chaudhary Muhammad Hussain Warraich	-	2,001	-	2,001	-	2,001	-	2,001

S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Outstanding Liabilities at beginning of year				Principal written-off	Profit / Return written-off	Other Financial Reliefs	Total
						Principal	Profit / Return	Others	Total (7+8+9)				(11+12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
						Rupees '000							
21	Syed Bachal Shah	Village Dargah Sajan Sawai, Tehsil Talhar, District Badin	Syed Bachal Shah	41105-9018850-1	Syed Gul Hassan Shah	-	3,344	-	3,344	-	3,344	-	3,344
22	Saif Ullah	Chak No 5 Bc Po Dera Bakha District Bahawalpur	Saif Ullah	31202-0231532-7	Bashir Ahmad	-	1,103	-	1,103	-	1,103	-	1,103
23	Abdul Wahid	Chak 156-Hb Po Faqir Wali Po Faqir Wali Tehsil Haroonabad	Abdul Wahid	31104-6660408-9	Muhammad Ismail	-	2,001	-	2,001	-	2,001	-	2,001
24	Ch.Muhammad Ashraf Sons Filling Station	Gts Chowk Total Petrol Pump - Gujrat	1. Ch Muhammad Usman Ashraf 2. Ch Muhammad Yasir Arafat 3. Ch Muhammad Safdar	34201-5634240-5 34201-5885718-9 34201-7216350-3	1. Ch Muhammad Ashraf 2. Ch Muhammad Ashraf 3. Ch Muhammad Ashraf	-	24,031	-	24,031	-	19,526	-	19,526
25	M/S Kabir Sports (Pvt) Ltd.	2/742, Mohallah Water Works Katchery Railway Terrace Sialkot	1. Mst Zakia Khanum 2. Zameer Ahmed Soofi 3. Iftikhar Ahmed Soofi 4. Tanveer Ahmed Soofi	34603-2073829-0 34603-2255527-9 34603-3628187-7 34603-4621043-5	1. Kabir Ahmed 2. Kabir Ahmed Soofi 3. Kabir Ahmed Soofi 4. Kabir Ahmed Soofi	9,938	65,900	2,032	77,870	-	54,173	-	54,173
26	LC Traders	Shan Manzil, St No 2, Link Jinnah Road Gujrat	Abid Hussain	34201-0499227-5	Muhammad Shan	972	979	-	1,951	-	998	-	998
27	Al Madina Enterprises	Shop 6 Basement Rizwan Plaza Blue Area Islamabad	Abid Nadeem	61101-7747858-3	Moosa Khan	64	1,553	-	1,617	-	1,319	-	1,319
28	L & S International	131 132 A Block Samanabad Near Dr Isharat Faisalabad	Muhammad Farooq	33100-2583173-9	Haji Abdul Latif	3,989	5,496	-	9,485	-	5,578	-	5,578
29	Malik Munawar Ali Noon / Hassan Ali Noon	Ali Pur Nour Noon Teshil Bhalwal District Sargodha	Malik Munawar Ali Noon Hassan Ali Noon	35202-7479405-1 61101-1558525-5	Malik Anwar Ali Noon	1,400	2,378	-	3,778	-	1,970	-	1,970
30	Meat Solution (Aftab Ahmed Bugti)	Po Khas Bekar Tehsil District Phailogh Dera Bugti	Aftab Ahmed Bugti	56303-2342654-1	Mir Ghulam Qadir Bugti	-	861	-	861	-	861	-	861
31	M/S Deans Ribbon & General Mills	10 Km Multan Road near Canal View Society, Lahore	Kazi Fazal Hussain Mazahar	35200-4529077-9	Kazi Muhammad Din	3,464	7,476	-	10,940	-	7,588	-	7,588
32	Muhammad Idrees Timber Store	Ho. No.110 Abu Bakar Road Faisal Town, Vehari	Muhammad Idrees	36603-2602834-9	Ajmal Deen	1,469	729	-	2,198	-	692	-	692
33	Imtiaz Iron Store	235-Railway Road, Ward No.04, Gujar Khan	Imtiaz Ali	37401-1015068-1	Chudhary Sabir Hussain	3,685	13,864	-	17,549	-	13,549	-	13,549
34	Astex (Pvt) Ltd	9 - Km Sheikhupura Road Khaki Stop Lahore	1. Salman Ashraf 2. Shamsa Ashraf	35201-4637386-5 35201-7996440-8	1. Ch. Muhammad Ashraf 2. Ch. Muhammad Ashraf	39,000	125,089	-	164,089	-	124,891	-	124,891
35	Umar & Company	H No.P-4063, Mohallah Hajiabad Faisalabad	Nusrat Habib	33100-0866510-4	Habib Ullah Sajid	4,995	3,340	-	8,335	-	3,376	-	3,376
36	Tabish Cycle Industries	H No. 24, Street 3 1, Mohallah Malik Park, Rajgarh Lahore	Muhammad Asghar	35202-3994503-3	Lal Din	1,499	4,409	-	5,908	-	4,458	-	4,458
37	Muhammad Imran	Mauza Shameer Tehsil Kamoki, Dist. Gujranwala	Muhammad Imran	34102-0455329-3	Mahmood Khan	-	1,108	-	1,108	-	1,108	-	1,108
38	Muhammad Zafar Abbas	Mouzam Ahaballi Tehsil & District Jhang	Muhammad Zafar Abbas	33202-1428508-1	Allah Ditta	-	1,214	-	1,214	-	1,214	-	1,214
39	Rana Nazir Hussain	Chah Jhanda Muhammad Sai Porind Jadah Lodhran	Rana Nazeer Hussain	36202-0961963-7	Rana Ghulam Fareed	342	1,931	42	2,315	-	1,650	-	1,650

S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Outstanding Liabilities at beginning of year				Principal written-off	Profit / Return written-off	Other Financial Reliefs	Total
						Principal	Profit / Return	Others	Total (7+8+9)				(11+12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
						Rupees '000							
40	Muhammad Irshad Abbas Ghalloo	House No.196 B Bag Ali Area, Bahawalpur	Muhammad Irshad Abbas Ghalloo	31202-4580061-1	Nazar Abbas Khan Ghalloo	-	3,760	61	3,821	-	3,821	-	3,821
41	Muhammad Arshad	Village Sidhawalipo Muridke Sheikhupura	Muhammad Arshad	35401-3454474-1	Ch. Muhammad Younis	1	1,511	-	1,512	-	1,347	-	1,347
42	Zubair Iqbal Sandal	Sandhal House 1053 Al Mustafa Colony District Multan	Zubair Iqbal Sandal	36302-5654830-9	Iqbal Hussain	2,342	6,839	-	9,181	-	6,582	-	6,582
43	Muhammad Nawaz Tiwana	House No.33, Street No.1, Block V,Phase II, Dha, Lahore Cantt	Muhammad Nawaz Tiwana	35201-0645594-9	Nawabzada Malik Haq Nawaz	4,575	9,342	60	13,977	-	8,476	-	8,476
44	Combine Trading Company	Suit No. 216, Regal Trade Square, Saddar Karachi	1. Mohammad Uzaid 2. Irfan Hashim	42101-3174667-3 42101-1920496-3	1. Zia Ul Islam 2. M Hashim	1,910	13,984	-	15,894	-	14,089	-	14,089
45	Usman Enterprises	Dagia House Begum Kot Shahdara Lahore	Malik Muhammad Iqbal Dagia	35201-1246540-3	Malik Faqeer Muhammad	20,000	18,131	-	38,131	-	18,572	-	18,572
46	Agri Farm Services	53-C Near Chungi No. 1 - Multan	1. Amna Mustafa 2. Malik Aamir Aziz	35301-1894332-0 36302-9139512-3	1. Malik Aamir Aziz 2. Malik Aziz-Ur-Rehman	4,788	51,564	-	56,352	-	51,229	-	51,229
47	Agri International	53-C Near Chungi No. 1 - Multan	1. Amna Mustafa 2. Malik Aamir Aziz	35301-1894332-0 36302-9139512-3	1. Malik Aamir Aziz 2. Malik Aziz-Ur-Rehman	-	3,364	-	3,364	-	3,364	-	3,364
48	Sheikh Zia Ud Din & Company	Shop # 90-91 Ghallah Mandi Okara	1. Sh. Zia Ud Din 2. Muhammad Attique Omer	35302-8000658-9 35302-9882328-7	1. Sh. Zahoor Ud Din 2. Sheikh Zia-Ud-Din	4,998	4,213	-	9,211	-	4,053	-	4,053
49	Haji Baoo Iftekhar Cold Store	House No.61 M Phase 8 Dha Cantt Lahore	Sheikh Iftikhar Ahmad	35202-8041591-9	Muhamamd Hussain	4,000	657	20	4,677	-	520	-	520
50	Divine Poultry Farms	3rd Floor - Divine Centre Lahore	1. Amjad Aziz 2. Majid Aziz	35201-7413466-7 35201-8112729-9	1. Abdul Aziz 2. Abdul Aziz	1,755	3,756	214	5,725	-	3,398	-	3,398
51	Royal T.V & Fridge Center	D-24 Wapda Officer Colony Sector C-20 Mirpur, A.K.	Muhammad Nawaz Ratyal	81302-7791909-3	Muhammad Hussain Ratyal	15,000	34,023	-	49,023	-	31,260	-	31,260
52	M/S Kamran Traders	21-Askari Homes Gujranwala	Tariq Mehmood Chattha	34101-7435396-7	Ch.Muhammad Ashraf Ali Khan	3,996	1,727	-	5,723	-	1,599	-	1,599
53	Muhammad Arshad	Dola Pukhta Po Khas Tehsil Depalpur District Okara	Muhammad Arshad	35301-9153207-5	Mian Safdar Ali	-	2,760	-	2,760	-	2,260	-	2,260
54	M.H.Challenge Inds. Pvt Ltd	Daska Road, Duburji Mallan, Sialkot	1. Sheikh Ahmed Hussain 2. Sheikh Masood Hussain 3. Sheikh Sahir Hussain 4. Sheikh Mehmood Hussain 5. Sheikh Shahid Hussain	300-45-023046 34603-3715199-3 34603-4329201-3 34603-2332498-5 34603-0474529-5	1. Sheikh Muhammad Hussain 2. Sheikh Muhammad Hussain 3. Sheikh Muhammad Hussain 4. Sheikh Muhammad Hussain 5. Sheikh Muhammad Hussain	8,065	14,398	-	22,463	-	14,398	-	14,398

S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Outstanding Liabilities at beginning of year				Principal written-off	Profit / Return written-off	Other Financial Reliefs	Total (11+12+13)
						Principal	Profit / Return	Others	Total (7+8+9)				
1	2	3	4	5	6	7	8	9	10	11	12	13	14
						---------- Rupees '000 ----------							
55	M/S Challenge Sports Works.	Duburji Mallian, Daska Road, - Sialkot	1. Sh. Ahmed Hussain 2. Sh. Mehmood Hussain 3. Sheikh Sajid Hussain 4. Sheikh Shahid Hussain	300-45-023046 34603-2332498-5 300-85-021053 34603-0474529-5	1. Sheikh Muhammad Hussain 2. Sheikh Muhammad Hussain 3. Sheikh Muhammad Hussain 4. Sheikh Muhammad Hussain	41,660	77,207	-	118,867	-	77,535	-	77,535
56	Rai Shoaib Ahmed	Rai Shoaib Ahmebasti Perhperhar Perhar Gharbi Kot Addu	Rai Shoaib Ahmed	32303-9277255-5	Ali Muhammad	-	721	-	721	-	671	-	671
57	Malik Allah Wasaya	Railway Road Rahim Yar Khan	Malik Allah Wasaya	36301-6933481-7	Malik Hazoor Baksh	-	1,133	65	1,198	-	1,198	-	1,198
58	Kasana Agro Farms	Thakur Plaza Kutchery Road Sialkot	1. Ch Muhammad Qadoos 2. Shakeel Akhtar Thakur 3. Shabana Qadoos 4. Rafia Tariq	34603-0374577-5 34603-2297723-3 34603-3258858-8 34603-9276545-8	1. Ch Muhammad Haziq 2. Muhammad Ibrahim 3. Ch Muhammd Qadoos 4. Ch Tariq Mehmood	3,475	16,215	9	19,699	-	16,098	-	16,098
59	Dilbar Hasan Khan	Chak-363,Jb Nawa Bombay Dist & Tehsil,Gojra	Dilbar Hasan Khan	33301-2129918-9	Hasan Muhammad Khan	-	643	-	643	-	643	-	643
60	Habibullah	Village Haji Hameer Dars Ppo 12 Mail Mirpur Khas Distt Mirpur Khas	Habibullah	44103-4357940-7	Ali Muhammad	-	1,122	20	1,142	-	943	-	943
61	Mian Riaz Livestock Farms & Feeds	Po Khas Chak No 4 Gb Tehsil And District Nankana Sahib	Mian Riaz Ahmed	35201-5187103-3	Abdul Sattar	-	1,360	-	1,360	-	1,070	-	1,070
62	Muhammad Baqar	Abadi Shahbaz Kjageer G P O Baseer Depalpur Distt Okara	Muhammad Baqar	35301-1900488-5	Bakhshaya	855	1,248	32	2,135	-	1,035	-	1,035
63	Fahad & Brothers	Falak Naz Plaza, Shahrah e Faisal, House # 803, Karachi	Farah Naz	42201-2341215-8	W/O Khalid Mehmood	1,642	2,998	-	4,640	-	2,739	-	2,739
64	Syed Ghulam Abbas Shah Rizvi	Goth Fazalabad Po Rohri Taluka Rohri District Sukkur	Syed Ghulam Abbas Shah Rizvi	45502-5446641-7	Syed Ghulam Mehdi Shah Rizvi	1,197	2,331	-	3,528	-	1,281	-	1,281
65	Nazir Ahmad	Po Mannawal Pate Chakar Khan Tehsil Kot Addu Distirct Muzafargarh	Nazir Ahmad	32303-2490332-3	Ghulam Fareed	6,987	1,014	-	8,001	-	1,259	-	1,259
66	United Enterprises	732 Z Phase III Dha Lahore	Zahoor Ul Haq Siddiqui	35202-2909814-7	Zia Ul Haq Siddiqui	607	3,487	-	4,094	-	2,554	-	2,554
67	Aman Rice Mills	Retta Khana Road Dep Alpur Distt - Okara	1. Asadullah Khan 2. Abdul Rehman Khan 3. Dr.Amanur Rehman Khan	35301-2004657-7 35301-2779057-5 35301-7227429-1	1. Aman Ullah Khan 2. Aman Ullah Khan 3. Aman Ullah Khan	-	18,771	-	18,771	-	15,771	-	15,771
68	Kahloon Filling Station (Muhammad Akhtar)	Pul Bazar House No 237/B-5 Muhallah Farid Gunj Sahiwal	Muhammad Akhtar	36502-4370683-5	Muhammad Asghar	4,598	9,274	-	13,872	-	7,722	-	7,722
69	M & Z Rice Processing Mill	Plot No.F-34, Sector 50/C, Korangi Township, Korangi Karachi	1. Mazhar Sultan 2. Zafar Sultan 3. Salahuddin	42201-5624107-7 42201-5849514-1 42201-7627295-9	1. Salahuddin 2. Salahuddin 3. Siraj Uddin	61,248	96,665	-	157,913	-	99,328	-	99,328
70	Hino Islamabad Ali Automobile	282 St 58, I-8/3, Islamabad	Muhammad Ali Malik	37405-8661039-9	Malik Muhammad Nawaz	4,298	40,536	-	44,834	-	39,389	-	39,389
71	Aasim Enterprises	H-78-B, Mohalla rechs College Road Lahore	Muhammad Iqbal	35202-9921570-1	Ch Ali Muhammad	5,484	12,926	-	18,410	-	11,381	-	11,381

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						Principal	Profit / Return	Others	Total (7+8+9)				(11+12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
						Rupees '000							
72	Ilyas General Store	74-75 Green City Hassan Block Okara	Ghaffar Hussain	35302-1979782-1	Abdul Salam	2,500	1,206	-	3,706	-	1,206	-	1,206
73	Attir And Co	House No. 214, Goal Ground, Phase V, Cant, H Sector, Shadbagh, Lahore	Attir Razzaq	35200-1519673-1	Abdul Razzaq	-	1,383	-	1,383	-	682	-	682
74	Zafar & Company	Liaquat Road Vehari	Zafar Iqbal Bhatti	36603-3728196-9	Kushi Muhammad	13,000	6,472	-	19,472	-	4,972	-	4,972
75	National Silk Mills	147 Multan Road Lahore	1. Muhammad Riaz Khalid 2. Muhammad Mumtaz Khalid 3. Muhammad Fayyaz Khalid	35202-4490566-1 35202-4868593-5 35202-6743199-3	1. Mohammad Tufail 2. Mohammad Tufail 3. Mohammad Tufail	32,000	93,788	-	125,788	-	97,321	-	97,321
76	Shan e Mustafa Cold Storage	Plot No.16 Phase-II Industrial Estate Multan	1. Mrs. Qudsia Urooj 2. Mushtaq Ahmed	32102-0353436-4 32102-7729315-7	1. Dr. Asif Nawaz Kamran 2. Imam Bux	5,999	9,245	110	15,354	-	9,272	-	9,272
77	Ahmed Hasan Zafar Malik	House # 123/1, 27 Street Khayaban e Rahat, Phase VI, D.H.A, Karachi	Ahmed Hasan Zafar Malik	37405-6599824-7	Malik Zafar	2,969	583	-	3,552	-	1,037	-	1,037
78	Rana Muhammad Awais	House # 430/24-A Street # 03 Muhallah Walayat Abad Multan Cantt Tehsil & District Multan	Rana Muhammad Awais	36302-7519021-1	Rana Muhammad Naeem	1,177	320	-	1,497	-	752	-	752
79	Zahid Rasheed	H # 3 Block-E, Campus View Town Scheme Lahore /as per LDA (238-F johar Town Lahore)	Zahid Rasheed	37405-9424311-5	Muhammad Rashhed	9,408	14,833	-	24,241	-	10,154	-	10,154
80	Syed Munir Hussain	H # R-778 Blk 20 F B Area Ancholi Society Near Sabir School Karachi	Syed Munir Hussain	42101-8997131-9	Syed Zahir Hussain	547	19	-	566	-	636	-	636
81	Asim Khan	House # D-29 Block 7 Gulshan-E-Iqbal Karachi ,Karachi	Asim Khan	42201-3269711-7	Abdul Rehman Khan	974	208	-	1,182	-	809	-	809
82	Muhammad Azeem Siddiqui	H#A-111 Blk # 9 F.B Area Near State Bank & Mukka Chowk Karachi	Muhammad Azeem Siddiqui	42101-7585640-5	Muhammad Abdul Aziz	509	6	-	515	-	630	-	630
83	Athar Nawaz Durrani	Flat 401 4Th Flr Abdullah Heights Plot E 31/4 Chandio Village Clifton Blk Karachi	Athar Nawaz Durrani	42301-6574012-1	Mazhar Nawaz Khan	740	401	-	1,141	-	567	-	567
84	Muhammad Ayaz	H-No R-109 Blk-A Shamshad Housng Society Shah Faisal Colony Nr Mefooz Cng Pu Karachi	Muhammad Ayaz	42201-5907713-5	Din Muhammad	486	292	-	778	-	544	-	544
85	Nadia Liaqat	C/O Imc World Wide (Humdard) Dept Hr Admin 11Th Floor Ufone Tower Blue Area Islamabad	Nadia Liaqat	37404-1124398-0	Muhammad Liaqat	802	367	-	1,169	179	750	-	929
86	Muhammad Akhlaq Khan	C/O Blue Links Off#1-2-3 Raza Plaza Opp Quetta Cafe Asghar Mall Chowk Rawalpindi	Muhammad Akhlaq Khan	37405-6112498-3	Muhammad Ishaq Khan	941	324	-	1,265	164	912	-	1,076
87	Abid Riaz	Ssgc Sales Dept 2Nd Flr Medical Bldg Ssgc House St#4/B Blk 14 Gul E Iqba Karachi	Abid Riaz	42301-1081251-1	Barkat Ali	899	367	-	1,266	-	936	-	936

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						Principal	Profit / Return	Others	Total (7+8+9)				(11+12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
						Rupees '000							
88	Akram Tabassum	C/O Metro Cash & Carry , Dept Dairy Bakery & Frozen Model Town Link Rd Lahore	Akram Tabassum	35201-4687340-9	Choudhary Hakim	354	186	-	540	-	539	-	539
89	Haider Ali Baig	Flt # 14 3rd Flr Havely Appart Clifton Blk # 5 Near Park Tower Karachi Pakistan	Haider Ali Baig	42301-1127383-5	Mirza Hafeez Ali Baig	610	38	-	648	-	538	-	538
90	Zia Ullah	Kalapul, Azeem Plaza, Mansehra Rd, Abbotabad	Zia Ullah	37405-6407023-5	Sikandar	2,682	589	-	3,271	-	944	16	960
91	Usman Umar	H # 284, Block 1, C-2 Township Lahore.	Usman Umar	35202-6879908-1	Umar Hussain	1,369	219	-	1,588	-	494	64	558
92	Abdul Nasir Buriro	Flat No. D-2, Ground Floor, "Shukail Gardens" Block No.19, Scheme No.36, Drigh Road , Gulistan-e-Jouhar, karachi	Abdul Nasir Buriro	42201-7137905-1	M. Sadiq Buriro	810	803	-	1,613	-	471	100	571
93	Muhammad Arif	H # 153, Chenab Block Allama Iqbal Town Lahore.	Muhammad Arif	35202-2626334-9	Muhammad Shafi	4,009	6,337	-	10,346	-	5,832	100	5,932
94	Ghulam Murtaza Siddique	H # 622- C Faisal Town Lahore.	Ghulam Murtaza Siddique	35202-2965073-5	Muhammad Siddique	8,478	13,955	-	22,433	-	14,129	100	14,229
95	Nadeem Ali	H # 401, Block # 2 Sector A-2 Township Near AL Kareem Chowk Lahore	Nadeem Ali	35200-5545053-5	Nazir Hussain	1,131	404	-	1,535	-	459	106	565
96	Muhammad Mudasir	4th Floor, Madina Square II, Okhai Memon Masjid, Karachi	Muhammad Mudasir	42301-0985057-3	Muhammad Javaid Abdul Sattar Panjwani	2,463	613	-	3,076	-	822	106	928
97	Mohammad Shar Afghan	Plot No. 14-E, area measuring 10M-93Sq-Ft, Situated in Millat Town, Faisalabad.	Mohammad Shar Afghan	33100-0880636-1	Maqbool Ahmad	2,790	16,786	-	19,576	-	15,603	116	15,719
98	Muhammad Awais	Measuring 10M-3S deatl as Measuring 7M-6S, having Killa No. 13/, Having Killa No. 13/9, Measuring 2M-S (Being Share out of 24/69 masuring 7M-6S), Khewat No. 3348, Khatooni no. 3845, SQ No. 70, Situated in Chak No. 213 R.B Tehsil City District Faisalabad.	Muhammad Awais	33100-8174477-3	Muhammad Younas	5,916	9,986	-	15,902	-	10,021	116	10,137

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						Principal	Profit / Return	Others	Total (7+8+9)				(11+12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
						Rupees '000							
99	Muhammad Akram Khan Kanjoo	House Constructed on Land falling in Khewat No. 26 with Black ink, 26 with Red Ink, Khatooni No. 39, Total Land of Khata 12K-01M, Share Transferred 315/7230, Land Transferred 10M-15Y, Khewat No. 27 with balk ink, 27 with Red ink, khatooni No. 40, total area of khata 26K-03M, share trasnferred 615/15690 land transferred 1K-0M-15Y, Khewat No. 36 with back ink, 36 with red ink, khatooni No. 55, Total Land of khata 4-Kanals 14-Marlas, share transferred 1410/2820 land transfereed 2K-7M, Total area 3-Kanals18-Marlas situated in Mauza Jameelabad, Tehsil Multan City District Multan.House # 262/CB, Jameelabad Colony, Nishter Road Multan	Muhammad Akram Khan Kanjoo	36302-5317069-5	Haji Ahmad Yar Khan Kanjoo	9,412	10,373	-	19,785	-	9,158	116	9,274
100	Muhammad Qasim/Nighat Qasim	House # P-1010, Muhallah Angat Pura, Rawalpindi	Muhammad Qasim/Nighat Qasim	37405-5456932-5	Rajab Ali	4,840	7,223	-	12,063	-	7,751	116	7,867
101	Mazhar Hameed	Residential Property House Bearing khewat No. 30, khatooni No 30, Khasra/ihata no. 36, 37, Qitta 2, Salam khata 2K-3M-6S, Transferred share 98/393, Measuring 10M-8S, As per record of rights for the year 2011-12, situated at chak no. 58/4-R, Tehsil Haroonabad District Bahawalnagar.	Mazhar Hameed	31104-0495468-3	Muhammad Hameed	1,660	383	-	2,043	-	1,041	116	1,157
102	Shahid Mahmood Chaudhry	Orchard Scheme, Club Road, House # 23-A, Islamabad	Shahid Mahmood Chaudhry	61101-3565140-9	Ch Din Mohammad	12,733	9,272	-	22,005	-	10,602	116	10,718
103	Muhammad Shafique Shahid	House Measuring 01-kanal, situated gulshan mehr colony, Mouza Tarf Mubark Dowaim, O/s Municipal limits, Tehsil Multan City, District Multan.	Muhammad Shafique Shahid	36302-2096851-9	Nazir Ahmad	3,847	6,133	-	9,980	-	6,545	116	6,661

S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Outstanding Liabilities at beginning of year				Principal written-off	Profit / Return written-off	Other Financial Reliefs	Total
						Principal	Profit / Return	Others	Total (7+8+9)				(11+12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
						Rupees '000							
104	Adeel Rasheed	Land/Property Bearing Khewat No. 37/37, Khatooni No. 148 to 150, Salam Khata 113K-4M, Transferred Share 8/2264 Measuring8-Marla,Situated at Mouza Sheikh Roshan,Qader Town,Tehsil Ahmed Pur East, District Bahawalpur, with all present and future construction thereon and all fittings, Fixtures and Appurtenances thereto.	Adeel Rasheed	31201-0339069-3	Rasheed Ahmad Javed	1,378	642	-	2,020	-	1,080	116	1,196
105	Sadia Nasir	Villa # 30, College Road, Safari Villas 1, Bahria Town, Rawalpindi	Sadia Nasir	61101-6843042-0	Shahid Pervaiz	1,273	356	-	1,629	-	457	116	573
106	Saeed Ahmad Siddiqui	Plot No. 209/D, Khewat No. 103/103, Khatooni NO. 248, Qitta 7, Salim khata 42K-14M, Transferred share 3875/232288, measuring 14M-67Ft, as per record of rights for the year 2010-11, situate at Mouza dera izzat, hashmi gardens, estate housing scheme, tehsil bahawalpur city district bahawalpur.	Saeed Ahmad Siddiqui	31202-0269038-7	Abdul Majeed Siddiqui	2,434	234	-	2,668	-	1,001	116	1,117
107	Muhammad Amir Jamil	H # 31/3, Sector 6/B, North Karachi, Karachi	Muhammad Amir Jamil	42101-7026069-7	Jamil Ahmed	1,413	327	-	1,740	-	568	247	815
108	Zahid Masood	House # A-318, Mohallah, Sarwar Colony, Karachi	Zahid Masood	42401-2634970-7	Nouroz Khan	3,463	666	-	4,129	-	1,880	485	2,365
109	Salahuddin	73/4 Street # 23 Khy E Bukhari DHA Phase 06 Karachi	Salahuddin	35201-0113076-5	Farrukh	482	32	5	519	482	32	5	519
						531,011	**1,189,738**	**2,670**	**1,723,419**	**825**	**1,162,957**	**2,489**	**1,166,271**



Consolidated Financial Statements

Directors' Report

Consolidated Financial Statements

On behalf of the Board of Directors, we are pleased to present the Directors' Report of Faysal Bank Limited Group, along with Audited Consolidated Financial Statements and the Auditors' Report for the year ended December 31, 2024.

Group Profile

Faysal Bank Limited (FBL) Group structure is as follows:

Holding Company	:	Faysal Bank Limited
Subsidiaries	:	Faysal Asset Management Limited
		Faysal Islami Currency Exchange Company (Private) Limited

Subsidiaries

- **Faysal Asset Management Limited**

  FBL has 99.9% shareholding in Faysal Asset Management Limited (FAML). FAML is an unlisted public limited company registered as a Non-Banking Finance Company (NBFC), licensed to carry out asset management and investment advisory services under the Non-Banking Finance Companies (Establishment & Regulations) Rules, 2003 and the Non- Banking Finance Companies and Notified Entities Regulations, 2008.

FBL also has significant influence based on its holding in the following open-ended mutual funds managed by FAML.

Open-ended Mutual Fund
Faysal Islamic KPK Government Pension Fund - Equity Sub Fund
Faysal Islamic KPK Government Pension Fund - Debt Sub Fund
Faysal Islamic KPK Government Pension Fund – Equity Index Sub Fund
Faysal Special Savings Fund - FSSP-I
Faysal Pension Fund - Equity
Faysal Islamic KPK Government Pension Fund - Money Market Sub Fund
Faysal Pension Fund - Debt
Faysal Pension Fund - Money Market
Faysal Special Savings Fund - FSSP-II
Faysal Islamic Pension Fund - Equity
Faysal Islamic Special Income Fund - FISIP-I
Faysal Islamic Pension Fund - Debt
Faysal Islamic Savings Growth Fund
Faysal Islamic Pension Fund - Money Market
Faysal Islamic Sovereign Fund - FISP-I
Faysal Halal Amdani Fund
Faysal Islamic Stock Fund
Faysal Islamic Cash Fund
Faysal Islamic Mehdood Muddat Plan-I
Faysal Financial Sector Opportunity Fund
Faysal Islamic Financial Growth Fund - FIFGP-I

- **Faysal Islami Currency Exchange Company (Private) Limited (FICECL)**

  FICECL operates as a wholly owned subsidiary. It was incorporated on January 16, 2024 under the Companies Act, 2017. The company received its "Certification of Incorporation" from SECP on January 16, 2024 and obtained an operating license from State Bank of Pakistan on March 26, 2024. The principal activities of the Company are dealing in foreign exchange and facilitating remittances.

Financial Highlights:

Key Balance Sheet Numbers	2024	2023	Growth
	Rs. in million		%
Investments	678,255	589,955	15.0%
Financing	633,990	580,832	9.2%
Total Assets	1,567,230	1,371,285	14.3%
Deposits	1,044,016	1,018,265	2.5%
Profit & Loss Account			
Total Revenue	100,182	84,140	19.1%
Total Expenses	(51,341)	(41,267)	24.4%
Share of profit of associates	448	161	178.3%
Profit before tax & provisions	49,289	43,034	14.5%
Net Provision reversal / (charge)	2,463	(1,187)	307.5%
Profit before tax	51,752	41,847	23.7%
Taxation	(27,860)	(21,600)	29.0%
Profit after tax	23,892	20,247	18.0%
Earnings per share (Rupees)	15.74	13.34	18.0%

The Group has maintained its growth trajectory, achieving excellent financial performance and unprecedented growth. Despite numerous challenges, the Group has consistently proven its resilience and strength, celebrating the milestone of reaching the highest-ever profit. As we reflect on our journey, we must first and foremost thank Allah (SWT) for His Blessings without which none of our achievements would have been possible. On a consolidated basis, the Group has achieved a record-breaking Profit Before Tax (PBT) of PKR 51.8 billion, 23.7% higher than PKR 41.8 billion in the last year. The increase in Profit After Tax (PAT) was, however, restricted to 18.0% at PKR 23.9 billion due to imposition of an excessive income tax of 5%, which raised the tax rate from 49% to 54%. The earnings per share rose to PKR 15.74, an increase from PKR 13.34 per share, a year ago.

FAML demonstrated continued improvement in performance, with Assets Under Management (AUMs) reaching PKR 246 billion as of December 31, 2024, reflecting 84% increase from PKR 134 billion last year. FAML made Profit After Tax of PKR 846 million during 2024 registering a 88% increase over last year.

FIECL has started its operations during the year and remained operative for 7 months in the financial year as the State Bank of Pakistan's pre-commencement requirements were completed by 16th of May 2024. The company earned Profit after Tax of PKR 31 million during 2024.

Credit Rating

VIS Credit Rating Company Limited (VIS) and Pakistan Credit Rating Agency Limited (PACRA) have re-affirmed the following entity ratings to Faysal Bank Ltd:

Long-Term	AA
Short-Term	A1+

PACRA has assigned a 'Stable' outlook, while VIS has upgraded the outlook to 'Positive'.

VIS has assigned Management Quality rating of AM1 to FAML in 2024. The rating signifies asset manager exhibiting very good management characteristics.

Holding Company

Ithmaar Bank B.S.C (closed), a banking entity regulated by the Central Bank of Bahrain, is the parent company holding directly and indirectly 66.78% (2023: 66.78%) of the Bank's shares. Ithmaar Bank B.S.C. (closed) is a wholly owned subsidiary of Ithmaar Holdings B.S.C. Dar Al-Maal Al-Islami Trust (DMIT) is the holding entity of Ithmaar Holding B.S.C. and the ultimate parent Company of the Bank. DMIT was formed by an indenture under the laws of the Commonwealth of The Bahamas for the purpose of conducting business affairs in conformity with Islamic law, principles, and traditions.

Dividend

The Board of Directors, in their meeting held on February 20, 2025, has recommended a final cash dividend of Rs 2.5 per share (25%) for the year ended December 31, 2024. This is in addition to interim cash dividends of Rs 4.5 already paid during the year bringing the total dividend for the year to Rs 7 per share (2023: Rs 4.0).

Other information

For other information kindly refer to the unconsolidated financial statements Directors' report.

Heartfelt Thanks: Acknowledging Our Pillars of Strength

On behalf of the Board and Management, we extend gratitude to our esteemed shareholders for their unwavering support. We are indebted to our customers who continue to trust us with their business. We would like to place on record our appreciation for the Government of Pakistan, the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan for their continued support and guidance and for developing and strengthening the banking and financial services sector through continuous improvement in the regulatory and governance framework.

As always, we would also like to express sincere appreciation for the Shariah Board. We would also like to take this opportunity to recognize and commend the unwavering commitment and exceptional efforts extended by our employees in driving the growth of FBL. We extend our heartfelt thanks to them for their relentless dedication and hard work.

Approval

In compliance with the requirement of the Companies Act, 2017, this Directors' Report, with the recommendations of the Board Audit and Corporate Governance Committee, has been approved by the Directors in their meeting held on February 20, 2025 and signed by the Chief Executive Officer and a director.

President & CEO

Chairman / Director

Karachi

Dated: February 20, 2025

بورڈ آف ڈائریکٹرز نے 20 فروری 2025 کو منعقد ہونے والے اجلاس میں 31 دسمبر 2024 کو اختتام پذیر سال کے لیے 2.5 فی شیئر 25% کے حتمی نقد منافع کی سفارش کی ہے۔ یہ سال کے دوران ادا کر دیے گئے 4.5 روپے کے علاوہ ہے، اس طرح سال کا کل ڈیویڈنڈ 7 روپے فی شیئر ہو گیا (2023: 4 روپے)۔

ہماری طاقت کے ستونوں کے لیے دلی اظہارِ تشکر

بورڈ اور انتظامیہ کی جانب سے، ہم اس موقع پر شیئر ہولڈرز کا شکریہ ادا کرتے ہیں کہ انہوں نے ہم پر غیر متزلزل اعتماد کیا ہے۔ ہم اپنے صارفین کے تہہ دل سے مشکور ہیں، جنہوں نے اپنے کاروبار اور پختہ یقین کے ساتھ ہم پر اعتماد کو مسلسل جاری رکھا۔ ہم ریگولیٹری اور گورننس فریم ورک میں مسلسل بہتری کے ذریعے بینکنگ اور فنانشل سروسز سیکٹر کے فروغ کے لیے اُن کے مسلسل تعاون اور رہنمائی پر اپنے ریگولیٹرز اور حکومت پاکستان، بالخصوص اسٹیٹ بینک آف پاکستان اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے بھی شکر گذار ہیں۔

ہمیشہ کی طرح، ہم شریعہ بورڈ کے مشکور ہیں اور FBL گروپ کی ترقی کے لیے اپنے ملازمین کی کوششوں کو تسلیم کرتے ہیں اور ان کی انتھک لگن اور محنت کو دل سے سراہتے ہیں۔

منظوری

کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق، بورڈ کی آڈٹ اور کارپوریٹ گورننس کمیٹی کی سفارش کے ساتھ ڈائریکٹرز کی اس رپورٹ کو ڈائریکٹرز نے 20 فروری 2025 کو ہونیوالے اپنے اجلاس میں منظور کیا اور اس پر چیف ایگزیکٹو آفیسر اور ڈائریکٹر نے دستخط کئے ہیں۔

صدر اور سی ای او

چیئرمین / ڈائریکٹر

کراچی

تاریخ: 20 فروری 2025

گروپ نے شاندار مالیاتی کارکردگی اور بے مثال ترقی حاصل کرتے ہوئے اپنی ترقی کی رفتار کو برقرار رکھا ہے۔ متعدد چیلنجوں کے باوجود، گروپ نے مسلسل اپنی لچک اور طاقت کو ثابت کیا ہے اور اب تک کے سب سے زیادہ منافع تک پہنچنے کے سنگ میل کا جشن منایا ہے۔ ہمیں سب سے پہلے اللہ جل شانہ کا شکر ادا کرنا چاہیے کہ اس کی نعمتوں کے بغیر ہماری کوئی بھی کامیابی ممکن نہ تھی۔ مجموعی بنیاد پر، گروپ نے 51.8 ارب روپے کا ریکارڈ قبل از ٹیکس منافع (PBT) حاصل کیا ہے، جو گزشتہ سال 41.8 ارب روپے سے 23.7 فیصد زیادہ ہے تاہم، منافع بعد از ٹیکس (PAT) میں اضافہ 18.0% تک محدود رہا۔ تاہم، بعد از ٹیکس منافع (PAT) میں اضافہ 23.9 ارب روپے تک محدود رہا کیونکہ 5% کے ضرورت سے زیادہ انکم ٹیکس کے نفاذ نے منفی اثر ڈالا، اور ٹیکس کی شرح کو 49% سے بڑھا کر 54% کر دیا۔ فی شیئر آمدنی 15.74 روپے ہو گئی جو ایک سال پہلے 13.34 روپے فی شیئر سے زیادہ ہے۔

FAML نے سال 31 دسمبر 2024 تک کارکردگی میں بہتری دکھائی اور ایسیٹ انڈر مینجمنٹ (AUMs) 246 بلین روپے تک پہنچ گئے جو گزشتہ سال 134 بلین روپے سے 84% اضافے کی عکاسی کرتا ہے۔ FAML نے 2024 کے دوران 846 ملین روپے کا بعد از ٹیکس منافع کمایا جو کہ سال 2024 کے دوران، گزشتہ سال کے مقابلے میں 88% کا اضافہ ریکارڈ کیا گیا۔

FIECL نے سال کے دوران اپنا کام شروع کیا ہے اور مالی سال میں 7 ماہ تک فعال رہا کیونکہ اسٹیٹ بینک آف پاکستان کی قبل از آغاز ضروریات 16 مئی 2024 تک پوری ہوئیں۔ کمپنی نے 2024 کے دوران 31 ملین روپے کا بعد از ٹیکس منافع کمایا۔

کریڈٹ رٹینگ:

VIS کریڈٹ رٹینگ کمپنی لمیٹڈ (VIS) اور پاکستان کریڈٹ رٹینگ ایجنسی لمیٹڈ (PACRA) نے فیصل بینک لمیٹڈ کے لیے درج ذیل درجہ بندیوں کی دوبارہ تصدیق کی ہے:

طویل المدتی AA

قلیل المدتی A1+

PACRA نے درجہ بندیوں کو 'مستحکم' قرار دیا جبکہ VIS نے 'مثبت' آئوٹ لک کے ساتھ اپ گریڈ کیا ہے۔

VIS نے 2024 میں FAML کی مینجمنٹ کوالٹی رٹینگ کو AM1 رٹینگ سے نوازا ہے۔ یہ درجہ بندی نشاندہی کرتی ہے کہ اثاثہ منیجر بہت اچھی انتظامی خصوصیات کا مظاہرہ کر رہا ہے۔

ہولڈنگ کمپنی

اتمار بینک بی۔ ایس۔ سی (کلوزڈ)، جو کہ سینٹرل بینک آف بحرین کا لائسنس یافتہ ادارہ ہے، جو بالواسطہ اور بلاواسطہ طور پر بینکنگ کے 66.78 فیصد (2023 میں 66.78 فیصد) حصص کے ساتھ بینک کا سربراہ ادارہ ہے۔ اتمار بینک بی۔ ایس۔ سی (کلوزڈ)، اتمار ہولڈنگ بی۔ ایس۔ سی کی مکمل ملکیت کا ذیلی ادارہ ہے اور دارالمال الاسلامی ٹرسٹ (ڈی ایم آئی ٹی) فیصل بینک کا اعلیٰ ترین سربراہی ادارہ ہے۔ ڈی ایم آئی ٹی کا قیام کامن ویلتھ آف بہاماس کے قوانین کے تحت عمل میں آیا تاکہ اسلامی قوانین، اصولوں اور روایات کے مطابق کاروباری امور سرانجام دیئے جائیں۔

ڈیویڈنڈ

فیصل اسلامک اسٹاک فنڈ
فیصل اسلامک کیش فنڈ
فیصل اسلامی محدود مدت پلان-I
فیصل فنانشل سیکٹر اپرچونٹی فنڈ
فیصل اسلامک فنانشل گروتھ فنڈ-FIFGP-I

- فیصل اسلامی کرنسی ایکسچینج کمپنی (پرائیویٹ) لمیٹڈ (FICECL)

فیصل اسلامی کرنسی ایکسچینج کمپنی (پرائیویٹ) لمیٹڈ (FICECL) FBL کی مکمل ملکیتی ذیلی کمپنی کے طور پر کام کرتی ہے۔ اسے پاکستان میں کمپنیز ایکٹ 2017 کے تحت 16 جنوری 2024 کو شامل کیا گیا۔ کمپنی نے 16 جنوری 2024 کو SECP سے اپنا "انکارپوریشن سرٹیفکیٹ" حاصل کیا اور 26 مارچ 2024 کو اسٹیٹ بینک سے آپریشنل لائسنس بھی حاصل کیا۔ کمپنی فارن ایکسچینج (غیر ملکی کرنسی کا کاروبار) کر رہی ہے اور ریمیٹنسز (ترسیلات زر) کی سہولت فراہم کر رہی ہے۔

مالیاتی جھلکیاں:

بیلنس شیٹ کے نمایاں اعداد و شمار	2024	2023	نمو
	ملین روپے		%
سرمایہ کاری	678,255	589,955	15.0%
فنانسنگ	633,990	580,832	9.2%
کل اثاثہ جات	1,567,230	1,371,285	14.3%
ڈپازٹس	1,044,016	1,018,265	2.5%
نفع ونقصان کا اکاؤنٹ			
کل آمدنی	100,182	84,140	19.1%
کل اخراجات	(51,341)	(41,267)	24.4%
ایسوسی ایٹس سے نفع کا حصہ	448	161	178.3%
قبل از ٹیکس پرووِیژنز نفع	49,289	43,034	14.5%
نیٹ پرووِیژن ریورسل / (چارج)	2,463	(1,187)	307.5%
قابل از ٹیکس نفع	51,752	41,847	23.7%
ٹیکس	(27,860)	(21,600)	29.0%
بعد از ٹیکس نفع	23,892	20,247	18.0%
فی حصص آمدن (روپے)	15.74	13.34	18.0%

ڈائریکٹرز کا جائزہ

کنسولیڈیٹڈ مالیاتی گوشوارے برائے سال 2024

ہم بورڈ آف ڈائریکٹرز کی جانب سے، فیصل بینک لمیٹڈ گروپ کے 31 دسمبر 2024 کو اختتام پذیر سال کے لیے آڈٹ شدہ مجموعی مالیاتی گوشوارے پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

گروپ پروفائل

فیصل بینک لمیٹڈ (FBL) گروپ اسٹرکچر درج ذیل ہے:

ہولڈنگ کمپنی: فیصل بینک لمیٹڈ

ذیلی ادارے: فیصل ایسیٹ مینجمنٹ لمیٹڈ
فیصل اسلامی کرنسی ایکسچینج کمپنی (پرائیویٹ) لمیٹڈ

ذیلی ادارے

- **فیصل ایسیٹ مینجمنٹ لمیٹڈ**

فیصل بینک لمیٹڈ (FBL) فیصل ایسیٹ مینجمنٹ لمیٹڈ (FAML) میں 99.9% حصص کا شراکت دار ہے۔ FAML ایک ان لسٹڈ پبلک لمیٹڈ کمپنی ہے جو ایک نان بینکنگ فنانس کمپنی (NBFC) کے طور پر رجسٹرڈ ہے، جسے نان بینکنگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشنز) رولز، 2003 اور نان بینکنگ فنانس کمپنیز اور نوٹیفائیڈ انٹٹیز ریگولیشنز 2008 کے تحت اثاثہ کے انتظام اور سرمایہ کاری کی مشاورتی خدمات سرانجام دینے کا لائسنس دیا گیا ہے۔

FBL کو FAML کے زیر انتظام مندرجہ ذیل "اوپن اینڈیڈ میوچل فنڈز" میں ہولڈنگ کی بنیاد پر نمایاں اثر ورسوخ کا حامل ہے۔

اوپن اینڈ میوچل فنڈ
فیصل اسلامی KPK گورنمنٹ پنشن فنڈ-ایکویٹی سب فنڈ
فیصل اسلامی KPK گورنمنٹ پنشن فنڈ-ڈیٹ سب فنڈ
فیصل اسلامی KPK گورنمنٹ پنشن فنڈ-ایکویٹی انڈیکس سب فنڈ
فیصل اسپیشل سیونگ فنڈ I-FSSP
فیصل پنشن فنڈ-ایکویٹی
فیصل اسلامی KPK گورنمنٹ پنشن فنڈ-منی مارکیٹ سب فنڈ
فیصل پنشن فنڈ-ڈیٹ
فیصل پنشن فنڈ-منی مارکیٹ
فیصل اسپیشل سیونگز فنڈ II-FSSP
فیصل اسلامی پنشن فنڈ-ایکویٹی
فیصل اسلامک اسپیشل انکم فنڈ I-FISIP
فیصل اسلامی پنشن فنڈ-ڈیٹ
فیصل اسلامک سیونگ گروتھ فنڈ
فیصل اسلامی پنشن فنڈ-منی مارکیٹ
فیصل اسلامی ساورن فنڈ I-FISP
فیصل حلال آمدنی فنڈ

Independent Auditor's Report

To the members of Faysal Bank Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Faysal Bank Limited** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit and loss account and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the 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 December 31, 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 the 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.

Following are the Key audit matters:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	**Credit loss allowance against Islamic financing and related assets and off-balance sheet items:** (Refer note 10 & 20.1 to the consolidated financial statements)	
	As at 31 December 2024, the Bank's Credit loss allowance against Islamic financing and related assets and off-balance sheet items amounted to Rs. 24,628 million and Rs. 190 million, respectively.	Our audit procedures, amongst others, included the following: • Performing risk assessment procedures over the credit loss allowance against Islamic financing and related assets and off-balance sheet exposure within the Bank's unconsolidated

S.No.	Key Audit Matter	How the matter was addressed in our audit
	As per the BPRD Circular No. 07 of 2023, the Bank adopted requirements of IFRS 9 along with the Application Instructions issued by State Bank of Pakistan (SBP) (hereafter referred as "application instruction of IFRS 9") from 1 January 2024 which requires the Bank to recognize Expected Credit Losses (ECL) on Islamic financing and related assets and off-balance sheet items. The estimation of ECL, involves judgement and complexity. The key areas which are subject to complexity and judgement in the estimation of ECL are: • Model estimations – judgmental modelling and assumption are used to estimate ECL which involves determining Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD). Respective models assumptions are key driver of uncertainty, and are required in the application of these model for calculation of the ECL estimate. • Economic scenarios – IFRS 9 requires the Bank to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Complex Statistical methodology is applied in determining the forward-looking economic scenarios used as an input to calculate ECL, the associated scenario probability weightings, and the key economic variables that drive the scenarios. • Qualitative criteria – the criteria selected to identify a SICR involves judgment and can lead to unreliable ECL recognized for certain portfolios. In line with the application instructions of IFRS 9, the Bank must compare the ECL for Stage 3 with the provision determined under the Prudential Regulations (PR) issued by the SBP. The PR requires specific provisioning against the Islamic financing and related assets on the basis of time-based criteria which should be supplemented by a Bank's subjective evaluation of credit worthiness of customers. The determination of provision, therefore, involves use of management's judgement, on a case-to-case basis, taking into account factors such as the economic and business conditions, borrowers'	financial statement. As part of these risk assessment procedures, identifying the elements associated with risk of material misstatement on application including those arising from judgements over the estimation of ECL either due to, methods / models, assumptions or data. • Assessing the design, implementation and operating effectiveness of key controls established by the Group over measurement of ECL and provision calculated as per PR. • We involved in-house specialist who assisted in the following: - Evaluating the Group's ECL model methodologies for compliance with application instructions of IFRS 9 - Assessing the reasonableness of the Group's methodology for determining the economic scenarios used and the probability weightings applied to them by independently validating and challenging the assumption, methodologies, and outputs of the models; - Assessing the reasonableness of macro-economic 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. • Assessing the appropriateness of SICR criteria applied by the Group by ensuring that the SICR criteria and staging methodology are consistent with the application instructions of IFRS 9. • Ensuring relevance and completeness of the key inputs into the ECL calculations with their respective sub-ledgers and general ledgers. • Performing testing on sample basis over key inputs into the ECL calculations with their respective source documents. • Performing sensitivity analysis on the key

S.No.	Key Audit Matter	How the matter was addressed in our audit
	repayment behaviors and realizability of collateral held by the Bank. Because of the high degree of estimation uncertainty and complexity involved in the calculation of ECL we considered the area of ECL as a key audit matter.	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 Islamic and financing assets outstanding exposure and performed credit reviews through the following substantive procedures: - verifying repayments of Islamic financing / profit installments and checked that non-performing Islamic Financing and related assets have been correctly classified and categorized based on the number of days overdue; - examining watch list accounts and, based on review of the individual facts and circumstances, discussions with management and our assessment of financial conditions of the borrowers, formed a judgement as to whether classification of these accounts as performing was appropriate; and - assessing the accuracy of specific provision made against non-performing Islamic financing and related assets in accordance with the criteria prescribed under the PRs by performing recalculation. • Assessing the appropriateness of ECL categorized as Stage 3 by performing a comparison of ECL computed, through the use of methodology and models with the provision required to be computed as required under the PR to ensure that an amount which is higher of the ECL and PR requirements is appropriately recognized for these stage 3 customers pursuant to the requirement of application instructions of IFRS 9. • Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgements and sensitivities.

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

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

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

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

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

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

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

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

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

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

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

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

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

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 3 March 2025

Karachi

UDIN: AR202410188ov6DNcuhP

Consolidated Statement of Financial Position

As at December 31, 2024

	Note	2024	2023
		----------Rupees '000----------	
ASSETS			
Cash and balances with treasury banks	7	102,600,657	84,036,564
Balances with other banks	8	5,539,562	1,812,507
Due from financial institutions		-	-
Investments	9	678,254,964	589,954,839
Islamic financing and related assets	10	633,990,216	580,832,461
Property and equipment	11	45,009,778	29,625,380
Right-of-use assets	12	13,297,784	10,771,515
Intangible assets	13	2,739,091	2,452,387
Deferred tax assets		-	-
Other assets	14	85,798,160	71,799,261
Total Assets		1,567,230,212	1,371,284,914
LIABILITIES			
Bills payable	15	39,169,649	16,550,469
Due to financial institutions	16	280,442,540	166,886,803
Deposits and other accounts	17	1,044,015,748	1,018,264,979
Lease liabilities	18	15,582,671	12,865,125
Sub-ordinated sukuk		-	-
Deferred tax liabilities	19	13,101,335	4,940,115
Other liabilities	20	64,993,235	60,852,160
Total Liabilities		1,457,305,178	1,280,359,651
NET ASSETS		109,925,034	90,925,263
REPRESENTED BY			
Share capital	21	15,176,965	15,176,965
Reserves		17,866,357	15,616,188
Surplus on revaluation of assets - net of tax	22	22,771,883	15,170,817
Unappropriated profit		54,109,488	44,961,035
Total equity attributable to the equity holders of the Bank		109,924,693	90,925,005
Non-controlling interest		341	258
		109,925,034	90,925,263
CONTINGENCIES AND COMMITMENTS	23		

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

President & CEO	Chief Financial Officer	Chairman	Director	Director

Consolidated Statement of Profit and Loss Account

For the year ended December 31, 2024

	Note	2024	2023
		----------Rupees '000----------	
Profit / return earned	25	225,156,415	189,462,419
Profit / return expensed	26	144,597,125	118,391,676
Net profit / return		80,559,290	71,070,743
OTHER INCOME			
Fee and commission income	27	12,818,295	9,434,663
Dividend income		375,531	327,234
Foreign exchange income		5,339,969	4,758,254
(Loss) / income from derivatives		(146,211)	85,506
Gain / (loss) on securities	28	1,041,704	(1,813,581)
Net loss on derecognition of financial assets measured at amortised cost	29	(165,256)	-
Other income	30	358,276	277,088
Total other income		19,622,308	13,069,164
Total income		100,181,598	84,139,907
OTHER EXPENSES			
Operating expenses	31	50,214,596	40,261,718
Workers Welfare Fund		1,028,728	886,617
Other charges	32	97,238	119,148
Total other expenses		51,340,562	41,267,483
Share of profit from associates	9.5.1	447,564	161,286
Profit before credit loss allowance		49,288,600	43,033,710
Credit loss allowance and write offs - net	33	(2,462,672)	1,187,412
Other income / expense items		-	-
PROFIT BEFORE TAXATION		51,751,272	41,846,298
Taxation	34	27,859,540	21,599,624
PROFIT AFTER TAXATION		23,891,732	20,246,674
Attributable to:			
Equity holders of the Bank		23,891,649	20,246,473
Non-controlling interest		83	201
		23,891,732	20,246,674
		---------- Rupees ----------	
Basic / diluted earnings per share	35	15.74	13.34

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

President & CEO	Chief Financial Officer	Chairman	Director	Director

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2024

	2024	2023
	----------Rupees '000----------	
Profit after taxation for the year attributable to:		
Equity holders of the Bank	23,891,649	20,246,473
Non-controlling interest	83	201
	23,891,732	20,246,674
Other comprehensive income / (loss)		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	7,729,995	-
Movement in surplus on revaluation of investments - net of tax	-	5,173,793
	7,729,995	5,173,793
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement (loss) / gain on defined benefit obligations - net of tax	(51,530)	41,660
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	1,293,151	-
Movement in deficit on revaluation of property and equipment - net of tax	(190,176)	(137,366)
Movement in deficit on revaluation of non-banking assets - net of tax	(1,824)	(391,642)
	1,049,621	(487,348)
Total comprehensive income for the year	32,671,348	24,933,119
Attributable to:		
- Equity holders of the Bank	32,671,265	24,932,918
- Non-controlling interest	83	201
	32,671,348	24,933,119

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

President & CEO	Chief Financial Officer	Chairman	Director	Director

Consolidated Statement of Changes in Equity

For the year ended December 31, 2024

	Note	Share capital	Reserves					Surplus / (deficit) on revaluation of			Unappropriated profit	Non-controlling interest	Total
			Capital reserves										
			Share premium	Non-distributable capital reserve (NCR) - gain on bargain purchase (note 3.2)	Reserve arising on amalgamation (note 6.1)	Statutory reserve (note 6.28)	Total	Investments	Property and equipment / non-banking assets	Total			
		Rupees '000											
Balance as at January 1, 2023		15,176,965	10,131	257,269	23,952	11,384,616	11,675,968	(1,824,764)	12,494,426	10,669,662	33,091,551	57	70,614,203
Profit after taxation for the year		-	-	-	-	-	-	-	-	-	20,246,473	201	20,246,674
Other comprehensive income / (loss) - net of tax													
Movement in surplus on revaluation of investments - net of tax		-	-	-	-	-	-	5,173,793	-	5,173,793	-	-	5,173,793
Remeasurement gain on defined benefit obligations - net of tax		-	-	-	-	-	-	-	-	-	41,660	-	41,660
Movement in deficit on revaluation of property and equipment - net of tax		-	-	-	-	-	-	-	(137,366)	(137,366)	-	-	(137,366)
Movement in deficit on revaluation of non-banking assets - net of tax		-	-	-	-	-	-	-	(391,642)	(391,642)	-	-	(391,642)
Total other comprehensive income / loss - net of tax		-	-	-	-	-	-	5,173,793	(529,008)	4,644,785	41,660	-	4,686,445
Transfer to statutory reserve		-	-	-	-	4,009,188	4,009,188	-	-	-	(4,009,188)	-	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax		-	-	-	-	-	-	-	(143,630)	(143,630)	143,630	-	-
Amortisation of intangible assets - customer relationship - net of tax		-	-	(68,968)	-	-	(68,968)	-	-	-	-	-	(68,968)
Transaction with owners, recorded directly in equity													
Final cash dividend declared on February 23, 2023 at Re 1 per share		-	-	-	-	-	-	-	-	-	(1,517,697)	-	(1,517,697)
1st Interim cash dividend declared on August 24, 2023 at Re 1 per share		-	-	-	-	-	-	-	-	-	(1,517,697)	-	(1,517,697)
2nd Interim cash dividend declared on October 26, 2023 at Re 1 per share		-	-	-	-	-	-	-	-	-	(1,517,697)	-	(1,517,697)
Balance as at December 31, 2023		15,176,965	10,131	188,301	23,952	15,393,804	15,616,188	3,349,029	11,821,788	15,170,817	44,961,035	258	90,925,263
Impact of adopting IFRS 9 as at January 1, 2024 - net of tax	6.4	-	-	-	-	-	-	(895,105)	-	(895,105)	(2,858,792)	-	(3,753,897)
Restated balance as at January 1 , 2024		15,176,965	10,131	188,301	23,952	15,393,804	15,616,188	2,453,924	11,821,788	14,275,712	42,102,243	258	87,171,366
Profit after taxation for the year		-	-	-	-	-	-	-	-	-	23,891,649	83	23,891,732
Other comprehensive income / (loss) - net of tax													
Movement in surplus on revaluation of debt investments through FVOCI - net of tax		-	-	-	-	-	-	7,729,995		7,729,995	-	-	7,729,995
Movement in surplus on revaluation of equity investments through FVOCI - net of tax		-	-	-	-	-	-	1,293,151	-	1,293,151	-	-	1,293,151
Remeasurement loss on defined benefit obligations - net of tax		-	-	-	-	-	-	-	-	-	(51,530)	-	(51,530)
Movement in deficit on revaluation of property and equipment - net of tax		-	-	-	-	-	-	-	(190,176)	(190,176)	-	-	(190,176)
Movement in deficit on revaluation of non-banking assets - net of tax		-	-	-	-	-	-	-	(1,824)	(1,824)	-	-	(1,824)
Total other comprehensive income / (loss) - net of tax		-	-	-	-	-	-	9,023,146	(192,000)	8,831,146	(51,530)	-	8,779,616
Gain on sale of equity instruments classified as FVOCI - net of tax		-	-	-	-	-	-	(208,848)	-	(208,848)	208,848	-	-
Transfer to statutory reserve		-	-	-	-	2,302,819	2,302,819	-	-	-	(2,302,819)	-	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax		-	-	-	-	-	-	-	(126,127)	(126,127)	126,127	-	-
Amortisation of intangible assets - customer relationship - net of tax		-	-	(52,650)	-	-	(52,650)	-	-	-	-	-	(52,650)
Transaction with owners, recorded directly in equity													
Final cash dividend declared on February 7, 2024 at Rs 2 per share		-	-	-	-	-	-	-	-	-	(3,035,394)	-	(3,035,394)
First interim cash dividend declared on April 25, 2024 at Re 1 per share		-	-	-	-	-	-	-	-	-	(1,517,697)	-	(1,517,697)
Second interim cash dividend declared on August 28, 2024 at Rs 2 per share		-	-	-	-	-	-	-	-	-	(3,035,394)	-	(3,035,394)
Third interim cash dividend declared on October 24, 2024 at Rs 1.5 per share		-	-	-	-	-	-	-	-	-	(2,276,545)	-	(2,276,545)
Balance as at December 31, 2024		15,176,965	10,131	135,651	23,952	17,696,623	17,866,357	11,268,222	11,503,661	22,771,883	54,109,488	341	109,925,034

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

President & CEO	Chief Financial Officer	Chairman	Director	Director

Consolidated Cash Flow Statement

For the year ended December 31, 2024

	Note	2024	2023
		----------Rupees '000----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		51,751,272	41,846,298
Less: dividend income		(375,531)	(327,234)
Less: share of profit from associates		(447,564)	(161,286)
		50,928,177	41,357,778
Adjustments:			
Net profit / return income		(80,559,290)	(71,070,743)
Depreciation on property and equipment	11.2	3,314,299	2,153,633
Depreciation on right-of-use assets	12	2,115,753	1,962,652
Depreciation on non-banking assets	14.1.1	2,562	4,643
Amortisation	13.2	449,963	326,172
Workers Welfare Fund		1,028,728	886,617
Credit loss allowance against cash and balances with treasury banks	33	(3,553)	-
Credit loss allowance against balances with other banks	33	3	-
Credit loss allowance against Islamic financing and related assets	33	(2,035,526)	728,239
Credit loss allowance against investments	33	(187,005)	549,892
Credit loss allowance against other assets	33	(3,002)	2,326
Credit loss allowance against off balance sheet obligations	33	15,360	38,597
Bad debts written off directly	33	21,205	45,511
Recoveries of written off / charged off bad debts	33	(270,154)	(457,163)
Impairment of non-banking assets	33	-	41,525
Net loss on derecognition of financial assets measured at amortised cost	29	165,256	-
Gain on sale of property and equipment - net	30	(40,632)	(22,406)
Charge for defined benefit plan	31.2	369,112	279,417
Loss / (income) from derivative contracts - net		146,211	(85,506)
		(75,470,710)	(64,616,594)
		(24,542,533)	(23,258,816)
Decrease / (increase) in operating assets			
Due from financial institutions		-	9,815,098
Securities classified as FVPL		6,127,434	234,472
Financing		(73,889,259)	(126,767,295)
Others assets (excluding advance taxation)		(10,357,999)	(9,680,459)
		(78,119,824)	(126,398,184)
Increase / (decrease) in operating liabilities			
Bills payable		22,619,180	(4,759,481)
Due to financial institutions		123,013,824	16,286,174
Deposits		25,750,769	236,708,756
Other liabilities (excluding current taxation)		16,711,307	17,872,027
		188,095,080	266,107,476
Income tax paid		(34,524,971)	(20,958,015)
Profit / return received		233,717,550	171,881,181
Profit / return paid		(145,973,012)	(115,127,531)
Contribution to gratuity fund	38.1.6	(281,910)	(119,464)
Net cash generated from operating activities		138,370,380	152,126,647
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in amortized cost securities		(189,402)	(1,845,371)
Net investments in securities classified as FVOCI		(76,385,770)	(108,828,266)
Divestment / (investment) in associates - net		1,111,368	(828,773)
Dividends received		376,538	327,234
Investment in property and equipment		(18,681,925)	(6,966,433)
Investment in intangible assets		(817,265)	(757,322)
Disposal proceeds of property and equipment		39,568	61,534
Net cash used in investing activities		(94,546,888)	(118,837,397)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(3,769,535)	(2,356,713)
Dividend paid		(16,474,344)	(4,465,410)
Net cash used in financing activities		(20,243,879)	(6,822,123)
Increase in cash and cash equivalents during the year		23,579,613	26,467,127
Cash and cash equivalents at the beginning of the year		83,583,146	58,792,131
Effect of exchange rate changes on cash and cash equivalents		137,516	(1,538,596)
Cash and cash equivalents at the beginning of the year	36	83,720,662	57,253,535
Cash and cash equivalents at the end of the year	36	107,300,275	83,720,662

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

President & CEO	Chief Financial Officer	Chairman	Director	Director

1 STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

(i) Faysal Bank Limited - Holding Company

(ii) Faysal Islami Currency Exchange Company (Private) Limited - Subsidiary Company

(iii) Faysal Asset Management Limited - Subsidiary Company

1.1.1 Holding Company - Faysal Bank Limited

Faysal Bank Limited (the Bank or the Holding Company) was incorporated in Pakistan on October 3, 1994 as a public limited company under the provisions of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are listed on the Pakistan Stock Exchange Limited. The Holding Company is engaged in Corporate, Commercial and Consumer banking activities. The Holding Company is operating through 855 branches (December 31, 2023: 722) including 2 sub-branches (December 31, 2023: 2).

The Registered Office of the Bank is located at Faysal House, ST-02, Shahrah-e-Faisal, Karachi.

Ithmaar Bank B.S.C (closed), a fully owned subsidiary of Ithmaar Holdings B.S.C is the parent company of the Bank, holding directly and indirectly 66.78% (2023: 66.78%) of the shareholding of the Bank. Dar Al-Maal Al-Islami Trust (DMIT), (ultimate parent of the Bank) is the holding company of Ithmaar Holdings B.S.C.

The State Bank of Pakistan has issued the Islamic Banking License No.BL(i) - 01 (2022) dated December 30, 2022 in the Bank's name, effective from January 1, 2023.

The Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited have determined the Holding Company's long-term rating as 'AA' (December 31, 2023: 'AA') and the short term rating as 'A1+' (December 31, 2023: 'A1+') on June 24, 2024 and June 28, 2024 respectively.

1.1.2 Subsidiary Company - Faysal Islami Currency Exchange Company (Private) Limited

During the year, the Holding Company established a wholly owned subsidiary, Faysal Islami Currency Exchange Company (Private) Limited (FICEC). FICEC is a private limited company, incorporated in Pakistan with the objective of dealing in foreign exchange and facilitating remittances. The registered office of FICEC is at ST-02, Faysal House, Shahrah-e-Faisal, Karachi.

1.1.3 Subsidiary Company - Faysal Asset Management Limited

	Percentage of holding	
	2024	2023
Faysal Asset Management Limited - Subsidiary	99.99%	99.99%

Faysal Asset Management Limited (the Subsidiary Company / FAML) was incorporated in Pakistan under the provisions of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on August 6, 2003 as an unlisted public limited company. The Subsidiary Company commenced its operations on November 14, 2003. The registered office of the Subsidiary Company is located at 7th Floor, West Wing, Faysal House, ST-02, Shahrah-e-Faisal, Karachi.

The Subsidiary Company is a Non-Banking Finance Company (NBFC), licensed to carry out asset management and investment advisory services under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

VIS Credit Rating Company Limited has assigned Asset Management rating of AM1 (December 31, 2023: AM++) on September 10, 2024.

The FAML currently manages the following Islamic and Conventional Collective Investment Schemes and Voluntary Pension Schemes:

	Net asset value as at	
	December 31, 2024	December 31, 2023
	----------Rupees '000----------	
Collective Investment Schemes (CISs)		
Islamic		
Faysal Islamic Savings Growth Fund (FISGF)	1,390	2,448
Faysal Islamic Asset Allocation Fund (FIAAF)	871	2,038
Faysal Islamic Asset Allocation Fund - II (FIAAF)	1,847	-
Faysal Islamic Stock Fund (FISF)	586	438
Faysal Shari'ah Planning Fund (FSPF)		
- Faysal Shari'ah Capital Preservation Plan IX	-	1,660
Faysal Halal Amdani Fund (FHAF)	66,468	42,651
Faysal Islamic Dedicated Equity Fund (FIDEF)	-	126
Faysal Islamic Stock Fund (FISF)	-	
Faysal Islamic Cash Fund (FICF)	52,548	23,208
- Faysal Shari'ah Capital Preservation Plan VIII	-	231
Faysal Islamic Special Income Fund (FISIF)		
- Faysal Islamic Special Income Plan I	141	34
- Faysal Islamic Special Income Plan III	718	-
Faysal Islamic Financial Planning Fund II (FIFPF II)		
- Faysal Shari'ah Capital Preservation Plan X	-	931
Faysal Islamic Sovereign Fund (FISF)		
- Faysal Islamic Sovereign Plan I	38,787	31,938
- Faysal Islamic Sovereign Plan II	43,053	-
Faysal Islamic Financial Growth Fund (FIFGF)		
- Faysal Islamic Financial Growth Plan I	15,173	398
- Faysal Islamic Financial Growth Plan II	19,738	-
Faysal Islamic Mustakil Munafa Fund (FIMMF)		
- Faysal Islamic Mehdood Muddat Plan-I	3,134	-
	244,454	106,101
Conventional		
Faysal Stock Fund (FSF)	15	61
Faysal Income & Growth Fund (FIGF)	48	1,090
Faysal Savings Growth Fund (FSGF)	190	1,737
Faysal Asset Allocation Fund (FAAF)	9	100
Faysal Cash Fund (FCF)	1	33
Faysal Money Market Fund (FMMF)	165	720
Faysal Financial Sector Opportunity Fund (FFSOF)	197	16,629
Faysal MTS Fund (FMTSF)	88	1,636
Faysal Financial Value Fund (FFVF)	-	1,283
Faysal Government Securities Fund (FGSF)	7	6
Faysal Special Savings Fund (FSSF)		
- Faysal Special Savings Plan I	1	13
- Faysal Special Savings Plan II	-	4,107
- Faysal Special Savings Plan III	-	21
	721	27,436

	Net asset value as at	
	December 31, 2024	December 31, 2023
	----------Rupees '000----------	
Voluntary Pension Schemes (VPSs)		
Islamic		
Faysal KPK Islamic Pension Fund (FKPKIPF)		
- Faysal KPK Islamic Pension Fund - Equity	1	1
- Faysal KPK Islamic Pension Fund - Money Market	37	30
- Faysal KPK Islamic Pension Fund - Debt	1	1
- Faysal KPK Islamic Pension Fund - Equity Index	1	1
Faysal Islamic Pension Fund (FIPF)		
- Faysal Islamic Pension Fund - Equity	90	47
- Faysal Islamic Pension Fund - Money Market	281	142
- Faysal Islamic Pension Fund - Debt	89	57
	500	279
Conventional		
Faysal Pension Fund (FPF)		
- Faysal Pension Fund - Equity	77	47
- Faysal Pension Fund - Money Market	56	56
- Faysal Pension Fund - Debt	49	47
	182	150

The FAML is also managing investments under discretionary portfolio management agreements.

2 BASIS OF PRESENTATION

2.1 The Holding Company provides financing mainly through Murabaha, Musawamah, Istisna and other Islamic modes as briefly explained in note 6.8 to these consolidated financial statements.

The purchases and sales arising under these arrangements are not reflected in these consolidated financial statement as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon. The income on such financing is recognized as accordance with the principles of Islamic Shari'ah. However income, if any, received which does not comply with the principles of Islamic Shari'ah, is recognised as charity payable if so directed by the Shari'ah Board of the Holding Company.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Bank and the financial statements of the Subsidiary Companies from the date from which control of the Subsidiary Companies by the Group commences until the date on which control ceases. The financial statements of the Subsidiary Companies are incorporated on a line-by-line basis and the investment held by the Bank is eliminated against the corresponding share capital and pre-acquisition reserve of the Subsidiary Companies in the consolidated financial statements.

The financial statements of the Subsidiary Companies are prepared for the same reporting period as the Holding Company, using accounting policies that are generally consistent with those of the Holding Company.

Investments in associates are accounted for under the equity method of accounting and are initially recognised at cost, thereafter for the post acquisition change in the Group's share of net assets of the associates. The consolidated profit and loss account reflects the Group's share of the results of operations of the associate. These consolidated financial statements include the Group's share of income and expenses of associates from the date that significant influence commences until the date that such influence ceases. Non-controlling interest is that part of the net results of operations and of net assets of the subsidiary attributable to interests which are not owned by the Holding Company.

All material intra-group balances and transactions have been eliminated.

3 STATEMENT OF COMPLIANCE

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

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

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

The State Bank of Pakistan (SBP) has adopted requirements of IFRS 9 along with the application instructions through BPRD Circular No. 07 of 2023, dated April 13, 2023, but deferred certain requirements. The requirement to carry unquoted securities at fair value has been deferred until January 1, 2025. Furthermore, Islamic banking institutions have been allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue existing accounting practices for other Islamic products until further instructions. The impact of profit of financing in advance stage is Rs. 1,504 million excluding any Effective yield rate (EIR) effect as the Holding Company has received deferment of recording income and expense at EIR via letter from SBP till 31 December 2025. Consequently, these deferred requirements of IFRS 9 have not been considered in the preparation of these consolidated financial statements. Furthermore, the Holding Company is required to apply modification accounting retrospectively however it will be applied only on the financing modified on or after 1st January 2020 as allowed by SBP.

3.2 As per the directive of the SBP through its letter BPRD (R&P-02)/625-99/2011/3744 dated March 28, 2011, gain arising on bargain purchase of Pakistan operations of Royal Bank of Scotland (ex-RBS Pakistan) was credited directly into equity as Non-distributable Capital Reserve (NCR). The SBP allowed the Holding company to adjust the amortisation of intangible assets against the portion of reserve which arose on account of such assets identified as a result of such acquisition. Accordingly, during the year ended December 31, 2024, the Holding company has adjusted an amortisation of intangible assets net of tax amounting to Rs. 52.650 million (2023: Rs. 68.968 million) from the NCR.

3.3 The SBP vide its BPRD Circular No. 04 dated February 25, 2015 has clarified that the reporting requirements of IFAS-3, 'Profit and loss sharing on deposits' for Institutions offering Islamic Financial Services (IIFS) relating to annual, half yearly and quarterly financial statements would be notified by the SBP through issuance of specific instructions and uniform disclosure formats in consultation with IIFS. These reporting requirements have not been notified to date. Accordingly, the disclosure requirements under IFAS 3 have not been considered in these consolidated financial statements.

3.4 The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has also deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial instruments: disclosures' through its S.R.O. 633(I)/2014 dated July 10, 2014. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements.

3.5 The SECP through S.R.O. 56(1)/2016 dated January 28, 2016, has directed that the requirements of IFRS 10, 'Consolidated financial statements' are not applicable in case of investments by companies in mutual funds established under Trust Deed structure. Accordingly, implications of IFRS 10 in respect of investment in mutual funds are not considered in these consolidated financial statements.

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

As directed by SBP via BPRD Circular letter no. 7 of 2023 dated April 13, 2023 IFRS 9, (Financial Instruments) is effective in Pakistan for periods beginning on or after January 1, 2024. In addition, due to the application of IFRS 9, SBP vide BPRD Circular No. 02 dated February 9, 2023, has also amended the format of the annual consolidated financial statements. Details regarding the aforementioned adoption and amendment, including the impact thereof, are discussed in more detail in note 6.4 to these consolidated financial statements. Except for the above, there are certain other interpretations and amendments that are mandatory for the Holding Company's accounting periods beginning January 1, 2024. However, these are not considered to be relevant or do not have any significant effect on the Holding Company's operations and therefore have not been detailed in these consolidated financial statements.

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

3.7.1 The following revised standards, amendments and interpretations with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

Standards, interpretations or amendments	Effective date (annual periods beginning on or after)
- Amendments to IAS 21- Lack of Exchangeability	January 1, 2025
- IFRS S1 - General Requirements for Disclosure of Sustainability related Financial Information	January 1, 2025
- IFRS S2 - Climate-related Disclosures	January 1, 2025
- Amendments to IFRS 9 Financial Instruments	January 1, 2025
- Amendments to IFRS 10 and IAS 28 - Sale of contribution of asset between an investor and its assocaites or joint venture	not yet announced

The management of the Group is assessing the impact of the changes in the above mentioned standards on the consolidateld financial statements.

3.7.2 As required under SBP Letter No. BPRD/LD-01/850/28853/2022-13054, the details of the net conventional funded portfolio as at December 31, 2024 are as follows:

	Note	Rupees in '000
Assets		
Investments		550,863
Financing - net		277,886
Liabilities		
Deposits and other accounts		2,239,386
Other liabilities	20	982,880

All efforts are being put in to convert or dispose-off the residual portfolio and appropriate monitoring mechanisms are in place. Quarterly progress report on the status of the residual portfolio is shared with the Holding's Company Board of Directors, the Shari'ah Board and the State Bank of Pakistan.

3.7.3 Profitability from residual (ring-fenced) non-Shari'ah compliant portfolio

In compliance with the principles of Shari'ah, the Shari'ah Board of the Holding Company has approved the "Conventional profitability cleansing framework" ('the Framework'). According to the Framework, any income accruing on the ring-fenced portfolio during the year, net-off attributable expenses and charges, is booked as charity payable under other liabilities. The conventional profitability is calculated in light of Shari'ah principles, the guidance of the Shari'ah Board and the understanding available as at the computation date, changes, if any, may be adjusted retrospectively.

3.7.4 Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain accounting estimates. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These estimates affect the reported amounts of assets, liabilities, income, and expenses. The areas where various assumptions and estimates are significant to the Group's financial statements or where judgement was exercised in the application of accounting policies are as follows:

i) Business combinations (note 6.1);

ii) Classification of investments (note 6.4.2 and 9);

iii) Valuation of financial assets and liabilities as per IFRS 9, associates and joint ventures (note 6.4.2);

iv) Measurement of the expected credit loss allowance (notes 6.4.10);

v) Valuation and depreciation of property and equipment (note 6.9 and 11.2);

vi) Taxation (note 6.11 and note 34);

vii) Valuation of non-banking asset acquired in satisfaction of claims (note 6.12 and 14);

viii) Valuation of defined benefit plan (note 6.14 and 38);

ix) Valuation and depreciation of right-of-use assets and their related lease liability (note 6.26, 12 and 18).

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

4 BASIS OF MEASUREMENT

These consolidated financial statements have been prepared under the historical cost convention except for certain property and equipment and non-banking assets acquired in satisfaction of claims which have been carried at revalued amounts, certain investments and derivative contracts which have been marked to market and are carried at fair value, obligations in respect of staff retirement benefits and lease liabilities which have been carried at present value and right-of-use assets which are initially measured at an amount equal to the corresponding lease liabilities (adjusted for any lease payments and costs as disclosed in details in note 6.26 to these consolidated financial statements) and depreciated over the respective lease terms.

5 FUNCTIONAL AND PRESENTATION CURRENCY

5.1 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.

5.2 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

6 MATERIAL ACCOUNTING POLICY INFORTMATION

The material accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2023, except as disclosed in note 6.4 and 6.5.

6.1 Business Combinations

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed as at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values as at the acquisition date. The excess of the consideration transferred over the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated profit and loss account. However, as more fully described in note 13.3 to these consolidated financial statements, the gain on bargain purchase arising on an acquisition made in 2010 has been recognised directly in equity as per the directives of the SBP.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at its cost less accumulated impairment losses, if any. Goodwill acquired in a business combination is tested for impairment annually or whenever there is an indication of impairment as per the requirements of International Accounting Standard (IAS) 36, 'Impairment of assets'. Impairment charge in respect of goodwill is recognised in the consolidated profit and loss account and is not subsequently reversed.

Acquisition of non-controlling interests (NCI) is measured at the proportionate share of the NCI in the fair value of the net assets acquired by the Group. The excess of the fair value of consideration transferred over the proportionate share of the NCI in the fair value of the net assets acquired is recognised in equity. (Referring to the 'Reserve arising on amalgamation').

6.2 Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise of cash in hand, balances with treasury banks, balances with other banks in current and deposit accounts and overdrawn nostro accounts.

6.3 Due to / Due from financial institutions

(a) Musharaka / Mudaraba placements

In Musharaka / Mudaraba, the Holding Company (or the counterparty financial institutions / the SBP) invests in the Shari'ah compliant business pools of the counterparty financial institutions / the SBP at the agreed profit and loss sharing ratio under musharaka agreements.

(b) Bai Muajjal

In Bai Muajjal, the Holding Company sells Shari'ah compliant instruments 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. The difference between the sale and the credit price is recognised over the credit period and recorded as income. Bai Muajjal with Federal Government is classified as investment.

(c) Musharaka from the SBP under IERS

Under IERS, the Holding Company accepts funds from the SBP under Shirkat-ul-aqd to constitute a pool for investment in export refinance portfolio of the Holding Company under the guidelines issued by the SBP. The profit of the pool is shared as per the agreed weightages between the partners.

(d) Mudaraba investment from the SBP under various long term Islamic refinance schemes

Under various long term Islamic refinance schemes of the SBP, the Holding Company accept funds from the SBP which are received on Mudaraba basis for investment in general pool of the Holding Company. The profit of the pool is shared as per the announced profit sharing ratio of the pool and the weightages assigned to these investments.

6.3.1 These are initially recognised at amount of funds disbursed / accepted (in case of Bai Muajjal, at sale price of the Sukuk net of deferred profit) and subsequently measured at amount receivable / payable under the contractual terms of the underlying agreement (in case of Bai Muajjal, at sale price of the Sukuk net of remaining deferred profit at reporting date, if any), except for Temporary Economic Refinance Facility (TERF) which are measured at amortized cost.

6.4 IFRS 9 - Financial Instruments (Applicable on or after January 1, 2024)

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

BPRD Circular No. 03 of 2022 issued by SBP provides detailed instructions on implementation of IFRS 9 (the IFRS 9 Application Instructions) for ensuring smooth and consistent implementation of the standard across the banks. Furthermore, SBP wide its BPRD Circular Letter No. 16 of 2024 and SBP wide BPRD Circular Letter No. 01 of 2025 has made further amendments in the application instructions issued. All deferments made through these amendments are disclosed in statement of compliance.

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

The Holding Company has adopted IFRS 9 in accordance with the IFRS 9 Application Instructions from January 1, 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 1, 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.

The effect of this change in accounting policy is as follows:

Financial Assets / Liabilities	Classification under IFRS 9	Balances as of December 31, 2023 (Audited)	Impact due to: Change in classification	Impact due to: Remeasurements	Impact due to: Surplus / (Deficit)	Impact due to: Reversal of provisions held	Impact due to: Recognition of expected credit losses (ECL)	Total impact - gross of tax	Taxation	Total impact - net of tax	Balances as of January 01, 2024
		Rupees 000									
Cash and balances with treasury banks	Amortised Cost	84,036,564	-	-	-	-	(5,238)	(5,238)	-	(5,238)	84,031,326
Balances with other banks	Amortised Cost	1,812,507	-	-	-	-	(2)	(2)	-	(2)	1,812,505
Due from financial institutions	Amortised Cost	-	-	-	-	-	-	-	-	-	-
Investments *								-	-	-	-
Available for sale (a)	FVPL	-	8,752,287	-	-	-	-	8,752,287	-	8,752,287	8,752,287
Available for sale (b)	FVOCI	579,769,737	(8,752,287)	(39,854)	(921,057)	2,424,848	(1,503,791)	(8,792,141)	-	(8,792,141)	570,977,596
Held to maturity (c)	Amortised Cost	6,765,570	-	-	-	1,409,394	(1,409,479)	(85)	-	(85)	6,765,485
Associates and subsidiaries	Cost	3,419,532	-	-	-	-	-	-	-	-	3,419,532
Islamic financing and related assets * (d)								-			
Subsidized SBP financing	Amortised Cost	31,050,959	-	(9,812,266)	-	-	(344,178)	(10,156,444)	-	(10,156,444)	20,894,515
Concessional staff financing	Amortised Cost	11,383,010	-	(4,605,494)	-	-	(51,742)	(4,657,236)	-	(4,657,236)	6,725,774
Modified financing	Amortised Cost	3,596,728	-	(124,564)	-	-	(381,755)	(506,319)	-	(506,319)	3,090,409
Other Islamic financing	Cost	534,801,764	-	-	-	20,050,262	(26,378,242)	(6,327,980)	-	(6,327,980)	528,473,784
Property and equipment		29,625,380	-	-	-	-	-	-	-	-	29,625,380
Right-of-use assets		10,771,515	-	-	-	-	-	-	-	-	10,771,515
Intangible assets		2,452,387	-	-	-	-	-	-	-	-	2,452,387
Other assets											
Financial other assets	Amortised Cost	66,769,695	-	-	-	-	(2,575)	(2,575)	-	(2,575)	66,767,120
Non financial other assets		4,479,334	-	4,605,494	-	-	-	4,605,494	-	4,605,494	9,084,828
Forward foreign exchange contracts	FVPL	550,232	-	-	-	-	-	-	-	-	550,232
		1,371,284,914	-	(9,976,684)	(921,057)	23,884,504	(30,077,002)	(17,090,239)	-	(17,090,239)	1,354,194,675
Bills payable	Amortised Cost	16,550,469	-	-	-	-	-	-	-	-	16,550,469
Due to financial institutions	Amortised Cost	166,886,803	-	(10,053,727)	-	-	-	(10,053,727)	-	(10,053,727)	156,833,076
Deposits and other accounts	Amortised Cost	1,018,264,979	-	-	-	-	-	-	-	-	1,018,264,979
Lease liabilities		12,865,125	-	-	-	-	-	-	-	-	12,865,125
Deferred tax liabilities		4,940,115	-	-	-	-	-	-	(3,606,679)	(3,606,679)	1,333,436
Other liabilities											
Financial other liabilities	Amortised Cost	54,656,058	-	-	-	-	82,603	82,603	-	82,603	54,738,661
Non financial other liabilities		3,874,561	-	241,461	-	-	-	241,461	-	241,461	4,116,022
Derivatives, forward foreign exchange contracts	FVPL	2,321,541	-	-	-	-	-	-	-	-	2,321,541
		1,280,359,651	-	(9,812,266)	-	-	82,603	(9,729,663)	(3,606,679)	(13,336,342)	1,267,023,309
Net Assets		90,925,263	-	(164,418)	(921,057)	23,884,504	(30,159,605)	(7,360,576)	3,606,679	(3,753,897)	87,171,366
REPRESENTED BY											
Share capital		15,176,965	-	-		-	-	-	-	-	15,176,965
Reserves		15,616,188	-	-		-	-	-	-	-	15,616,188
Surplus on revaluation of assets - net		15,170,817	(794,192)	(39,854)	(921,057)	-	-	(1,755,103)	859,998	(895,105)	14,275,712
Unappropriated profit		44,961,035	794,192	(124,564)	-	23,884,504	(30,159,605)	(5,605,473)	2,746,681	(2,858,792)	42,102,243
Non-controlling interest		258	-	-	-	-	-	-	-	-	258
		90,925,263	-	(164,418)	(921,057)	23,884,504	(30,159,605)	(7,360,576)	3,606,679	(3,753,897)	87,171,366

* This includes management overlay of Rs. 3,607.544 million in Stage 2 ECL.

a) Certain equity securities are held by the Holding Company in separate portfolios and are managed with an objective of realising cash flows through sale. The Holding Company primarily focuses on fair value information and uses that information to assess the securities' performance and to make decisions. Certain asset-backed securities have contractual cash flows that are not SPPI. These assets are therefore measured at FVPL under IFRS 9. (AFS to FVPL).

b) Certain debt securities are held by the Holding Company in separate portfolios to meet everyday liquidity needs. The Holding Company 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 Holding Company considers that under IFRS 9 these securities are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Moreover, certain equity investments held by the Holding Company for strategic purposes have been designated under IFRS 9 as at FVOCI. (AFS to FVOCI).

c) Corporate debt securities that were previously classified as held-to-maturity are now classified at amortised cost. The Holding Company intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and profit on the principal amount outstanding. (HTM to AC).

d) Islamic financing and related assets except for Temporary Economic Refinance Facility (TERF), staff financing and modified financing are stated at cost. Whereas, Temporary economic refinance scheme, staff financing and modified financing are stated at amortized cost.

6.4.1 Impact on regulatory capital

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. 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.

Had IFRS 9 not been applied then estimated CAR would have been lower by 21 bps from 16.74% to 16.53%.

The Group has applied the transitional arrangement on Regulatory Capital. Had the transitional arrangement not been applied then CAR would have been higher by 22 bps from 16.74% to 16.96%.

The Holding Company has applied the transitional arrangement on Regulatory Capital. Had the transitional arrangement not been applied than Leverage Ratio would have been lower by 06 bps from 4.53% to 4.47%.

6.4.2 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 profit (SPPI) criteria are required to be measured at fair value through profit and loss (FVPL) regardless of the business model in which they are held.

Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at transaction price. The fair value of a financial asset on initial recognition is generally its transaction price. If the Holding Company determines that the fair value on initial recognition differs from the transaction price then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in 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. Islamic financing and related assets other than staff financing and Temporary Economic Refinance Facility (TERF) are initially measured at transaction price i.e., the amount of financing disbursed at disbursement date.

Classification of Financial Assets

On initial recognition, a financial asset is classified as either amortized cost, FVOCI, or FVPL where as Islamic financing and related assets except for staff financing, the Temporary Economic Refinance Facility (TERF), and modified financing, are carried at cost.

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.

Islamic financing and related assets are carried at cost, net of expected credit loss allowances, except for Temporary Economic Refinance Facility (TERF), staff financing and modified financing, which are measured at amortized cost.

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.

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

Classification of Financial Liabilities

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

6.4.3 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 Holding Company makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The assessment requires judgement based on facts and circumstances on the date of assessment. The assessment considers the policies and objectives for the portfolio of financial assets, risk affecting, performance evaluation, business manager's compensation and historical sales information.

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

6.4.4 Assessment of whether contractual cash flows are solely payments of principal and profit (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Profit' 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 profit margin.

The Holding Company assesses whether the contractual cash flows of a financial asset meet the Solely Payments of Principal and Profit (SPPI) criterion by examining the contractual terms. This includes checking for terms that could alter the amount and timings of cash flows, such as contingent events, leverage, or prepayment features, etc.

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

For fixed-rate financings with periodic profit rate resets, the Holding Company considers these SPPI-compliant as the revised rates reflect time value, credit risk, and other associated risks.

6.4.5 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 profit or dividend income, are recognised in statement of profit or loss account.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective yield method. The amortised cost is reduced by impairment losses. Profit and impairment are recognised in statement of profit or loss account.
Debt investments at FVOCI	These assets are subsequently measured at fair value and is assessed for impairment under the new ECL model. Profit income is calculated using the effective yield method and includes amortization of premiums and accretion of discount and impairment are recognised in 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 or loss account.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment, in which case they are adjusted from the carrying value of investment. Other net gains and losses are recognised in OCI and are never reclassified to consolidated statement of profit or loss account.
Unquoted Securities	Unquoted equity securities are valued at the lower of cost and break-up value. The break-up value of these securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. The Holding Company may also use unaudited or management accounts to determine if any additional deficit needs to be charged.
Islamic financing and related assets at cost	Islamic financing and related assets are carried at cost, net of expected credit loss allowances, except for Temporary Economic Refinance Facility (TERF) and staff financing, modified financing which are carried at amortized cost, net of expected credit loss allowances.

6.4.6 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 yield 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 1 January 2024).

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

6.4.7 Calculation of profit income and expense

Income is recorded in accordance with IFAS 1 and IFAS 2. Furthermore, for other Islamic products income is recorded based on the contractual rate in accordance with the Shari'ah principles.

Profit expense on domestic financial liabilities (comprising deposits and borrowings) is recognized on an accrual basis in the period in which it is incurred, based on their contractual rates.

6.4.8 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 Holding Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

  The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Holding Company 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.

6.4.9 Modification

Financial assets

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

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the 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 financing 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 yield rate of the asset and recognised the resulting adjustment as a modification gain or loss in profit and loss account.

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

Financial liabilities

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

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

6.4.10 Impairment

The impairment requirements apply to financial assets measured at amortized cost and FVOCI (other than equity instruments), lease receivables, and certain financing 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').

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 derecognized 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 profit yield 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'.

Non-Performing financial assets

At each reporting date, the Holding Company 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. This includes time based criteria and subjective evaluation of the credit worthiness of the borrower.

A financing 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 financing 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 Holding Company is not required to compute ECL on Government Securities and on Government guaranteed credit exposure in local currency. The Holding Company 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.

The Holding Company calculates the ECL against corporate, commercial & SME financing portfolios as higher of PR and ECL under IFRS 9 at borrower/facility level, whereas against the retail borrowers the Holding Company calculates the ECL at higher of PR and ECL under IFRS 9 at segment/product basis as instructed under Annexure-A of BPRD Circular no 16 of 2024.

ECL is the probability weighted estimate of expected cash shortfalls which is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD). Based on the requirements of IFRS 9 and Application Instructions, the Holding Company has performed an ECL assessment considering the following key elements:

Probability of default:

The Probability of Default represents the likelihood that a counterparty will default within a specific timeframe, such as 12 months (12-month ECL for Stage 1) or the lifetime of the financial instrument (lifetime ECL for Stage 2). The Holding Company calculates PD on Islamic financing and related assets which is further bifurcated into retail and non retail portfolios. Following is the methodology through which non retail and retail PD are calculated:

Non-Retail PD:

The Holding Company utilizes its internal risk rating system to assign Obligor Risk Ratings (ORR) to borrowers. Holding Company has used a statistical method, for the estimation of TTC PDs associated with each of its Obligor Risk Rating (ORR).

Retail PD:

Holding Company has used the roll-rate method for retail portfolios based on its different risk characteristics and historical default trends. Holding Company has used historical data to estimate TTC PD for its retail segments.

Moreover, the Holding Company calculates Expected Credit Loss (ECL) on investments and balances with other Holding Companys by utilizing Probability of Default (PD) data, which tracks corporate credit rating transitions over time. This historical data helps to assess the likelihood of changes in creditworthiness and defaults.

Incorporation of forward-looking information:

Forward looking information is incorporated to convert TTC PD to Point in Time Probability of Default (PiT) PD. The Holding Company has estimated the PiT PDs in its PD Model. For this purpose, the Holding Company incorporated 5-year forecasts obtained from the Macro Economic Variable (MEV) database of the International Monetary Fund (IMF).

Exposure at Default (EAD):

The Holding Company has defined EAD for financial assets carried at an amortized cost equal to principal plus accrued profit at the default date. Each repayment date is assumed to be a default point in the model, and the ECL is calculated on the EAD at each repayment date and discounted at the effective yield rate to arrive at the discounted ECL under three scenarios, i.e, base, worst, and best-case scenarios. The unutilized exposures are multiplied with Credit Conversion Factors (CCFs) to compute the EAD of revolving facilities. For non revolving facilities, CCF is only applied to unutilized exposures when the Holding Company doesn't have unconditional right to revoke the undrawn portion. Additionally, cash and cash equivalent collateral the Holding Company holds against non-retail facilities are adjusted from the EAD, and ECL is calculated on the net amount. The Holding Company has developed CCF models for its revolving and non revolving facilities based on the historical utilization of credit limits which are currently being applied to the revolving portfolio.

Loss Given Default:

Loss Given Default (LGD) represents the forecasted economic loss in the event of default, calculated independently of credit quality and applied consistently across all stages. LGD is determined as the percentage of loss expected in case of borrower default, incorporating historical data, cash recovery experience (including settlements), costs and time of recoveries, collateral realizations, and recovery projections. For non-collateralized portfolios, the Holding Company estimates LGD based on actual recoveries from defaulted accounts over a historical period of 3-5 years prior to the

assessment date. Forward-looking information is incorporated into the LGD calculation to reflect the impact of macroeconomic factors on the expected recoveries.

Purchase or Originated Credit Impaired Financial Assets

Purchase or Originated Credit Impaired (POCI) financial assets are assets that are credit-impaired on initial recognition. Expected credit loss for these assets is not recognized in a separate loss provision on initial recognition, as the lifetime expected credit loss is inherent within the gross carrying amount of the instruments. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognized as a loss allowance after initial recognition is equal to the changes in lifetime ECL since the initial recognition of the asset.

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

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

- Financial assets measured at amortized cost / cost: as a deduction from the gross carrying amount of the assets.
- Financing commitments and financial guarantee contracts: as a provision in Other Assets / Liabilities.
- where a financial instrument includes both a drawn and an undrawn component, and the Holding Company does not identify the ECL on the financing 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.

6.4.11 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 Holding Company 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. A financial asset is transitioned to a backward stage in line with SBP instructions.

6.4.12 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 Holding Company 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 statement of profit and loss account.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Holding Company's procedures for recovery of amounts due.

6.4.13 Off-setting

Financial assets and financial liabilities are set off and the net amount is reported in the consolidated financial statements only when the Holding Company has a legally enforceable right to set off and the Holding Company intends to either settle on a net basis, or to realise the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the consolidated financial statements only when permitted by the accounting and reporting standards as applicable in Pakistan.

6.4.14 Governance, ownership and responsibilities

The Holding Company has adopted a governance framework requiring multiple functions to effectively work together to ensure input from all business lines. The Risk Department defines the staging criteria for the new impairment model and take ownership of all models, methodologies and the ECL calculation approach.

Additionally, the Risk department also take the ownership of the impact of ECL on Holding Company's capital. The Holding Company's Finance Division performs ECL calculation. As a result, the department then assess the financial impact, meet the financial reporting requirements and further monitor the impact on the financial ratios.

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

6.4.15 Undrawn financing commitments and guarantees

Financial guarantees' are contracts that require the Holding Company 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. 'financing commitments' are firm commitments to provide credit under pre-specified terms and conditions.

When estimating lifetime ECL for undrawn financing commitments, the Holding Company estimates the expected portion of the financing 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 financing are drawn down, based on a probability-weighting of the three scenarios.

6.4.16 Acceptances

Acceptances arise when the Holding Company is under an obligation to make payments against documents drawn under letters of credit. Acceptances specify the amount of money, the date, and the person to which the payment is due. After acceptance, the instrument becomes an unconditional liability (time draft) of the Holding Company and is therefore recognized as a financial liability in the statement of financial position with a corresponding contractual right of reimbursement from the customer recognized as a financial asset.

Acceptances have been considered within the scope of IFRS 9 - Financial Instruments for the purpose of calculation of expected credit loss and are valued at amortized cost and continued to be recognized as a financial liability in the statement of financial position with a contractual right of reimbursement from the customer as a financial asset.

6.4.17 Wa'ad / Promissory Contracts

Wa'ad / promissory contracts are initially recognized at fair value on the date on which the contract is entered into and are subsequently re-measured to fair value using appropriate valuation techniques. All Wa'ad / promissory contracts are carried as assets when fair value is positive and liability when fair value is negative. Any change in the fair value of Wa'ad / promissory contracts is taken to the profit and loss account.

6.5 Revised format of Annual financial statements

SBP through its BPRD Circular No. 02 dated February 9, 2023, has amended the format of annual financial statements of Banks. All Banks are required to prepare their annual financial statements on the revised format effective from accounting year starting from January 1, 2024. Accordingly, the Holding Company has prepared these annual financial statements on the new format prescribed by the SBP. The adoption of the new format contains additional disclosures and certain changes in the financial statements' presentation, primarily due to the implementation of IFRS 9 as applicable in Pakistan. However, the corresponding figures continue to be classified and disclosed in accordance with the previous financial accounting and reporting framework.

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

- Right-of-use-assets (note 12) amounting to Rs 13,297.784 million (December 31, 2023: Rs 10,771.515 million) which were previously shown as part of fixed assets are now shown separately on the Consolidated statement of financial position.

- Lease liabilities (note 18) amounting to Rs 15,582.671 million (December 31, 2023: Rs 12,865.125 million) which were previously shown as part of other liabilities (note 19) are now shown separately on the Consolidated statement of financial position.

6.6 Investment in associates

Certain mutual funds are managed by Faysal Asset Management Limited (FAML), 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.

In some cases, the holding of these investments is exceeding 50%. However due to the exemption provided through SRO 56(i) of 2016, for the purpose of determining subsidiary relation, the definition provided under Companies Act, 2017 is not considered rather the definition under IFRS 10 is used. As per IFRS 10, these are not considered subsidiary due to the legal trust structure of the entity the Group 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.

The Group has significant influence over mutual funds due to power to participate in the investee's policy-making processes via the FAML and investment in such mutual funds is considered as investment in associates.

Subsequent measurement of Associates

Investment in associates are accounted for using the equity method of accounting.

Impairment of Investment in associate

In respect of investment in associates, the Holding Company reviews their carrying values at each reporting date to assess whether there is an indication of impairment. The amount of impairment loss would be determined based on the higher of values in use and fair value less cost to sell. Impairment loss is recognised in the profit and loss account.

6.7 Investments (Applicable before January 1, 2024)

6.7.1 Classification

The Group classifies its investments as follows:

(a) Held for trading

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

(b) Held to maturity

These are securities with fixed or determinable payments and maturity that the Holding Company has a positive intent and ability to hold to maturity.

(c) Available for sale

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

6.7.2 Initial recognition and measurement

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

Investments other than those classified as held for trading are initially recognised at fair value which includes transaction costs associated with the investments. Investments classified as 'held for trading' are initially recognised at fair value and transaction costs associated with the transactions are expensed through the profit and loss account.

Premium or discount on acquisition of investments is amortised through the profit and loss account over the remaining period till maturity using the effective yield rate method.

6.7.3 Subsequent measurement

Held for trading

These are measured at subsequent reporting dates at fair value. Any unrealised surplus / deficit arising on revaluation is taken into profit and loss account.

Held to maturity

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

Available for sale

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

Unquoted equity securities are valued at the lower of cost and break-up value. The break-up value of these securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. The Holding Company may also use unaudited or management accounts to determine if any additional impairment needs to be charged beyond amounts already changed based on audited consolidated financial statements. Investments in other unquoted securities are valued at cost less impairment, if any.

6.7.4 Impairment

Available for sale and held to maturity investments

Impairment loss in respect of investments classified as available for sale and held to maturity is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in the fair value of a listed equity investment below its cost is also considered an objective evidence of impairment. The determination of significant or prolonged decline requires judgement.

Provision in the value of term finance certificates and sukuk certificates is made as per the requirements of the Prudential Regulations issued by the SBP. In case of impairment of available for sale securities, the cumulative loss that has been recognised in surplus / deficit on revaluation of securities on the statement of financial position within equity is removed therefrom and recognised in the profit and loss account.

6.8 Islamic financing and related assets

6.8.1 Financing is stated net of credit loss allowance and fair value adjustment. The amount of credit loss allowance is charged to the profit and loss account. Financing is written off in accordance with Holding Company policy by extinguishing them against the provision held. These write-offs / charge off do not, in any way, prejudice the Holding Company's right of

recovery from these customers. The Holding Company offers various Islamic financing products the details of which are as follows:

(a) Murabaha

In Murabaha transactions, the Holding Company purchases the goods and after taking the possession, sells them to the customer on cost plus profit basis either in a spot or credit transaction.

(b) Diminishing Musharaka

It is a form of partnership in which the Group and the customers create co-ownership in the assets by purchasing it jointly. The Group then rent out its share of the assets to the customer. Beside the payment of the rentals, the customers also purchase the assets from the Group in installments. Hence at the end of the tenure, customer become sole owner of the assets.

(c) Running Musharaka

In Running Musharakah financing, the Holding Company will enter into financing with the customer based on Shirkat-ul-Aqd (Business Partnership) in the customer's operating business. Under this mechanism the customer can withdraw and return funds to the Holding Company subject to its Running Musharakah Financing limit during the Musharakah period. At the end of each quarter / period 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 audited accounts of the customer.

(d) Ijarah

Ijarah is a contract whereby the owner of an asset (other than consumables) transfers its usufruct to another person for an agreed period and for an agreed consideration.

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

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

In Service Ijarah financing, the Holding Company provides financing by acquiring certain agreed services from the customer. After the purchase of services, the Holding Company appoints the customer to sell these services in the market over a period and provide a sale confirmation of such sale. The profit is only accrued from the date of receipt of such confirmation.

(e) Istisna

Istisna is a mode of sale at an agreed price, whereby the buyer places an order to or cause to manufacture, assemble or construct anything to be delivered at a future date.

The funds disbursed under Istisna are recorded as 'Advance against Istisna'. On execution of goods receiving note and receipt of manufactured goods, the same are recorded in the statement of financial position as inventories of the Holding Company at cost price and after sale of goods by customer to its ultimate buyers, Istisna financing is recognised.

(f) Musawamah

In Musawamah financing, the Holding Company purchases the goods and after taking the possession, sells them to customer either in spot or credit transaction, without disclosing the cost.

(g) Salam / Bai Salam

Salam / Bai 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.

The funds disbursed under Salam / Bai Salam are recorded as advances against Salam / Bai Salam. On execution of goods receiving note and receipt of Salam / Bai Salam goods, the same are recorded in the statement of financial position as inventories of the Holding Company at cost price and after the sale of goods by customer to its ultimate buyers, Salam / Bai Salam financing is recognised.

(h) Tijarah

Tijarah is a financing mode under which Holding Company purchases finished goods from the customer / seller against spot payment and delivery. Thereafter, the Holding Company appoints customer as an agent to sell the Tijarah goods in the market.

The funds disbursed under Tijarah are recorded as advances against Tijarah. On execution of goods receiving note and receipt of Tijarah goods, the same are recorded in the consolidated statement of financial position as inventories of the Holding Company at cost price and after the sale of goods by customer to its ultimate buyers, Tijarah financing is recognised.

(i) Tawarruq

Tawarruq means “to sell a commodity at spot after its purchase on deferred basis to the party other than from whom it was purchased.

In practice “Tawarruq is an arrangement in which Holding Company sells a commodity at a higher price from its market value to the Customer on deferred payment at cost plus profit. The customer, then sells the commodity to a third party on cash with a purpose of having access to liquidity".

(j) Governement grants (Applicable after January 1, 2024)

Government grants are recognized when there is reasonable assurance of receipt and compliance with attached conditions. Asset-related grants are either recorded as deferred income or deducted from the asset’s carrying amount, while income grants are systematically recognized in profit or loss. In line with IAS 20, government financing at below-market rates are treated as grants, with the benefit measured as the difference between the financing fair value and the proceeds received. The State Bank of Pakistan (SBP) has introduced temporary refinancing schemes to provide economic relief, which qualify as government grants. These are accounted for by bifurcating the liability into a financial liability under IFRS 9, measured at fair value, and a deferred grant liability representing the benefit received. The deferred grant liability is recognized in consolidated statement of financial position, at inception is initially offset against the fair value loss on below market rate financing provided to customers. The remaining portion is subsequently amortized over the tenure of financing, aligning with the unwinding difference between SBP refinance and customer financing.

6.9 Property and equipment and depreciation

(a) Tangible assets

Property and equipment other than land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Buildings are carried at revalued amount less any accumulated depreciation and subsequent impairment losses, if any. Land is carried at revalued amount less any subsequent impairment losses, 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 11.2 to these consolidated financial statements after taking into account residual value, if significant. The asset's residual values and useful lives are reviewed and adjusted, if required, at each reporting date. Depreciation on additions is charged once the assets become available for use and it stops when the asset is disposed or it is fully depreciated.

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

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.

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

Gains / losses on disposal of property and equipment, if any, are taken to the profit and loss account in the period in which these arise except that the related surplus on revaluation of property and equipment (net of deferred taxation) is transferred directly to unappropriated profit.

Surplus on revaluation of property and equipment (net of associated deferred tax) to the extent of the incremental depreciation charged on the related assets is transferred to unappropriated profit.

(b) Capital work-in-progress

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

(c) Intangible assets

Intangible assets having definite lives are stated at cost less accumulated amortisation and accumulated impairment losses, if any. The intangible assets include directly attributable costs that are capitalised as part of the intangible asset. Amortisation, except for customer relationship, is charged by applying the straight-line method over the useful lives of the assets. Amortisation is calculated so as to write-off the assets over their expected economic lives at rates specified in note 13 to these consolidated financial statements. Amortisation is charged from when the asset is available for use and stops when the asset is disposed or its fully amortized. The intangible asset comprising customer relationship is being amortised over the life expectancy of the deposits. The residual values and useful lives of intangible assets are reviewed and adjusted, if appropriate, at each reporting date.

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

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

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

6.10 Impairment

The carrying amounts of assets are reviewed at each reporting date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If any such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amount, except in the case of an intangible asset with an indefinite useful life or an intangible asset not yet available for use and goodwill acquired in a business combination for which impairment is tested annually irrespective of whether there is any indication of impairment. The resulting impairment loss is taken to the profit and loss account except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of asset.

An impairment loss is reversed except for impairment loss relating to goodwill, if there has been a change in the estimate used to determine the recoverable amount. Such reversals are only made to the extent that the asset's carrying amount does not exceed the amount that would have been determined if no impairment loss had been recognised.

6.11 Taxation

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

Current

Provision for current taxation is based on taxable income for the year. Tax charge for the current year is determined in accordance with the prevailing laws for taxation. The charge for the current tax is calculated using tax rates enacted or substantively enacted at the reporting date.

Prior

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

Deferred

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

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

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

6.12 Assets acquired in satisfaction of claims

Non-Banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation and accumulated impairment, if any. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure that their net carrying values do not differ materially from their fair values. Legal fee, transfer costs and direct costs of acquiring title to the non-banking assets are charged to the consolidated profit and loss account and these are not capitalised as part of non-banking assets. A surplus arising on revaluation of non-banking assets acquired in satisfaction of claims is credited to the 'surplus on revaluation of assets' account. Any deficit arising on revaluation is first set off against the surplus account for that particular non-banking asset, if any, or if no surplus exists, is charged to the consolidated profit and loss account. These assets are disclosed in other assets as specified by the SBP.

Surplus on revaluation of non-banking assets (net of associated deferred tax) to the extent of the incremental depreciation charged on the related assets is transferred to unappropriated profit.

6.13 Provisions and contingent assets and liabilities

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 reporting date and are adjusted to reflect the current best estimates.

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

6.14 Staff retirement benefits

a) Defined contribution plan

The Holding Company and the FAML both operate a contributory provident fund for all its permanent employees to which equal monthly contributions at the rate of 10 percent of basic salary are made both by the Holding Company, FAML and the employees.

b) Defined benefit plan

The Holding Company operates an approved funded gratuity plan for all its permanent eligible employees and eligible employees who are on contractual service and are employed under non-management cadre. The FAML also operates a funded gratuity plan for all permanent eligible employees who have completed the specified minimum qualifying period of service. Contributions are made by each company to the respective funds on the basis of actuarial recommendations.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Projected Unit Credit Method is used for the actuarial valuation.

Amounts arising as a result of 'Remeasurements', representing the actuarial gains and losses and the differences between the actual investment returns and the return implied by the net profit cost are recognised in the consolidated statement of financial position immediately, with a charge or credit to consolidated other comprehensive income in the periods in which these occur.

Staff retirement benefits are payable to staff on completion of prescribed qualifying period of service under these schemes.

6.15 Deposits and other accounts

Deposits are generated on the basis of two modes i.e. Qard and Mudaraba.

Deposits taken on Qard basis are classified as 'Current accounts' (non-remunerative) and deposits generated on Mudaraba basis are classified as 'Savings deposits' and 'Term deposits'. No profit or loss is passed on to current account depositors, however the funds of current accounts are treated as equity of the Holding Company for the purpose of profit calculation. Usually no restriction on withdrawals or number of transactions in current and savings accounts. In case of term deposits, pre-mature withdrawals can be made as per approved terms only.

Profits realised in investment pools are distributed in pre-agreed profit-sharing ratio between Rab-ul-Maal and Mudarib. Rab-ul-Maal share is distributed among depositors according to weightages assigned at the inception of profit calculation period.

Profits are distributed from the pool such that the depositors (remunerative) only bear the risk of assets in the pool during the profit calculation period. In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of investments.

Pools are created at the Holding Company discretion and the Holding Company can add, remove or transfer an asset to any other pool in the interests of the deposit holders.

6.16 Pool management

The Group has maintained the following pools:

i. 'General Pool' for local and foreign currency deposits;

ii. 'Islamic Export Refinance Pool';

iii. 'Interbank Company Treasury Musharaka Pool' ;

iv. 'Islamic Investment Pool' (Mudarabah based) - LCY & FCY;

v. 'Islamic Saving Pool' (Mudarabah based);

vi. 'Islamic Equity Pool';

vii. 'Hajj Pool';

viii. 'Treasury Mudarabah Pool';

ix. 'Pakistan Mortgage Refinance Company Musharakah Pool';

x. 'Open Market Operation'; and

xi. 'Mudarabah based Financing Facility'

Key features and risk & reward characteristics of all pools

- The 'General Pool' for both local and foreign currency is catered for all FBL Islamic depositors and provide profit / loss based on Mudarabah and Musharaka.
- The Islamic Export Refinance Pool caters the 'Islamic Export Refinance' requirements based on the guidelines issued by the SBP.
- The 'Interbank Treasury Musharaka Pool' is to provide Shari'ah compliant mechanism for Interbank Money Market transactions and manage the liquidity position of FBL Islamic statement of financial position by creating individual pools against each FBL Islamic money market deals.
- The 'Islamic Investment Pool' (Mudarabah based) - LCY & FCY pools are created to cater the needs of high net worth clients.
- The Islamic saving pools are created to cater the needs of high net worth clients / institutions.
- The Islamic equity pool is created to mainly cater the funding requirement of project / long term financing assets during non accrual period.
- The Hajj pool is created to give returns to Ministry of religious affairs deposits.
- The Treasury Mudarabah Pool is created to cater the liquidity requirement of the Holding Company.
- Pakistan Mortgage Refinance Company Musharakah Pool is created to promote expansion of affordable housing finance.
- Shari'ah Compliant Mudarabah Based Open Market Operations (OMO) Pool was created to enhance monetary policy transmission and improve management of market liquidity.
- Shari'ah Compliant Standing Ceiling Facility- Mudarabah based Financing Facility (MFF) Pool was created with a view to provide liquidity management framework for the Holding Company and enhance the effectiveness of monetary policy implementation. As per the guidelines provided by State Holding Company of Pakistan, MFF shall be available as a standing facility on overnight basis.
- The risk characteristics of each pool mainly depends on the asset and liability profile of each pool.

6.16.1 Profit / (loss) distribution to depositor's pool

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

Gross income generated from relevant assets, calculated at the end of the month is first divided between FBL Islamic and investors / depositors in the ratio of FBL Islamic equity commingled in a pool on pro rata basis, and then amongst FBL Islamic and the depositors as per agreed mudarib fee and weightages declared before start of a month, respectively. All Mudarabah and Musharaka based deposits are fully invested in respective Pools to produce returns for them. In case where FBL Islamic is unable to utilise all funds available for investment, priority is given to the deposit account holders.

All remunerative accounts such as remunerative current accounts, saving accounts, investment certificates, etc. are opened on the basis of Mudarabah, Musharaka, Wakalah or a combination of Mudarabah and Musharaka. The return on these deposits is calculated on the basis of Profit and Loss sharing (PLS). Unless specified, all remunerative local currency and foreign currency deposits are taken as General Mudarabah and Musharaka pool.

Profit share is determined by using weightages and profit sharing ratio assigned to each category of deposit within a pool. These weightages and profit sharing ratios are declared by FBL Islamic in compliance with the requirements of the Shari'ah and the SBP.

The allocation (of income and expenses to different pools) is based on pre-defined basis and accounting principles / standards. The direct expenses are charged to respective pool. The indirect expenses including the establishment cost are borne by FBL Islamic as Mudarib. The direct expenses charged to the pool include depreciation of Ijarah assets, cost of sales of inventories, insurance / takaful expenses of pool assets, stamp fee, documentation charges, brokerage fee for the purchase of securities / commodities, impairment / losses due to physical damages to specific assets in pools etc. Provisions against any non-performing assets of the pool are not passed on to the pool except on the actual loss / write-off of such non-performing asset and suspension of income against non-performing assets. The profit of the pool is shared between the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period.

Particulars	2024		2023	
	Rupees '000	Percent	Rupees '000	Percent
- Mudarib share amount and percentage of distributable income	66,194,466	44.18	43,412,039	37.65
- Amount and percentage of Mudarib share transferred to depositors through Hiba	23,759,949	35.89	13,604,438	31.34
- Profit rate earned (annualised)	-	18.97	-	18.53
- Profit rate distributed (annualised)	-	11.58	-	11.33

6.17 Subordinated Sukuk

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

6.18 Revenue recognition and other items

- Profit on Murabaha (including Commodity Murabaha) and Musawammah is recognised on an accrual basis.
- Rentals on Ijarah contracts are recognised as income on an accrual basis.
- Profit on Service Ijarah is recognised on an accrual basis commencing from the date of confirmation of sale to its ultimate buyer.
- Profit on Diminishing Musharakah financing is recognised on an accrual basis.
- Profit on Running Musharakah financing is recognised on an accrual basis and is adjusted upon final declaration of profit by Musharakah partners.

- Profit on Istisna / Salam / Bai Salam / Tijarah transactions are recognised on an accrual basis commencing from time of sale of goods till the realisation of sale of proceeds by the Holding Company.

- Profit on Sukuk is recognised on an accrual basis. Where Sukuk (excluding held for trading securities) are purchased at a premium or discount, those premiums / discounts are amortised through the consolidated profit and loss account over the remaining maturity.

- Premium or discount on acquisition of debt investments is capitalised and amortised through the consolidated profit and loss account over the remaining period till maturity.

- Dividend income from investments is recognised when the Holding Company's right to receive the dividend is established.

- The Group earns fee and commission income from services to retail and corporate customer. Fee and commission income is recognised at an amount that reflects the consideration to which the Holding Company expects to be entitled in exchange for providing the services.

- The Holding Company recognises fees earned on transaction-based arrangements at a point in time when the Holding Company has provided the service to the customer. Unearned fee and commission are included under other liabilities.

- Rent and other income is recognised on an accrual basis.

- Profits on Bai Muajjal lendings are recognised on straight line accrual basis.

- Profit suspended in compliance with the Prudential Regulations issued by the SBP is recognised on receipt basis. Profit on rescheduled / restructured financing and investments is recognised as permitted by the SBP.

- Gain or loss on disposal of property and equipment is taken to the consolidated profit and loss account in the period in which they arise.

- Subsidized financing (TERF), staff financing and modified financing classified at amortized cost, is recognized using the effective yield rate (EIR) method. If the financing is at below-market rates, it is initially recognized at fair value. Subsequently, profit income is recorded using EIR.

6.19 Proposed dividend and transfer between reserves

Dividends and appropriations to reserves, except appropriations which are required by the law, made subsequent to the reporting date are considered as non-adjusting events and are recorded in the consolidated financial statements in accordance with the requirements of International Accounting Standard (IAS) 10, 'Events after the reporting period' in the year in which they are approved / transfers are made.

6.20 Foreign currencies

(a) Foreign currency transactions

Foreign currency transactions are recorded in rupees at exchange rates prevailing on the date of transaction. Monetary assets, monetary liabilities and contingencies and commitments in foreign currencies except forward commitments (promises) are reported in Rupees at exchange rates prevalent on the reporting date.

Forward commitments other than those with the SBP related to the foreign currency deposits are valued at forward rates applicable to the respective maturities of the relevant foreign exchange commitments. Forward commitments with the SBP relating to foreign currency deposit, are valued at spot rate prevailing at the reporting date. Exchange gains and losses are included in the current year profit and loss account.

Commitments for outstanding forward foreign exchange transactions are disclosed at the rates applicable at the reporting date. Contingent liabilities / commitments for letters of credit, and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the exchange rates prevailing on the reporting date.

(b) Translation gains and losses

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

6.21 Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed in the consolidated financial statements at committed amounts. Commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the reporting date.

6.22 Acceptances

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

6.23 Earnings per share

The Group presents basic and diluted Earnings Per Share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

6.24 Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating decision maker. The Chief Executive Officer (CEO) has been identified as the Holding Company's Chief Operating decision maker.

(a) Business Segments

(i) Retail banking

Retail banking provides services to small customers i.e. commercials, consumers, small enterprises, medium enterprises and agriculture sector. It includes financing, deposits, other transactions and balances with retail customers.

(ii) Corporate and investment banking

This includes strategic partnership with corporate entities to provide working capital financing, trade financing, cash management services, project finance, export finance, leasing, guarantees, bills of exchange, deposits and other short term and long term finance. Further, this includes investment banking activities such as mergers and acquisitions, underwriting, privatisation, securitisation, Initial Public Offerings (IPOs), secondary private placements, etc.

(iii) Treasury and equity capital market (ECM)

It includes fixed income, equity, foreign exchanges, funding, own position securities and placements.

(iv) Special asset management (SAM)

This includes recoveries from borrowers' accounts which became delinquent or have defaulted in their obligations.

(v) Others

It includes functions which cannot be classified in any of the above segments.

(b) Geographical segment

The operations of the Group are currently based only in Pakistan.

6.25 Provision of claims under guarantees

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

6.26 Lease liability and right-of-use assets

At the inception of the contract, the Group assesses whether a contract is, or contains, a lease. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease term.

At the commencement date of the lease, the Holding Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The Holding Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. After the commencement date, the Bank reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate. The Holding Company cannot readily determine the profit rate implicit in the lease, therefore, it uses its incremental fund acceptance rate to measure lease liabilities.

6.27 Share capital

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

6.28 Reserves

Reserves being held by the Group in these consolidated financial statements include the following;

- Non-distributable capital reserve - gain on bargain purchase option (note 3.2).
- Statutory reserve represents amount set aside as per the requirements of section 21 of the banking Ordinance, 1962.

	Note	2024	2023
7 CASH AND BALANCES WITH TREASURY BANKS		----------Rupees '000----------	
In hand			
- local currency		28,965,475	18,287,512
- foreign currencies		3,287,756	1,716,544
		32,253,231	20,004,056
With State Bank of Pakistan in			
- local currency current accounts	7.1	62,834,372	47,120,181
- foreign currency current accounts	7.2	2,367,675	2,684,723
- foreign currency deposit accounts	7.3	3,841,612	4,323,955
		69,043,659	54,128,859
With National Bank of Pakistan in			
- local currency current accounts		1,304,011	9,902,199
Prize bonds	7.4	1,443	1,450
Less: Credit loss allowance held against cash and balances with treasury banks (Stage 1)		(1,687)	-
		102,600,657	84,036,564

7.1 These represent local currency current accounts maintained with the SBP as per the requirements of Section 36 of the State Bank of Pakistan Act, 1956. This section requires banking companies to maintain a local currency cash reserve in a current account with the SBP at a sum not less than such percentage of the Holding Company's time and demand liabilities in Pakistan as may be prescribed by the SBP.

7.2 This represents cash reserve of 5% maintained with the SBP in US dollars current account on deposits held under the New Foreign Currency Accounts (FE-25 deposits) as per BSD Circular No. 14 and 15 dated June 21, 2008.

7.3 These mainly represent local US dollars clearing account maintained with the SBP to facilitate US dollars clearing and 6% special cash reserve requirement on FE-25 deposits maintained by Islamic Banking Branches under the requirements of BSD Circular No.15 dated June 21, 2008. Profit rate on these balances is Nil (2023 :4.34%) per annum which is notified on monthly basis by SBP.

7.4 These represent the national prize bonds received from customer for onward surrending to SBP. The Holding Company as a matter of Shari'ah principle, does not deal in prize bonds.

	Note	2024	2023
8 BALANCES WITH OTHER BANKS		----------Rupees '000----------	
In Pakistan			
- in current accounts		13,918	10,251
- in deposit account	8.1	86	96
		14,004	10,347
Outside Pakistan			
- in current account		5,525,561	1,802,160
Less: Credit loss allowance held against balances with other banks (Stage 1)		(3)	-
Balances with other banks - net of credit loss allowance		5,539,562	1,812,507

8.1 The return on these balances is 10.23% (2023: 11.51%) per annum.

9 INVESTMENTS

9.1 Investments by type:

	Note	2024 Amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
		Rupees '000			
Debt Instruments					
Classified / Measured at amortised cost					
Federal Government securities		150,015	-	-	150,015
Non Government debt securities		8,214,351	(1,405,081)	-	6,809,270
		8,364,366	(1,405,081)	-	6,959,285
Classified / Measured at FVOCI					
Federal Government securities		587,301,250	-	20,573,146	607,874,396
Non Government debt securities		47,570,932	(1,321,184)	1,631,343	47,881,091
		634,872,182	(1,321,184)	22,204,489	655,755,487
Classified / Measured at FVPL					
Federal Government securities		2,624,853	-	-	2,624,853
		2,624,853	-	-	2,624,853
Equity instruments					
Classified / Measured at FVOCI (Non-Reclassifiable)					
Shares					
Listed companies		7,645,244	-	2,446,681	10,091,925
Unlisted companies		743,916	-	(676,230)	67,686
		8,389,160	-	1,770,451	10,159,611
Associates	9.5.1	2,755,728	-	-	2,755,728
Total Investments		657,006,289	(2,726,265)	23,974,940	678,254,964

	2023 Amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees '000			
Debt Instruments				
Held-to-maturity securities				
Non Government debt securities	8,174,964	(1,409,394)	-	6,765,570
	8,174,964	(1,409,394)	-	6,765,570
Available-for-sale securities				
Federal Government securities	522,195,325	-	1,949,879	524,145,204
Non Government debt securities	47,917,830	(519,291)	2,371,729	49,770,268
	570,113,155	(519,291)	4,321,608	573,915,472
Equity instruments				
Available-for-sale securities				
Shares				
Listed companies	4,770,525	(1,238,834)	2,214,770	5,746,461
Unlisted companies	744,182	(666,723)	30,345	107,804
	5,514,707	(1,905,557)	2,245,115	5,854,265
Associates	3,419,532	-	-	3,419,532
Total Investments	587,222,358	(3,834,242)	6,566,723	589,954,839

9.2 Investments by segments

	Note	2024			
		Amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
		Rupees '000			
Federal Government securities					
Ijarah Sukuks	9.2.1	587,451,265	-	20,573,146	608,024,411
Islamic Naya Pakistan Certificate	9.2.2	2,624,853	-	-	2,624,853
		590,076,118	-	20,573,146	610,649,264
Shares					
Listed companies		7,645,244	-	2,446,681	10,091,925
Unlisted companies		743,916	-	(676,230)	67,686
		8,389,160	-	1,770,451	10,159,611
Non Government debt securities	9.2.3				
Listed		45,000,000	(937)	1,647,000	46,646,063
Unlisted		10,785,283	(2,725,328)	(15,657)	8,044,298
		55,785,283	(2,726,265)	1,631,343	54,690,361
Associates	9.5				
Faysal Financial Sector Opportunity Fund		61	-	-	61
Faysal Halal Amdani Fund		680,762	-	-	680,762
Faysal Islamic Pension Fund - Debt		48,318	-	-	48,318
Faysal Islamic Pension Fund - Equity		66,496	-	-	66,496
Faysal Islamic Pension Fund - Money Market		49,203	-	-	49,203
Faysal Islamic Savings Growth Fund		511,918	-	-	511,918
Faysal Islamic Special Income Fund - FISIP-I		82,671	-	-	82,671
Faysal Islamic Stock Fund		4,949	-	-	4,949
Faysal Islamic Cash Fund		272,401	-	-	272,401
Faysal Islamic Financial Growth Fund - FIFGP-I		3,448	-	-	3,448
Faysal Islamic Sovereign Fund - FISP-I		821,716	-	-	821,716
Faysal Islamic Sovereign Plan - II		1,116	-	-	1,116
Faysal Pension Fund - Debt		46,872	-	-	46,872
Faysal Pension Fund - Equity		75,766	-	-	75,766
Faysal Islamic Kpk Government Pension Fund - Money Market Sub Fund		35,472	-	-	35,472
Faysal Islamic Kpk Government Pension Fund - Equity Sub Fund		590	-	-	590
Faysal Islamic Kpk Government Pension Fund - Debt Sub Fund		592	-	-	592
Faysal Islamic Kpk Government Pension Fund - Equity Index Sub Fund		594	-	-	594
Faysal Special Savings Fund - FSSP-I		1,387	-	-	1,387
Faysal Special Savings Fund - FSSP-II		205	-	-	205
Faysal Special Savings Fund - FSSP-III		-	-	-	-
Faysal Pension Fund - Money Market		47,786	-	-	47,786
Faysal Stock Fund		-	-	-	-
Faysal Islamic Mehdood Muddat Plan-I		3,405	-	-	3,405
		2,755,728	-	-	2,755,728
Total Investments		657,006,289	(2,726,265)	23,974,940	678,254,964

Investments by segments	2023			
	Amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees '000			
Federal Government securities				
Ijarah Sukuks	516,492,289	-	1,949,879	518,442,168
Islamic Naya Pakistan Certificate	5,703,036	-	-	5,703,036
	522,195,325	-	1,949,879	524,145,204
Shares				
Listed companies	4,770,791	(1,238,834)	2,214,770	5,746,727
Unlisted companies	743,916	(666,723)	30,345	107,538
	5,514,707	(1,905,557)	2,245,115	5,854,265
Non Government debt securities				
Listed	45,000,000	-	2,383,000	47,383,000
Unlisted	11,092,794	(1,928,685)	(11,271)	9,152,838
	56,092,794	(1,928,685)	2,371,729	56,535,838
Associates				
Faysal Financial Sector Opportunity Fund	-	-	-	-
Faysal Halal Amdani Fund	1,560,101	-	-	1,560,101
Faysal Islamic Pension Fund - Debt	40,178	-	-	40,178
Faysal Islamic Pension Fund - Equity	43,254	-	-	43,254
Faysal Islamic Pension Fund - Money Market	40,893	-	-	40,893
Faysal Islamic Savings Growth Fund	1,289,001	-	-	1,289,001
Faysal Islamic Special Income Fund - Fisip-I	1,702	-	-	1,702
Faysal Islamic Stock Fund	125,253	-	-	125,253
Faysal Islamic Cash Fund	-	-	-	-
Faysal Islamic Financial Growth Fund - Fifgp-I	114,230	-	-	114,230
Faysal Islamic Sovereign Fund - Fisp-I	3,046	-	-	3,046
Faysal Islamic Sovereign Plan - Ii	-	-	-	-
Faysal Pension Fund - Debt	39,562	-	-	39,562
Faysal Pension Fund - Equity	42,204	-	-	42,204
Faysal Islamic Kpk Government Pension Fund - Money Market Sub Fund	30,201	-	-	30,201
Faysal Islamic Kpk Government Pension Fund - Equity Sub Fund	503	-	-	503
Faysal Islamic Kpk Government Pension Fund - Debt Sub Fund	503	-	-	503
Faysal Islamic Kpk Government Pension Fund – Equity Index Sub Fund	503	-	-	503
Faysal Special Savings Fund - Fssp-I	13,170	-	-	13,170
Faysal Special Savings Fund - Fssp-II	12,672	-	-	12,672
Faysal Special Savings Fund - FSSP-III	15,739	-	-	15,739
Faysal Pension Fund - Money Market	39,972	-	-	39,972
Faysal Stock Fund	6,845	-	-	6,845
Faysal Islamic Mehdood Muddat Plan-I	-	-	-	-
	3,419,532	-	-	3,419,532
Total Investments	587,222,358	(3,834,242)	6,566,723	589,954,839

9.2.1 GoP Ijara Sukuks have tenure ranging from 1 to 10 years. The Group's return on these instruments ranges from 6.36% to 23.08% per annum (2023: 6.36% to 23.71% per annum) with maturities from April 2025 to October 2034.

9.2.2 The Holding company has invested in PKR and foreign currency denominated Mudarabah based pools maintained by the Islamic Naya Pakistan Certificate Company Limited (INPCCL), a special purpose vehicle formed by the Government of Pakistan. As at December 31, 2024, the Holding company's investment in PKR, USD, EURO and GBP denominated pools amounted to Rs. 771.724 million (2023: Rs. 477.759 million), USD 4.719 million with PKR equivalent of Rs 1,314.365 million (2023: Rs. 4,367.162 million), EURO 0.388 million with PKR equivalent of Rs.112.567 million (2023: Rs

177.522 million) and GBP 1.219 million with PKR equivalent of Rs. 426.197 million (2023: Rs. 680.593 million) respectively. The actual profit rates on these pools are calculated in line with the Islamic principle of Mudarabah and communicated to the Holding company at the end of each month. The profit earned by the Holding company on these investment pools during the year 17% for PKR denominated pool, 5.75% for USD denominated pool, 5.25% for GBP denominated pool and 4% for EURO denominated pool. These investments are perpetual in nature and have no fixed maturity.

9.2.3 These include Sukuks having tenures ranging from 3 to 11 years. The Group's return on these instruments ranges from 13.32% to 18.71% per annum (2023: 21.14% to 24.01% per annum) with maturities up to December 2032.

	2024	2023
	----------Rupees '000----------	
9.3 Investments given as collateral - at market value		
- Ijarah Sukuk	128,477,500	73,587,500
9.4 Particlars of Credit loss allowance against investments		
9.4.1 Opening balance	3,834,242	3,284,350
Impact of adopting IFRS 9 as at January 1, 2024	(920,972)	-
Restated balance as at January 1 , 2024	2,913,270	3,284,350
Charge / (reversals)		
Charge for the year	99	1,811,871
Reversals for the year	(182,783)	(58,113)
Reversals on disposals	(4,321)	(1,203,866)
	(187,005)	549,892
Closing balance	2,726,265	3,834,242

	2024		
	Stage 1	Stage 2	Stage 3
9.4.2 Investments - exposure	---------- Rupees '000----------		
Opening balance	-	-	-
Impact of adopting IFRS 9 as at January 1, 2024	574,797,434	1,562,000	1,928,685
Restated balance as at January 1, 2024	574,797,434	1,562,000	1,928,685
New investments / Increase	164,070,110	-	-
Investments derecognised or repaid	(98,769,492)	(347,865)	(4,321)
Transfer to stage 1	-	-	-
Transfer to stage 2	-	-	-
Transfer to stage 3	-	(1,214,135)	1,214,135
	65,300,618	(1,562,000)	1,209,814
Amounts written off / charged off	-	-	-
Closing balance	640,098,052	-	3,138,499

9.4.3 Investments - credit loss allowance

	2024		
	Stage 1	Stage 2	Stage 3
	Rupees '000		
Opening balance			
Impact of adopting IFRS 9 as at January 1, 2024	-	-	-
Restated balance as at January 1, 2024	1,873	982,712	1,928,685
	1,873	982,712	1,928,685
New investments	-	-	74,665
Investments derecognised or repaid	-	(181,807)	-
Transfer to stage 1	-	-	-
Transfer to stage 2	-	-	-
Transfer to stage 3	-	(800,905)	800,905
	-	(982,712)	875,570
Amounts written off / charged off	-	-	-
Changes in risk parameters (PDs/LGDs)	(877)	-	(78,986)
Closing balance	996	-	2,725,269

9.4.4 Particulars of credit loss allowance against debt securities

Category of classification		2024	
		Outstanding amount	Credit loss allowance
		Rupees '000	
Domestic			
Performing	Stage 1	640,098,049	996
Underperforming	Stage 2	-	-
Non-performing	Stage 3		
Substandard		-	-
Doubtful		1,214,135	800,905
Loss		1,924,364	1,924,364
Total		643,236,548	2,726,265

	2023	
	Non-performing investments	Provision Held
	Rupees '000	
Domestic		
Loss	1,928,685	1,928,685

9.5 Investment in associates

9.5.1 Movement of investment in associates

	Country of incorporation	% Holding	Investment at the beginning of the year	Investment / (redemption) during the year	Share of profit	Dividend received	Investment at the end of the year
			As at December 31, 2024				
		%	Rupees '000				
Associates							
Faysal Financial Sector Opportunity Fund	Pakistan	0.03	-	(180)	241	-	61
Faysal Halal Amdani Fund	Pakistan	1.02	1,560,101	(914,617)	39,515	(4,237)	680,762
Faysal Islamic Pension Fund - Debt	Pakistan	54.95	40,178	-	8,140	-	48,318
Faysal Islamic Pension Fund - Equity	Pakistan	74.11	43,254	(10,000)	33,242	-	66,496
Faysal Islamic Pension Fund - Money Market	Pakistan	17.49	40,893	1	8,309	-	49,203
Faysal Islamic Savings Growth Fund	Pakistan	36.84	1,289,001	(835,484)	111,196	(52,795)	511,918
Faysal Islamic Special Income Fund - FISIP-I	Pakistan	58.75	1,702	74,444	12,707	(6,182)	82,671
Faysal Islamic Stock Fund	Pakistan	0.84	125,253	(131,859)	11,555	-	4,949
Faysal Islamic Cash Fund	Pakistan	0.52	-	241,955	31,514	(1,068)	272,401
Faysal Islamic Financial Growth Fund - FIFGP-I	Pakistan	0.02	114,230	(115,486)	8,767	(4,063)	3,448
Faysal Islamic Financial Growth Fund-(FIFGP-II)	Pakistan	-	-	(2,676)	2,676	-	-
Faysal Islamic Sovereign Fund - FISP-I	Pakistan	2.12	3,046	743,855	117,783	(42,968)	821,716
Faysal Islamic Sovereign Plan - II	Pakistan	0.00	-	(3,124)	4,242	(2)	1,116
Faysal Pension Fund - Debt	Pakistan	95.77	39,562	-	7,310	-	46,872
Faysal Pension Fund - Equity	Pakistan	98.28	42,204	-	33,562	-	75,766
Faysal Islamic Kpk Government Pension Fund - Money Market Sub Fund	Pakistan	96.11	30,201	-	5,271	-	35,472
Faysal Islamic Kpk Government Pension Fund - Equity Sub Fund	Pakistan	100.00	503	1	86	-	590
Faysal Islamic Kpk Government Pension Fund - Debt Sub Fund	Pakistan	100.00	503	1	88	-	592
Faysal Islamic Kpk Government Pension Fund – Equity Index Sub Fund	Pakistan	100.00	503	-	91	-	594
Faysal Special Savings Fund - FSSP-I	Pakistan	99.98	13,170	(12,401)	676	(58)	1,387
Faysal Special Savings Fund - FSSP-II	Pakistan	77.41	12,672	(12,054)	827	(1,240)	205
Faysal Special Savings Fund - FSSP-III	Pakistan	-	15,739	(16,799)	1,060	-	-
Faysal Pension Fund - Money Market	Pakistan	85.20	39,972	(1)	7,815	-	47,786
Faysal Stock Fund	Pakistan	-	6,845	(7,317)	472	-	-
Faysal Islamic Mehdood Muddat Plan-I	Pakistan	0.11	-	3,081	419	(95)	3,405
			3,419,532	(998,660)	447,564	(112,708)	2,755,728

	Country of incorporation	% Holding	Investment at the beginning of the year	Investment / (redemption) during the year	Share of profit	Dividend received	Investment at the end of the year
			As at December 31, 2023				
		%	Rupees '000				
Associates							
Faysal Government Securities Fund	Pakistan	-	97,449	(97,449)	-	-	-
Faysal Islamic Pension Fund - Debt	Pakistan	69.89	33,633	-	6,545	-	40,178
Faysal Islamic Pension Fund - Equity	Pakistan	92.23	28,439	-	14,815	-	43,254
Faysal Halal Amdani Fund	Pakistan	3.66	-	1,550,000	13,092	(2,991)	1,560,101
Faysal Islamic Sovereign Fund - FISP-I	Pakistan	0.01	-	2,987	14,717	(14,658)	3,046
Faysal Islamic Pension Fund - Money Market	Pakistan	28.81	33,639	-	7,254	-	40,893
Faysal Islamic Savings Growth Fund	Pakistan	52.64	844,471	400,555	56,290	(12,315)	1,289,001
Faysal Islamic Special Income Fund - FISIP-I	Pakistan	5.02	107,601	(105,972)	82	(9)	1,702
Faysal Islamic Stock Fund	Pakistan	28.62	96,437	18,072	10,744	-	125,253
Faysal Pension Fund - Debt	Pakistan	87.02	33,215	-	6,347	-	39,562
Faysal Pension Fund - Equity	Pakistan	89.89	27,905	-	14,299	-	42,204
Faysal Pension Fund - Money Market	Pakistan	71.21	33,791	-	6,181	-	39,972
Faysal Savings Growth Fund	Pakistan	-	720,379	(720,379)	-	-	-
Faysal Special Savings Fund - FSSP-I	Pakistan	98.72	-	12,083	1,087	-	13,170
Faysal Islamic Financial Growth Fund - FIFGP-I	Pakistan	28.72	-	106,350	9,486	(1,606)	114,230
Faysal Islamic KPK Government Pension Fund - Money Market Sub Fund	Pakistan	100.00	-	30,000	201	-	30,201
Faysal Islamic KPK Government Pension Fund - Equity Sub Fund	Pakistan	100.00	-	500	3	-	503
Faysal Islamic KPK Government Pension Fund - Debt Sub Fund	Pakistan	99.96	-	500	3	-	503
Faysal Islamic KPK Government Pension Fund – Equity Index Sub Fund	Pakistan	100.00	-	500	3	-	503
Faysal Special Savings Fund - FSSP-II	Pakistan	0.31	-	11,499	1,173	-	12,672
Faysal Special Savings Fund - FSSP-III	Pakistan	75.27	108,161	(93,792)	1,370	-	15,739
Faysal Stock Fund	Pakistan	11.16	264,353	(255,102)	(2,406)	-	6,845
			2,429,473	860,352	161,286	(31,579)	3,419,532

9.5.2 Summary of financial position and performance

	Country of incorporation	% Holding	As at December 31, 2024		For the year ended December 31, 2024		
			Assets	Liabilities	Revenue	Profit / (loss)	Total comprehensive income / (loss)
		%	Rupees '000				
Associates							
Faysal Financial Sector Opportunity Fund	Pakistan	0.03	207,739	11,100	128,592	122,877	122,877
Faysal Halal Amdani Fund	Pakistan	1.02	66,801,085	332,829	6,374,646	5,708,277	5,708,277
Faysal Income Growth Fund	Pakistan	-	71,224	22,775	119,553	110,873	110,873
Faysal Islamic Pension Fund - Debt	Pakistan	54.95	89,110	1,181	8,229	7,811	7,811
Faysal Islamic Pension Fund - Equity	Pakistan	74.11	100,138	10,418	31,365	30,316	30,316
Faysal Islamic Pension Fund - Money Market	Pakistan	17.49	281,950	614	27,256	26,278	26,278
Faysal Islamic Savings Growth Fund	Pakistan	36.84	1,402,941	13,345	151,259	134,718	134,718
Faysal Islamic Special Income Fund - FISIP-I	Pakistan	58.75	141,832	1,101	13,272	12,265	12,265
Faysal Islamic Stock Fund	Pakistan	0.84	708,284	122,027	115,322	108,770	108,770
Faysal Islamic Cash Fund	Pakistan	0.52	52,701,502	153,823	4,218,274	4,131,471	4,131,471
Faysal Islamic Financial Growth Fund - FIFGP-I	Pakistan	0.02	15,219,409	46,259	1,240,119	1,093,827	1,093,827
Faysal Islamic Financial Growth Fund-(FIFGP-II)	Pakistan	-	19,751,531	13,712	608,637	584,361	584,361
Faysal MTS Fund	Pakistan	-	91,011	3,075	17,881	16,942	16,942
Faysal Islamic Sovereign Fund - FISP-I	Pakistan	2.12	38,978,826	192,196	2,766,517	2,410,942	2,410,942
Faysal Islamic Sovereign Plan - II	Pakistan	0.00	43,183,396	130,885	1,871,857	1,624,927	1,624,927
Faysal Pension Fund - Debt	Pakistan	95.77	49,436	495	4,349	4,078	4,078
Faysal Pension Fund - Equity	Pakistan	98.28	77,600	507	24,899	24,356	24,356
Faysal Islamic KPK Government Pension Fund - Money Market Sub Fund	Pakistan	96.11	37,006	100	2,770	2,543	2,543
Faysal Islamic KPK Government Pension Fund - Equity Sub Fund	Pakistan	100.00	601	12	47	40	40
Faysal Islamic KPK Government Pension Fund - Debt Sub Fund	Pakistan	100.00	607	16	45	40	40
Faysal Islamic KPK Government Pension Fund – Equity Index Sub Fund	Pakistan	100.00	611	17	47	42	42
Faysal Special Savings Fund - FSSP-I	Pakistan	99.98	1,683	296	42	28	28
Faysal Special Savings Fund - FSSP-II	Pakistan	77.41	1,018	754	25	21	21
Faysal Special Savings Fund - FSSP-III	Pakistan	-	1,018	754	25	21	21
Faysal Pension Fund - Money Market	Pakistan	85.20	56,510	421	4,993	4,727	4,727
Faysal Stock Fund	Pakistan	-	18,738	3,692	4,768	4,280	4,280
Faysal Islamic Mehdood Muddat Plan-I	Pakistan	0.11	3,137,367	3,333	322,450	317,342	317,342

	Country of incorporation	% Holding	As at December 31, 2023		For the year ended December 31, 2023		
			Assets	Liabilities	Revenue	Profit / (loss)	Total comprehensive income
		%	Rupees '000				
Associates							
Faysal Government Securities Fund	Pakistan	-	7,307	1,051	19,073	16,938	16,938
Faysal Islamic Pension Fund - Debt	Pakistan	69.89	57,824	338	8,866	8,364	8,364
Faysal Islamic Pension Fund - Equity	Pakistan	92.23	47,475	577	17,598	16,081	16,081
Faysal Halal Amdani Fund	Pakistan	3.66	42,865,974	215,288	7,846,006	7,392,453	7,392,453
Faysal Islamic Sovereign Fund - FISP-I	Pakistan	0.01	32,090,310	152,007	1,828,618	1,423,416	1,423,416
Faysal Islamic Pension Fund - Money Market	Pakistan	28.81	143,267	1,307	18,692	18,117	18,117
Faysal Islamic Savings Growth Fund	Pakistan	52.64	2,468,411	19,922	397,466	358,441	358,441
Faysal Islamic Special Income Fund - FISIP-I	Pakistan	5.02	38,281	4,403	31,847	29,180	29,180
Faysal Islamic Stock Fund	Pakistan	28.62	494,748	57,173	466,339	192,667	192,667
Faysal Pension Fund - Debt	Pakistan	87.02	45,774	311	7,865	7,339	7,339
Faysal Pension Fund - Equity	Pakistan	89.89	47,545	593	47,131	15,905	15,905
Faysal Pension Fund - Money Market	Pakistan	71.21	56,464	332	9,093	8,569	8,569
Faysal Savings Growth Fund	Pakistan	-	1,764,555	27,374	279,469	245,760	245,760
Faysal Special Savings Fund - FSSP-I	Pakistan	98.72	13,937	596	45,158	41,553	41,553
Faysal Islamic Financial Growth Fund - FIFGP-I	Pakistan	28.72	400,514	2,830	46,688	43,544	43,544
Faysal Islamic KPK Government Pension Fund - Money Market Sub Fund	Pakistan	100.00	30,212	11	-	-	-
Faysal Islamic KPK Government Pension Fund - Equity Sub Fund	Pakistan	100.00	504	0	-	-	-
Faysal Islamic KPK Government Pension Fund - Debt Sub Fund	Pakistan	99.96	504	0	-	-	-
Faysal Islamic KPK Government Pension Fund – Equity Index Sub Fund	Pakistan	100.00	504	0	-	-	-
Faysal Special Savings Fund - FSSP-II	Pakistan	0.31	4,117,440	10,762	133,821	119,828	119,828
Faysal Special Savings Fund - FSSP-III	Pakistan	75.27	21,370	460	7,236	6,541	6,541
Faysal Stock Fund	Pakistan	11.16	78,703	17,369	11,676	(138)	(138)

9.6 Quality of securities

Details regarding quality of securities held under "Held to Collect and Sell" model (2023 : Available for Sale)

	2024	2023
	Cost	
	----------Rupees '000----------	
Federal Government securities - Government guaranteed		
Ijarah Sukuks	587,451,265	516,492,289
Other Federal Government securities	-	5,703,036
	587,451,265	522,195,325
Shares		
Listed companies		
Oil and gas exploration company	2,126,728	1,155,963
Cement	1,682,440	897,154
Fertilizer	971,105	420,758
Oil and gas marketing company	807,461	361,379
Chemical	631,767	578,402
Power generation and distribution	450,867	568,851
Refinery	238,699	-
Pharmaceuticals	209,380	-
Cable & Electrical Goods	146,111	-
Automobile Assembler	145,546	272,929
Textile composite	112,060	22,546
Synthetic & Rayon	45,040	-
Paper & Board	43,197	-
Real estate	16,372	16,372
Investment banks / investment companies / securities	12,528	12,528
Textile spinning	4,362	4,362
Textile weaving	1,271	1,271
Vanaspati and allied industries	243	243
Glass and ceramics	38	38
Miscellaneous	16	278
Engineering	13	13
Commercial banks	-	405,124
Technology & communication	-	52,583
	7,645,244	4,770,794

	2024		2023	
	Cost	Breakup value	Cost	Breakup value
	---------- Rupees '000----------			
Unlisted companies				
1Link (Private) Limited	50,000	1,182,173	50,000	733,214
Al Hamra Avenue (Private) Limited	265,938	N/A	265,935	N/A
Al Hamra Hills (Private) Limited	5	N/A	5	N/A
DHA Cogen (Private) Limited	325,000	N/A	325,000	N/A
Himont Chemical	1,037	N/A	1,037	N/A
Pace Barka Properties Limited	52,000	N/A	52,000	N/A
Pakistan Export Finance Guarantee	5,686	N/A	5,686	N/A
Naymat Collateral Management	25,000	5,715	25,000	N/A
ISE Towers REIT Management Company	-	62,264	-	62,264
Pakistan Corporate Restructuring Company Limited	19,250	11,829	19,250	N/A
	743,916	1,261,981	743,913	795,478

	2024	2023
	Cost	
Non Government debt securities	----------Rupees '000----------	
Listed		
- Unrated *	45,000,000	45,000,000
	45,000,000	45,000,000
Unlisted		
- AAA	750,000	-
- AA+, AA, AA-	89,000	750,000
- A+, A, A-	-	89,000
- BB	-	1,562,000
- B+, B, B-	1,214,135	-
- Unrated	517,797	516,830
	2,570,932	2,917,830

*This represents investment in Pakistan Energy Sukuk-I and Pakistan Energy Sukuk-II issued by Power Holding Limited, wholly owned by the Government of Pakistan. These Energy Sukuks are guaranteed by the Government of Pakistan and are eligible for Statutory Liquidity Requirements.

9.7 Securities classified Under "Held to Collect" model

Details regarding quality of securities held under "Held to Collect" model (2023: held to maturity)

	Note	2024	2023
		Cost	
		----------Rupees '000----------	
Federal government securities - Government guaranteed			
- GoP Ijara Sukuk		150,015	-
Non Government debt securities			
Unlisted			
- AAA	9.7.2	6,809,278	6,765,678
- Unrated *		1,405,073	1,409,286
		8,214,351	8,174,964

* These investments are fully provided.

9.7.1 The market value of securities classified as held-to-collect as at December 31, 2024 amounted to Rs. 6,972 million (December 31, 2023: Rs. 6,779 million).

9.7.2 This represents investment in Neelum Jhelum Hydropower Company (Private) Limited and Water and Power Development Authority sukuks, wholly owned by the Government of Pakistan. These Sukuks are guaranteed by the Government of Pakistan.

10 ISLAMIC FINANCING AND RELATED ASSETS - NET

	Note	Performing		Non-performing		Total	
		2024	2023	2024	2023	2024	2023
		Rupees '000					
Murabaha financing and related assets							
Murabaha financing	10.1	16,772,851	38,284,881	128,898	166,424	16,901,749	38,451,305
Advance against Murabaha financing		8,809,831	3,219,979	14,687	5,000	8,824,518	3,224,979
Inventory related to Murabaha		2,558,743	2,174,051	-	-	2,558,743	2,174,051
		28,141,425	43,678,911	143,585	171,424	28,285,010	43,850,335
Running Musharaka		235,138,286	195,753,370	-	545,166	235,138,286	196,298,536
Istisna financing and related assets							
Istisna		34,068,949	36,501,975	1,896,048	551,792	35,964,997	37,053,767
Advance against Istisna		23,683,828	30,317,852	298,335	172,166	23,982,163	30,490,018
Inventory related to Istisna		30,242,203	7,382,419	1,122,330	-	31,364,533	7,382,419
		87,994,980	74,202,246	3,316,713	723,958	91,311,693	74,926,204
Tijarah financing and related assets							
Tijarah		3,928,174	2,455,035	409,720	316,722	4,337,894	2,771,757
Advance against Tijarah		3,810,688	766,202	88,000	-	3,898,688	766,202
Inventory related to Tijarah		10,780,109	4,136,549	-	3,500	10,780,109	4,140,049
		18,518,971	7,357,786	497,720	320,222	19,016,691	7,678,008
Musawamah financing and related assets							
Musawamah		4,559,401	2,788,837	184,088	100,516	4,743,489	2,889,353
Advance against Musawamah		735	4,190	-	-	735	4,190
Inventory related to Musawamah		345	7,408	-	-	345	7,408
		4,560,481	2,800,435	184,088	100,516	4,744,569	2,900,951
Salam financing and related assets							
Salam		-	100,000	1,200	1,200	1,200	101,200
Advance against Salam		10,100,000	9,850,771	-	-	10,100,000	9,850,771
		10,100,000	9,950,771	1,200	1,200	10,101,200	9,951,971
Diminishing Musharaka financing and related assets							
Diminishing Musharaka		230,680,412	210,681,314	6,616,512	5,624,139	237,296,924	216,305,453
Advance against Diminishing Musharaka		9,064,745	10,225,549	335,000	97,500	9,399,745	10,323,049
		239,745,157	220,906,863	6,951,512	5,721,639	246,696,669	226,628,502
Wakala Istithmar financing and related assets							
Wakala Istithmar		6,302,669	6,302,669	-	-	6,302,669	6,302,669
		6,302,669	6,302,669	-	-	6,302,669	6,302,669
Tawwaruq		18,880,445	13,673,003	248,336	98,423	19,128,781	13,771,426
Advance against Islamic export refinance		-	2,414,376	-	-	-	2,414,376
Musharaka		7,473	27,534	731	722	8,204	28,256
Bai salam		579,527	277,076	-	-	579,527	277,076
Islamic financing and related assets - Gross		649,969,414	577,345,040	11,343,885	7,683,270	661,313,299	585,028,310
Other financing		734,485	478,042	12,991,197	15,376,371	13,725,682	15,854,413
		650,703,899	577,823,082	24,335,082	23,059,641	675,038,981	600,882,723
Credit loss allowance against financing	10.5						
Stage 1		(906,457)	-	-	-	(906,457)	-
Stage 2		(2,034,675)	-	-	-	(2,034,675)	-
Stage 3			-	(21,687,048)	-	(21,687,048)	-
- Specific		-	-	-	(19,172,592)	-	(19,172,592)
- General		-	(877,670)	-	-	-	(877,670)
		(2,941,132)	(877,670)	(21,687,048)	(19,172,592)	(24,628,180)	(20,050,262)
Fair value loss	10.10	(16,420,585)	-	-	-	(16,420,585)	-
Financing - net of credit loss allowance		631,342,182	576,945,412	2,648,034	3,887,049	633,990,216	580,832,461

		Note	2024	2023
			----------Rupees '000----------	
10.1	Murabaha receivable - gross	10.1.2	17,675,934	39,623,889
	Less: Deferred murabaha income	10.1.3	(474,640)	(29,223)
	Profit receivable shown in other assets		(299,545)	(1,143,361)
	Murabaha financing	10.1.1	16,901,749	38,451,305
10.1.1	The movement in Murabaha financing during the year is as follows:			
	Opening balance		38,451,305	10,837,970
	Sales during the year		158,526,120	218,668,554
	Adjusted during the year		(180,075,676)	(191,055,219)
	Closing balance		16,901,749	38,451,305
10.1.2	Murabaha sale price		17,675,934	39,623,889
	Murabaha purchase price		(16,901,749)	(38,451,305)
			774,185	1,172,584
10.1.3	Deferred murabaha income			
	Opening balance		29,223	350,063
	Arising during the year		5,058,731	4,874,300
	Less: recognised during the year		(4,613,314)	(5,195,140)
	Closing balance		474,640	29,223
10.2	**Particulars of Islamic financing and related assets - Gross**			
	- in local currency		663,519,222	599,936,684
	- in foreign currencies		11,519,759	946,039
			675,038,981	600,882,723
10.3	**Financing to Women, Women-owned and Managed Enterprises**			
	Women		37,738	51,383
	Women Owned and Managed Enterprises		2,497,085	1,768,721
			2,534,823	1,820,104

10.3.1 Gross financing disbursed to women, women-owned and managed enterprises during the year is Rs. 7,039.869 million (December, 2023 : Rs. 5,024.638).

10.4 Islamic financing and related assets include Rs. 24,335.082 million (December 31, 2023: Rs. 23,059.641 million) which have been placed under non-performing / Stage 3 status as detailed below:

Category of classification in stage 3	2024		2023	
	Non-performing financing	Provision	Non-performing financing	Provision
	Rupees '000			
Domestic				
- other assets especially mentioned	300,209	1,545	204,748	448
- substandard	1,229,356	637,774	883,657	104,142
- doubtful	2,615,793	1,593,190	670,909	170,824
- loss	20,189,724	19,454,539	21,300,327	18,897,178
Total	24,335,082	21,687,048	23,059,641	19,172,592

10.5 Islamic financing and related assets - Particulars of credit loss allowance

	Note	2024						2023		
		Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Total	Specific	General	Total
		Rupees '000								
Opening balance		-	-	-	19,172,592	877,670	20,050,262	18,557,417	771,609	19,329,026
Impact of adopting IFRS 9 as of January 1, 2024		936,972	5,264,393	20,954,552	(19,172,592)	(877,670)	7,105,655	-	-	-
Restated balance as at January 1, 2024		936,972	5,264,393	20,954,552	-	-	27,155,917	18,557,417	771,609	19,329,026
Exchange adjustment		-	-	(9,663)	-	-	(9,663)	132,838	-	132,838
Charge for the year		529,876	990,613	3,373,969	-	-	4,894,458	1,960,357	106,061	2,066,418
Reversals during the year		(560,391)	(4,220,331)	(2,149,262)	-	-	(6,929,984)	(1,338,179)	-	(1,338,179)
		(30,515)	(3,229,718)	1,224,707	-	-	(2,035,526)	622,178	106,061	728,239
Amounts written off	10.9.1	-	-	(4,783)	-	-	(4,783)	(139,841)	-	(139,841)
Amounts charged-off	10.12	-	-	(477,765)	-	-	(477,765)	-	-	-
Closing balance		906,457	2,034,675	21,687,048	-	-	24,628,180	19,172,592	877,670	20,050,262

10.5.1 Credit loss allowance for Stage 1 and Stage 2 represents credit loss allowance maintained against performing and under performing portfolio respectively as required under IFRS 9.

10.5.2 Particulars of credit loss allowance against financing

	2024				2023		
	Stage 1	Stage 2	Stage 3	Total	Specific	General	Total
	Rupees '000						
In local currency	901,561	2,033,007	21,027,745	23,962,313	18,503,626	877,670	19,381,296
In foreign currencies	4,896	1,668	659,303	665,867	668,966	-	668,966
	906,457	2,034,675	21,687,048	24,628,180	19,172,592	877,670	20,050,262

10.5.3 As allowed by the SBP, the Group has availed benefit of forced sale value (FSV) of collaterals held as security of Rs. 771.625 million (December 31, 2023: Rs. 2,457.777 million) related to financing while determining the provisioning requirement against non-performing financing as at December 31, 2024. The additional profit arising from availing the FSV benefit (net of tax) as at December 31, 2024 which is not available for distribution as either cash or stock dividend to shareholders approximately amounted to Rs. 354.947 million (December 31, 2023: Rs. 1,253.466 million).

10.6 Islamic financing and related assets - Gross Exposure

	2024		
	Stage 1	Stage 2	Stage 3
	Rupees '000		
Opening balance	-	-	-
Impact of adopting IFRS 9 as at January 1, 2024	519,072,926	58,629,011	23,059,641
Restated balance as at January 1, 2024	519,072,926	58,629,011	23,059,641
New Financing / Increase	254,222,164	39,054,512	-
Financing derecognised or repaid	(197,118,005)	(19,305,771)	(2,083,286)
Transfer to stage 1	628	(628)	-
Transfer to stage 2	(18,009,404)	18,075,380	(65,976)
Transfer to stage 3	(1,449,707)	(2,467,207)	3,916,914
	37,645,676	35,356,286	1,767,652
Amounts written-off	-	-	(4,783)
Amounts charged-off	-	-	(477,765)
Exchange adjustment	-	-	(9,663)
Closing balance	556,718,602	93,985,297	24,335,082

10.7 Islamic financing and related assets - Credit loss allowance

	2024		
	Stage 1	Stage 2	Stage 3
	Rupees '000		
Opening balance	-	-	-
Impact of adopting IFRS 9 as at January 1, 2024	936,972	5,264,393	20,954,552
Restated balance as at January 1, 2024	936,972	5,264,393	20,954,552
New Financing / Increase	805,133	191,006	1,725,492
Financing derecognised or repaid	(241,527)	(1,670,418)	(2,147,246)
Transfer to stage 1	31	(31)	-
Transfer to stage 2	(457,946)	459,962	(2,016)
Transfer to stage 3	(16,394)	(1,872,697)	1,889,091
	89,297	(2,892,178)	1,465,321
Amounts written off / charged off	-	-	(4,783)
Amounts charged off	-	-	(477,765)
Changes in risk parameters (PD/LGD)	(119,812)	(337,540)	(240,614)
Exchange adjustment	-	-	(9,663)
Closing balance	906,457	2,034,675	21,687,048

10.8 Islamic financing and related assets - Credit loss allowance details Internal / External rating / stage clasification

	2024	
	Outstanding Amount	ECL
	Rupees '000	
Outstanding gross exposure		
Performing - Stage 1	556,718,602	906,457
Under Performing - Stage 2	93,985,297	2,034,675
Non-perfroming - Stage 3		
Other assets especially mentioned	300,209	1,545
Substandard	1,229,356	637,774
Doubtful	2,615,793	1,593,190
Loss	20,189,724	19,454,539
	24,335,082	21,687,048
Total	675,038,981	24,628,180

	Note	2024	2023
		Rupees '000	
10.9 Particulars of write-offs			
10.9.1 Against credit loss allowance	10.5	4,783	139,841
Directly charged to profit and loss account		12,758	45,511
		17,541	185,352
10.9.2 Write-offs of Rs. 500,000 and above*			
- domestic	10.1	825	21,632
- overseas		-	-
Write-offs of below Rs. 500,000 - domestic*		16,716	163,720
		17,541	185,352

*The write-offs do not, in any way, prejudice the Group's right of recovery from these customers.

10.10 Fair value loss pertains to SBP subsidized financing, staff financing and modified financing amounting to Rs. 7,948 million, Rs. 5,234 million and 3,238 respectively.

10.11 Details of financing written-off of Rs. 500,000/- and above

In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962, the statement in respect of written-off financing or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended December 31, 2024 is given in Annexure - I to these unconsolidated financial statements. The write-offs (including written-off amount less than Rs. 500,000/-) do not, in any way, prejudice the Bank's right of recovery from these customers.

10.12 Charged-off financing

Particulars	2024	
	No. of Borrowers	Rupees '000
Opening Balance of charged-offs	65,561	6,337,971
Charge-off during the year	3,552	525,797
Sub-total	69,113	6,863,768
Less : Recoveries made during the year against already charged-off cases	29,341	251,891
Less : Amount written off from already charged off financing	819	33,776
Closing Balance of charge-offs	38,953	6,578,101

	Note	2024	2023
11 PROPERTY AND EQUIPMENT		----------Rupees '000----------	
Capital work-in-progress	11.1	6,661,796	4,115,708
Property and equipment	11.2	38,347,982	25,509,672
		45,009,778	29,625,380

11.1 Capital work-in-progress

Civil works	678,866	266,236
Equipment	3,686,465	2,968,971
Furniture and fixture	787,138	299,479
Vehicles	1,188,023	16,824
Building	321,304	564,198
	6,661,796	4,115,708

11.2 Property and equipment

	2024								
	Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Leasehold property and improvement	Total
	Rupees '000								
At January 1, 2024									
Cost / revalued amount	3,773,600	7,908,776	806,796	5,742,733	1,918,603	11,554,419	550,476	6,274,605	38,530,008
Accumulated depreciation	-	-	52,255	308,121	1,147,148	8,062,166	225,442	3,225,204	13,020,336
Net book value	3,773,600	7,908,776	754,541	5,434,612	771,455	3,492,253	325,034	3,049,401	25,509,672
Year ended December 31, 2024									
Opening net book value	3,773,600	7,908,776	754,541	5,434,612	771,455	3,492,253	325,034	3,049,401	25,509,672
Additions	171,559	2,581,162	23,531	1,193,208	485,281	5,046,949	3,906,416	2,727,731	16,135,837
Transfer from non-banking assets (note 14.1.1)	-	-	36,827	-	-	-	-	-	36,827
Disposals	-	-	-	-	(217)	(2,513)	(574)	(378)	(3,682)
Depreciation charge	-	-	(53,845)	(328,890)	(147,778)	(1,892,911)	(207,836)	(683,039)	(3,314,299)
Other adjustments / transfers	-	-	-	(37,557)	979	200	1	20,004	(16,373)
Closing net book value	3,945,159	10,489,938	761,054	6,261,373	1,109,720	6,643,978	4,023,041	5,113,719	38,347,982
At December 31, 2024									
Cost / revalued amount	3,945,159	10,489,938	868,628	6,891,318	2,401,398	16,584,425	4,451,972	9,005,333	54,638,171
Accumulated depreciation	-	-	107,574	629,945	1,291,678	9,940,447	428,931	3,891,614	16,290,189
Net book value	3,945,159	10,489,938	761,054	6,261,373	1,109,720	6,643,978	4,023,041	5,113,719	38,347,982
Rate of depreciation (%) / useful life	-	-	2%-11%	2%-25%	10%-20%	14%-50%	20%	10%-20%	

	2023								
	Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Leasehold property and improvement	Total
	Rupees '000								
At January 1, 2023									
Cost / revalued amount	3,353,600	7,775,976	801,796	5,517,692	1,515,015	9,103,257	365,911	5,105,048	33,538,295
Accumulated depreciation	-	-	-	38,423	1,040,524	7,057,668	213,100	2,728,764	11,078,479
Net book value	3,353,600	7,775,976	801,796	5,479,269	474,491	2,045,589	152,811	2,376,284	22,459,816
Year ended December 31, 2023									
Opening net book value	3,353,600	7,775,976	801,796	5,479,269	474,491	2,045,589	152,811	2,376,284	22,459,816
Additions	175,000	132,800	-	206,299	399,987	2,603,035	258,266	1,170,448	4,945,835
Transfer from non-banking assets (note 14.2.1)	245,000	-	4,806	47,200	-	-	-	-	297,006
Disposals	-	-	-	-	(14)	(2,024)	(37,143)	(171)	(39,352)
Depreciation charge	-	-	(52,255)	(298,156)	(103,009)	(1,155,009)	(48,331)	(496,873)	(2,153,633)
Other adjustments / transfers	-	-	194	-		662	(569)	(287)	-
Closing net book value	3,773,600	7,908,776	754,541	5,434,612	771,455	3,492,253	325,034	3,049,401	25,509,672
At December 31, 2023									
Cost / revalued amount	3,773,600	7,908,776	806,796	5,742,733	1,918,603	11,554,419	550,476	6,274,605	38,530,008
Accumulated depreciation	-	-	52,255	308,121	1,147,148	8,062,166	225,442	3,225,204	13,020,336
Net book value	3,773,600	7,908,776	754,541	5,434,612	771,455	3,492,253	325,034	3,049,401	25,509,672
Rate of depreciation (%) / useful life	-	-	2%-11%	2%-25%	10%	14%-50%	20%	10%-20%	

11.2.1 The cost of fully depreciated fixed assets that are still in the Group's use is as follows:

	2024	2023
	Rupees '000	
Furniture and fixture	805,440	791,955
Electrical, office and computer equipment	6,904,656	5,389,998
Vehicles	184,998	171,564
Leasehold property and improvement	1,736,513	1,587,611
Building on leasehold land	99,000	-
Building on freehold land	17,000	-
	9,747,607	7,941,128

11.2.2 During the year, the Group has transferred a property from non-banking assets to property and equipment having book value of Rs 36.827 million.

11.2.3 The Group's freehold / leasehold land and buildings on freehold / leasehold land were last revalued by Joseph Lobo Co. (Private) Limited on December 31, 2022 on the basis of professional assessments of the market value.

Had there been no revaluation, the carrying amount of revalued assets as at December 31, 2024 would have been as follows;

	2024	2023
	----------Rupees '000----------	
Building on leasehold land	2,652,659	1,565,900
Leasehold land	5,051,803	2,470,641
Freehold land	1,479,596	1,308,037
Building on freehold land	385,028	330,222
	9,569,086	5,674,800

12 RIGHT-OF-USE ASSETS

	Buildings	
	2024	2023
	----------Rupees '000----------	
Opening balance		
Cost	18,790,212	16,462,619
Accumulated Depreciation	8,018,697	6,056,045
Net carrying amount as at January 1, 2024	10,771,515	10,406,574
Additions during the year	4,891,312	2,435,801
Modifications during the year	2,365	21,292
Deletions during the year	(251,655)	(129,500)
Depreciation Charge for the year	(2,115,753)	(1,962,652)
Net carrying amount as at December 31, 2024	13,297,784	10,771,515

	Note	2024	2023
		----------Rupees '000----------	

13 INTANGIBLE ASSETS

Capital work-in-progress	13.1	819,499	799,929
Intangibles	13.2	1,919,592	1,652,458
		2,739,091	2,452,387

13.1 Capital work-in-progress

Computer software	819,499	799,929

13.2 Intangibles

	2024				
	Goodwill	Management rights	Computer software	Customer relationship (note 13.3.2)	Total
	Rupees '000				
At January 1, 2024					
Cost	238,484	114,600	4,145,178	2,557,167	7,055,429
Accumulated amortisation	238,484	-	2,976,534	2,187,953	5,402,971
Net book value	-	114,600	1,168,644	369,214	1,652,458
Year ended December 31, 2024					
Opening net book value	-	114,600	1,168,644	369,214	1,652,458
Additions - directly purchased	-	-	797,695	-	797,695
Impairment loss recognised in the profit and loss account - net (note 29)	-	-	-	-	-
Amortisation charge (note 29)	-	-	(449,963)	(80,598)	(530,561)
Closing net book value	-	114,600	1,516,376	288,616	1,919,592
At December 31, 2024					
Cost	238,484	114,600	4,942,873	2,557,167	7,853,124
Accumulated amortisation and impairment	238,484	-	3,426,497	2,268,551	5,933,532
Net book value	-	114,600	1,516,376	288,616	1,919,592
Rate of amortisation (percentage)	N/A	N/A	14%-20%	5%-7%	
Useful life	N/A	N/A	5-7 years	10-19 years	

	2023				
	Goodwill	Management rights	Computer software	Customer relationship (note 13.3.2)	Total
	Rupees '000				
At January 1, 2023					
Cost	238,484	114,600	3,476,412	2,557,167	6,386,663
Accumulated amortisation	-	-	2,650,362	2,105,822	4,756,184
Net book value	238,484	114,600	826,050	451,345	1,630,479
Year ended December 31, 2023					
Opening net book value	238,484	114,600	826,050	451,345	1,630,479
Additions - directly purchased	-	-	668,766	-	668,766
Impairment loss recognised in the profit and loss account - net (note 29)	(238,484)	-	-	-	(238,484)
Amortisation charge (note 29)	-	-	(326,172)	(82,131)	(408,303)
Closing net book value	-	114,600	1,168,644	369,214	1,652,458
At December 31, 2023					
Cost	238,484	114,600	4,145,178	2,557,167	7,055,429
Accumulated amortisation and impairment	238,484	-	2,976,534	2,187,953	5,402,971
Net book value	-	114,600	1,168,644	369,214	1,652,458
Rate of amortisation (percentage)	N/A	N/A	14%-20%	5%-10%	
Useful life	N/A	N/A	5-7 years	10-19 years	

13.2.1 The cost of fully amortised intangible assets that are still in the Group's use is as follows:

	Note	2024	2023
		----------Rupees '000----------	
Computer software		2,448,787	2,210,074
Customer relationship	13.2.2	1,185,532	1,099,722
		3,634,319	3,309,796

13.2.2 This represents an intangible asset (customer relationship) which comprises of core deposits which were recognised at the time of acquisition of ex-RBS Pakistan. These core deposits represent the funding benefit that would be available to the Holding Company on account of availability of funding through deposit customers rather than from the wholesale or interbank market. This benefit also considers the fact that the economic life time of these deposits is longer than their contractual life. Based on this assumption, this intangible asset had been valued using certain valuation techniques and is being amortised over the life expectancy of these deposits. As more fully explained in note 13.3 to these consolidated financial statements, the SBP allowed the Holding Company to adjust the amortisation charge arising on this intangible asset against non-distributable capital reserve. The remaining amortisation period of this intangible asset is ranging from 5 to 6 years.

13.3 Non-distributable capital reserve - gain on bargain purchase

As per the directive of the SBP through its letter BPRD (R&P-02)/625-99/2011/3744 dated March 28, 2011, gain arising on bargain purchase of Pakistan operations of Royal Bank of Scotland (ex-RBS Pakistan) was credited directly into equity as non-distributable capital reserve (NCR). The SBP allowed the Group to adjust the amortisation of the intangible asset against the portion of reserve which arose on account of such asset. Accordingly, the Group has adjusted amortisation of intangible asset amounting to Rs 52.650 million (2023: Rs. 68.968 million) (net of tax) from the non-distributable capital reserve.

	Note	2024	2023
		----------Rupees '000----------	

14 OTHER ASSETS

Profit / return accrued in local currency	14.2	35,623,116	44,142,282
Profit / return accrued in foreign currency	14.2	40,309	82,278
Advances, deposits, advance rent and other prepayments		2,177,180	1,814,503
Advance taxation (payments less provisions)		3,470,731	-
Non-Banking assets acquired in satisfaction of claims	14.1	1,375,587	929,659
Mark to market gain on forward foreign exchange contracts		196,593	550,232
Acceptances	20	24,059,259	13,152,356
Credit cards and other products fee receivable		2,186,211	1,235,999
Receivable from brokers against sale of shares		69,391	89,252
Dividend receivable		74,341	75,348
Receivable from 1Link (Private) Limited		1,177,791	4,407,978
Deferred fair value loss	14.4	3,139,855	-
Prepaid employment benefit	14.5	5,234,138	-
Rebate receivable - net		1,216,984	280,127
Receivable from defined benefit plan asset	38.1.4	-	89,545
Others		4,351,105	3,543,493
		84,392,591	70,393,052
Less: credit loss allowance held against other assets	14.3	(328,536)	(328,963)
Other assets - net of credit loss allowance		84,064,055	70,064,089
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22.2	1,734,105	1,735,172
Other assets - total		85,798,160	71,799,261

14.1 Market value of non-banking assets acquired in satisfaction of claims 3,116,825 2,667,419

The non-banking assets acquired in satisfaction of claims by the Holding Company have been revalued by an independent professional valuer as at December 31, 2024. The revaluation was carried out by Joseph Lobo (Private) Limited on the basis of professional assessment of present market values. The above market values are based on desktop valuations. The SBP's Regulations for Debt Property Swap require the Holding Company to carry out a full scope valuation of non-banking assets after every three years.

	Note	2024	2023
		----------Rupees '000----------	
14.1.1 Non-banking assets acquired in satisfaction of claims			
Opening balance		2,664,831	3,167,480
Additions		484,250	114,000
Revaluation		-	-
Transferred to fixed assets	11.2.2	(36,827)	(297,006)
Reversal of surplus	22.2	-	(273,475)
Impairment	33	-	(41,525)
Depreciation	31	(2,562)	(4,643)
Closing balance		3,109,692	2,664,831

14.2 This includes profit / return accrued from stage 1 and stage 2 customers amounting to Rs. 33,798.115 million and Rs. 1,865.310 million respectively.

	Note	2024	2023
		----------Rupees '000----------	
14.3 Credit loss allowance held against other assets			
Dividend receivable		74,341	75,348
Receivable from customers		51,173	50,473
Security deposits		22,994	22,994
Acceptances		2,206	-
Others		177,822	180,148
		328,536	328,963
14.3.1 Movement in credit loss allowance held against other assets			
Opening balance		328,963	326,637
Impact of adopting IFRS 9 as at January 1, 2024		2,575	-
Restated balance as at January 1, 2024		331,538	326,637
Charge for the year		-	2,731
Reversals during the year		(3,002)	(405)
	33	(3,002)	2,326
Closing balance		328,536	328,963

14.4 This amount represents deferred fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). SBP through its circular BPRD/BRD/PIAHCL/733688–2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 6 years at rates of 5%, 10%, 15%, 20%, 25%, and 25% from year 1 to year 6, accordingly, the Holding Company has amortized 5% in the current year.

14.5 The amount represents the prepaid employment benefit recognized in connection with concessional Islamic financing facilities provided to employees. These facilities were initially recognized at fair value due to the adoption of IFRS 9 as applicable in Pakistan. The resultant benefit arising from these concessional facilities is subsequently accounted for under IAS 19 Employee Benefits. The prepaid employee benefit is amortized in a manner that reflects the concessional facilities' income recognition. The current year amortization of prepaid employee benefit asset amounts to Rs. 628.644 million.

	Note	2024	2023
		----------Rupees '000----------	
15 BILLS PAYABLE			
In Pakistan		39,169,649	16,550,469
16 DUE TO FINANCIAL INSTITUTIONS			
Secured			
To the State Bank of Pakistan (SBP) under			
- Long term financing facility for renewable power energy (RPE)		-	230
- Islamic export refinance scheme - part I and II	16.1	25,700,039	30,665,904
- Islamic financing for renewable energy	16.2	7,656,474	6,641,671
- Islamic long term financing facility	16.3	9,245,606	11,126,779
- Islamic temporary economic refinance scheme	16.4 & 16.13	27,139,072	31,034,309
- Islamic refinance facility for combating COVID-19	16.5	99,444	166,111
- Islamic refinance facility for storage of agricultural produce	16.6	641,836	513,439
- Scheme of Islamic Rupee-based discounting facility under EFS/IERS	16.7	679,690	708,777
		71,162,161	80,857,220
Due to SBP under Shari'ah compliant Open Market Operations (OMO) and Mudarabah based Financing Facility (MFF)	16.8 & 16.11	128,110,425	73,594,497
Due to other financial institutions	16.9	2,849,632	3,402,344
Total secured		202,122,218	157,854,061
Unsecured			
Overdrawn nostro accounts		839,944	2,128,409
Musharaka acceptances	16.10	85,650,000	6,904,333
Total unsecured		86,489,944	9,032,742
Fair value adjustment	16.13	(8,169,622)	-
		280,442,540	166,886,803

16.1 In accordance with the Islamic export refinance scheme (IERS), the Holding Company has entered into musharaka agreements for financing with the SBP for extending export finance to the customers. The average profit rates on this facility range from 2% to 18% (2023: 3% to 18%) payable on quarterly basis with maturities upto 180 days from the date of grant. As per the agreements, the Holding Company has granted the SBP the right to recover the outstanding amounts from the Holding Company at the date of maturity of the finances by directly debiting the current account maintained by the Holding Company with the SBP.

16.2 In accordance with the Islamic financing facility for renewable energy, the Holding Company has entered into mudarabah agreements for financing with the SBP for extending renewable energy finance to customers. The average profit rates on this facility range from 1% to 3% (2023: 2% to 3%) payable on quarterly basis with maturities upto May 2033. As per the agreements, the Holding Company has granted the SBP the right to recover the outstanding amounts from the Holding Company at the date of maturity of the finances by directly debiting the current account maintained by the Holding Company with the SBP.

16.3 In accordance with the Islamic long term financing facility for plant and machinery, the Holding Company has entered into mudarabah agreements for financing with the SBP for extending Islamic long term finance to the customers. The average profit rates on this facility range from 2% to 17% (2023: 3% to 18%) payable on quarterly basis with maturities upto December 2034. As per the agreements, the Holding Company has granted the SBP the right to recover the outstanding amounts from the Holding Company at the date of maturity of the finances by directly debiting the current account maintained by the Holding Company with the SBP.

16.4 In accordance with the Islamic temporary economic refinance facility (ITERF), the Holding Company has entered into mudarabah agreements for financing with the SBP for extending finance to the customers. The average profit rate on this facility is 1% (2023: 1%) payable on quarterly basis with maturities upto December 2032. As per the agreements, the Holding Company has granted the SBP the right to recover the outstanding amounts from the Holding Company at the date of maturity of the finances by directly debiting the current account maintained by the Holding Company with the SBP.

16.5 In accordance with the Islamic refinance facility for combating COVID-19, the Holding Company has entered into mudarabah agreements for financing with the SBP for extending medical equipment finances to the customers. The average profit rate on this facility is 0% (2023: 0%) payable on quarterly basis with maturities upto June 2026. As per the agreements, the Holding Company has granted the SBP the right to recover the outstanding amounts from the Holding Company at the date of maturity of the finances by directly debiting the current account maintained by the Holding Company with the SBP.

16.6 These represent balances due to the SBP under scheme of Islamic financing facility for storage of agricultural produce (IFFSAP). The profit rate on this facility is 2% per annum (2023: 2%) payable on quarterly basis with maturity upto February 2029. As per the agreements, the Holding Company has granted the SBP the right to recover the outstanding amounts from the Holding Company at the date of maturity of the finances by directly debiting the current account maintained by the Holding Company with the SBP.

16.7 In accordance with rupee based discounting scheme under IERS, the Holding Company has entered into musharaka agreements for financing with the SBP for extending export finance to the customers. The average profit rates on this facility range from 0.5% to 2% (2023: 0.5% to 2%) payable on quarterly basis with maturities upto 180 days from the date of grant. As per the agreements, the Holding Company has granted the SBP the right to recover the outstanding amounts from the Holding Company at the date of maturity of the finances by directly debiting the current account maintained by the Holding Company with the SBP.

16.8 This represents borrowing from State Bank of Pakistan under Open Market Operation and Mudarabah based Financing Facility (MFF). The average profit rates on these borrowing ranges from 13.13% to 14% (2023: 22.10% to 23%) per annum having maturity in January 2025.

16.9 This represents borrowing from Pakistan Mortgage Refinance Company (PMRC). The average profit rate on this ranging 8.75% to 20.86% (2023: 8.75% to 20.86%) per annum having maturity in June 2026.

16.10 This represents Musharaka acceptance on profit and loss sharing basis. The expected rates on these deal ranges from 11.15% to 13.50% (2023: 21.70% to 22%) per annum having maturity in March 2025.

16.11 Details and nature of securities pledged as collateral against due to financial institution are given in note 9.3 to these consolidated financial statements.

	2024	2023
	----------Rupees '000----------	
16.12 Particulars of due to financial institutions with respect to currencies		
- in local currency	279,602,596	164,758,394
- in foreign currencies	839,944	2,128,409
	280,442,540	166,886,803

16.13 This amount pertains to fair valuation adjustment relating to SBP subsidized financing.

17 DEPOSITS AND OTHER ACCOUNTS

	2024			2023		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees '000					
Customers						
Current deposits	298,972,004	33,564,674	332,536,678	271,673,365	30,468,754	302,142,119
Savings deposits	326,085,655	20,015,285	346,100,940	246,343,937	21,489,149	267,833,086
Term deposits	147,345,424	2,983,343	150,328,767	244,250,942	1,484,842	245,735,784
Margin deposits	11,428,184	22,645	11,450,829	12,175,267	48,071	12,223,338
	783,831,267	56,585,947	840,417,214	774,443,511	53,490,816	827,934,327
Financial institutions						
Current deposits	63,430,479	679,223	64,109,702	11,726,778	275,306	12,002,084
Savings deposits	138,539,752	64,080	138,603,832	169,728,021	-	169,728,021
Term deposits	885,000	-	885,000	8,600,547	-	8,600,547
	202,855,231	743,303	203,598,534	190,055,346	275,306	190,330,652
	986,686,498	57,329,250	1,044,015,748	964,498,857	53,766,122	1,018,264,979

	Note	2024	2023
		Rupees '000	

17.1 Composition of deposits

- Individuals		214,764,642	177,379,755
- Government (Federal and Provincial)		12,732,040	29,697,729
- Public sector entities		22,346,944	42,137,269
- Banking companies		362,015	12,081,399
- Non-banking financial institutions		203,236,519	178,249,253
- Private sector		590,573,588	578,719,574
	17.1.1	1,044,015,748	1,018,264,979

17.1.1 These include deposits eligible to be covered under insurance arrangements amounting to Rs 628,344 million (2023: Rs. 522,349 million).

	2024	2023
	Rupees '000	

18 LEASE LIABILITIES

Outstanding amount at the start of the year	12,865,125	11,824,784
Additions during the year	4,891,312	1,962,697
Lease payments including profit	(3,769,535)	(1,672,349)
Profit expense for the year	1,862,095	798,034
Modifications during the year	2,365	-
Termination / deletion during the year	(268,691)	(48,041)
Outstanding amount at the end of the year	15,582,671	12,865,125
Contactual maturity of lease laibilities		
Short-term lease liabilities - within one year	39,553	218,318
Long-term lease liabilities		
- 1 to 5 years	2,991,272	2,896,857
- 5 to 10 years	11,183,392	9,749,950
- More than 10 years	1,368,454	-
	15,543,118	12,646,807
Total lease liabilities	15,582,671	12,865,125

19 DEFERRED TAX LIABILITIES

	2024			
	At December 31, 2023	Recognised in P&L	Recognised in OCI / Equity (note 19.1)	At December 31, 2024
	Rupees '000			
Deductible temporary differences on;				
- credit loss allowance against investments	(847,584)	67,221	451,276	(329,087)
- credit loss allowance against financing, off balance sheet etc.	(16,248)	846,268	(3,524,814)	(2,694,794)
- fair value adjustment relating to financing	-	(73,527)	(61,038)	(134,565)
- credit loss allowance against other assets	(105,740)	(28,298)	(1,261)	(135,299)
	(969,572)	811,664	(3,135,837)	(3,293,745)
Taxable temporary differences on;				
- surplus on revaluation of property and equipment	2,093,908	(142,228)	171,497	2,123,177
- surplus on revaluation of non-banking assets	16,201	-	757	16,958
- surplus on revaluation of investments	3,203,408	70,541	9,432,769	12,706,718
- fair value adjustment relating to net assets acquired upon amalgamation	180,916	-	(6,952)	173,964
- fair value adjustment relating to net assets acquired upon business combination	52,496	-	-	52,496
- accelerated tax depreciation	349,641	928,244	-	1,277,885
- fair valuation of previously held equity interest in the Subsidiary Companies	13,118	-	-	13,118
Others	-	-	30,764	30,764
	5,909,688	856,557	9,628,835	16,395,080
	4,940,116	1,668,221	6,492,998	13,101,335

	2023			
	At January 1, 2023	Recognised in P&L	Recognised in OCI / Equity	At December 31, 2023
	Rupees '000			
Deductible temporary differences on;				
- provision for diminution in the value of investments	43,573	(891,157)	-	(847,584)
- provision against financing, off balance sheet etc.	(77,100)	60,852	-	(16,248)
- provision against other assets	(104,403)	(16,242)	14,905	(105,740)
	(137,930)	(846,547)	14,905	(969,572)
Taxable temporary differences on;				
- surplus on revaluation of property and equipment	1,957,237	(137,998)	274,669	2,093,908
- surplus on revaluation of non-banking assets	15,591	-	610	16,201
- surplus on revaluation of investments	(1,389,433)	-	4,592,840	3,203,407
- fair value adjustment relating to net assets acquired upon amalgamation	194,079	-	(13,163)	180,916
- fair value adjustment relating to net assets acquired upon business combination	52,496	-	-	52,496
- accelerated tax depreciation	38,930	310,711	-	349,641
- fair valuation of previously held equity interest in the Subsidiary Company	13,118	-	-	13,118
	882,018	172,713	4,854,956	5,909,687
	744,088	(673,834)	4,869,861	4,940,115

19.1 Impact of adoption of IFRS 9 amounting to Rs. 3,606.679 million has been adjusted in opening balances of deferred tax liablitites and restated balance as at January 1, 2024 is Rs. 1,333.436 million.

	Note	2024	2023
		----------Rupees '000----------	
20 OTHER LIABILITIES			
Profit / return payable in local currency		9,957,066	13,233,050
Profit / return payable in foreign currency		47,730	9,728
Unearned commission and income on bills discounted		1,856,701	1,493,017
Accrued expenses		8,485,056	6,498,018
Acceptances	14	24,059,259	13,152,356
Dividend payable including unclaimed dividends		469,361	7,078,679
Mark to market loss on forward foreign exchange contracts		945,503	664,315
Current taxation (provision less payments)		-	3,256,604
Credit loss allowance against off-balance sheet obligations	20.1	190,382	126,297
Charity fund payable	20.2	27,926	93,385
Withholding tax payable		220,833	341,182
Federal excise duty payable		218,306	159,996
Payable to brokers against purchase of shares		105,647	91,311
Fair value of derivative contracts		982,880	1,657,226
Payable related to cards and other products		65,500	266,457
Funds held as security		361,711	321,357
Takaful payable		11,176	59,974
Clearing and settlement accounts		15,481,497	11,115,181
Payable to defined benefit plan	38.1.4	105,922	-
Others		1,400,779	1,234,027
		64,993,235	60,852,160
20.1 Credit loss allowance against off-balance sheet obligations			
Opening balance		126,297	87,700
Impact of adopting IFRS 9 as at January 1, 2024		82,603	-
Restated balance as at January 1, 2024		208,900	87,700
Charge for the year	33	15,360	38,597
Reversals during the year		-	-
		15,360	38,597
Credit loss written off		(33,878)	-
Closing balance		190,382	126,297
20.2 Charity fund balance			
Opening balance		279,974	199,678
Additions during the year			
Received from customers on account of delayed payment		177,933	174,388
Profit from residual (ring-fenced) Non-Shari'ah compliant portfolio	20	11,409	86,702
Non-Shari'ah compliant income on account of:			
i) Dividend Purification amount	20	16,517	4,919
ii) Shari'ah non-compliant transactions		2,405	5,408
Profit on charity saving account		15,686	15,879
		223,950	287,296
Payments / utilisation during the year			
Education		106,800	77,000
Health		143,000	80,000
Social work		45,500	50,000
		295,300	207,000
Closing balance		208,624	279,974

20.2.1 The balance in Charity's savings account is Rs. 180.698 million (2023: Rs. 186.589 million).

20.2.2 Charity paid through savings account during the year is Rs. 295.300 million (2023: Rs. 207 million). Charity of Rs. 500,000 or higher was paid to the following organisations;

	2024	2023
	----------Rupees '000----------	
The Citizens Foundation	30,000	20,000
Habib University	30,000	16,000
Akhuwat Foundation	30,000	-
Lahore University of Management Sciences (LUMS) - Related party	30,000	-
Lahore Businessmen Association for Rehabilitation of the Disabled (LABARD)	30,000	-
Pakistan Children s Heart Foundation	25,000	5,000
Indus Hospital & Health Network	25,000	20,000
Patients' Aid Foundation	23,000	23,000
Afzaal Memorial Thalassemia Foundation (AMTF)	20,000	-
Patients Behbud Society for AKUH	10,000	7,000
Karachi Relief Fund	10,000	-
Karachi Vocational Training Centre	7,800	-
Karachi Down Syndrome Program (KDSP)	5,000	5,000
Path Educational Society (Rehnuma Schools)	5,000	-
The Layton R. Benevolent Trust (LRBT)	5,000	-
Alkhidmat	5,000	-
Jamiat Taleem ul Quran	4,000	3,000
Saylani Welfare Trust	500	25,000
Sindh Institute of Urology and Transplantation (SIUT)	-	20,000
Alamgir Welfare Trust	-	15,000
Institute of Management Sciences	-	10,000
Professional Education Foundation	-	8,000
Bait us Salam Welfare Trust	-	5,000
IBA Centre for Excellence in Islamic Finance	-	5,000
Institute of Business Management	-	5,000
Fatima Jinnah Medical College	-	5,000
Islamic International University	-	5,000
Dawat-e-Islami	-	5,000
	295,300	207,000

21 SHARE CAPITAL

21.2 Authorised capital

2024	2023		2024	2023
----------Number of shares----------			----------Rupees '000----------	
2,200,000,000	2,200,000,000	Ordinary shares of Rs.10 each	22,000,000	22,000,000

21.3 Issued, subscribed and paid up capital

2024	2023		2024	2023
----------Number of shares----------			----------Rupees '000----------	
		Ordinary shares		
201,451,420	201,451,420	Fully paid in cash	2,014,514	2,014,514
1,298,772,879	1,298,772,879	Issued as bonus shares	12,987,729	12,987,729
17,472,226	17,472,226	Issued for consideration other than cash	174,722	174,722
1,517,696,525	1,517,696,525		15,176,965	15,176,965

21.3.1 As at December 31, 2024, Ithmaar Bank B.S.C. (closed) (the parent company of the Holding Company) directly and indirectly holds 1,013,473,709 ordinary shares of Rs. 10 each (2023: 1,013,473,709 ordinary shares).

	Note	2024	2023
		----------Rupees '000----------	
22 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
Surplus on revaluation of:			
Securities measured at FVOCI - Debt	9.1	22,204,489	4,321,608
Securities measured at FVOCI - Equity		1,770,451	2,245,115
Property and equipment	22.1	11,909,691	12,196,725
Non-banking assets acquired in satisfaction of claims	22.2	1,734,105	1,735,172
		37,618,736	20,498,620
Deferred tax on surplus on revaluation of:			
Securities measured at FVOCI - Debt		(11,768,379)	(2,117,588)
Securities measured at FVOCI - Equity		(938,339)	(1,100,106)
Property and equipment	22.1	(2,123,177)	(2,093,908)
Non-banking assets acquired in satisfaction of claims	22.2	(16,958)	(16,201)
		(14,846,853)	(5,327,803)
		22,771,883	15,170,817
22.1 Surplus on revaluation of property and equipment			
Surplus on revaluation of property and equipment as at January 1		12,196,725	12,360,796
Derecognised during the year		(19,746)	-
Surplus realised on disposal during the year		-	-
Transferred from surplus on revaluation of non-banking assets	22.2	1,067	117,557
Transferred to unappropriated profit in respect of incremental depreciation charged during the year		(268,355)	(281,628)
Surplus on revaluation of fixed assets as at December 31		11,909,691	12,196,725
Less: related deferred tax liability on:			
- revaluation as at January 1		(2,093,908)	(1,957,237)
- impact of change in rate of tax		(170,921)	(273,103)
- transferred from surplus on revaluation of non-banking assets		(576)	(1,566)
- incremental depreciation charged during the year		142,228	137,998
		(2,123,177)	(2,093,908)
		9,786,514	10,102,817
22.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims			
Surplus on revaluation as at January 1		1,735,172	2,126,204
De-recognised / recognised during the year	14.1.1	-	(273,475)
Transferred to surplus on revaluation of property and equipment	22.1	(1,067)	(117,557)
Surplus on revaluation as at December 31		1,734,105	1,735,172
Less: related deferred tax liability on:			
- revaluation as at January 1		(16,201)	(15,591)
- Transferred to surplus on revaluation of property and equipment		523	1,566
- impact of change in rate of tax		(1,280)	(2,176)
- revaluation recognised during the year		-	-
		(16,958)	(16,201)
		1,717,147	1,718,971

22.3 Securities which will not be recycled to consolidated statement of profit and loss account are disclosed in note 9.

	Note	2024	2023
		----------Rupees '000----------	
23 CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	52,565,820	39,050,948
Commitments	23.2	312,113,009	225,759,797
Other contingent liabilities	23.3	4,122,244	4,122,244
		368,801,073	268,932,989
23.1 Guarantees:			
Financial guarantees		4,266,928	4,523,565
Performance guarantees		13,608,155	9,201,571
Other guarantees		34,690,737	25,325,812
		52,565,820	39,050,948
23.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		95,392,494	80,258,955
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	80,620,255	65,125,446
- forward government securities transactions	23.2.2	128,375,400	73,777,500
- derivatives - cross currency swaps (notional principal)	23.2.3	964,082	1,678,515
- extending credit (irrevocable)	23.4	5,358,314	3,429,739
Commitments for acquisition of:			
- property and equipment		1,069,179	1,180,860
- intangible assets		333,285	308,782
		312,113,009	225,759,797
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		54,802,453	55,514,935
Sale		25,817,802	9,610,511
		80,620,255	65,125,446
23.2.2 Commitments in respect of forward government securities transactions			
Purchase		128,375,400	73,777,500
Sale		-	-
		128,375,400	73,777,500
23.2.3 Commitments in respect of derivatives			
Cross currency swaps			
Purchase		-	-
Sale	24	964,082	1,678,515
23.3 Other contingent liabilities			
23.3.1 Holding Company:			
Suit filed by a customer for recovery of alleged losses suffered which is pending in the Honourable High Court of Sindh. The Bank's legal advisors are confident that the Bank has a strong case		2,510,000	2,510,000
Indemnity issued favouring the Honorable High Court in one of the cases		457,543	457,543
Tax liability of gain on bargain purchase on the acquisition of ex-RBS Pakistan	23.3.3	1,154,701	1,154,701
		4,122,244	4,122,244

23.3.2 Income tax assessments of the Holding Company have been finalised upto the tax year 2024 (accounting year ended December 31, 2023).

23.3.3 The department and the Holding Company has disagreement on a matter relating to taxability of gain on bargain purchase on the acquisition of ex-RBS Pakistan. The additional tax liability on the matter amounts to Rs. 1,154.701 million (December 31, 2023: Rs. 1,154.701 million). The Commissioner Inland Revenue (Appeals) [(CIR(A)] had deleted the said additional tax liability, however the income tax department had filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A). During the current year the ATIR passed an order and maintained the decision of the CIR(A) in favour of the Holding Company that gain on bargain purchase is not taxable. Subsequently, the department has challenged the order in Honourable High Court of Sindh. However, the management of the Holding Company is confident that the matter will be decided in the Holding Company's favour and accordingly, no provision has been recorded in these consolidated financial statements in respect of this matter.

23.3.4 There are certain claims against the Holding Company not acknowledged as debt amounting to Rs 32,754 million (December 31, 2023: Rs 29,647 million). These mainly represent counter claims filed by the borrowers for restricting the Holding Company from disposal of assets (such as mortgaged / pledged assets kept as security), cases where the Holding Company was proforma defendant for defending its interest in the underlying collateral kept by it at the time of financing, certain cases filed by ex-employees of the Holding Company for damages sustained by them consequent to the termination from the Holding Company's employment and cases for damages towards opportunity losses suffered by the customers due to non-disbursements of running finance facility as per the agreed terms. The above also includes an amount of Rs 25,299 million (December 31, 2023: 25,299 million) in respect of a suit filed against the Holding Company for declaration, recovery of monies, release of securities, rendition of account and damages.

Based on legal advice and / or internal assessments, the management is confident that the above matters will be decided in the Holding Comapny's favour and accordingly no provision has been made in these consolidated financial statements.

23.3.5 Faysal Asset Management Limited

23.3.6 The income tax returns of the FAML for the tax years 2004 to 2022 (financial year ended June 30, 2004 to December 31, 2021) have been filed and are deemed to have been assessed under the Income Tax Ordinance, 2001, unless selected by the taxation authorities for audit purposes. The tax year 2005 (financial year ended June 30, 2005) had been selected by the taxation authorities for audit purpose. The tax authorities passed an order under section 221 of the Income Tax Ordinance, 2001, whereby they determined an additional liability of Rs. 912,711 for the tax year 2005 on account of apportionment of expenses and disallowance of certain expenses. The FAML paid Rs. 414,360 out of total determined liability and filed an appeal against the order before the Commissioner Appeals, the proceedings of which are underway. The remaining tax liability on these matters is Rs. 498,351. The management of the FAML is confident that the decision in respect of these matters will be decided in the FAML's favour and accordingly no provision for the above has been made in these consolidated financial statements in respect of this liability.

23.3.7 The income tax department has issued orders and show cause notices under section 221 of the Income Tax Ordinance, 2001 for recovery of Workers Welfare Fund (WWF) aggregating to Rs 0.818 million in respect of tax years 2008 and 2013. The details of orders and show cause along with the management actions are listed below:

Tax years	Order / show cause references	Status	WWF demand
			Rupees '000
2008	Order u/s 221 dated June 30, 2014	Appeal pending before the Commissioner Appeals	315
2013	Show cause u/s 221 dated May 7, 2014	Showcause notice has been responded to	503
			818

The management is of the view that WWF was not applicable for tax year 2008. In tax year 2013, subsequent to clarification decision by the SHC, the management has not admitted WWF charge in the annual return of income. The management of the FAML is confident that the decision in respect of these matters will be decided in the FAML's favour and accordingly no provision for the above has been made in these consolidated financial statements in respect of this liability.

23.3.8 The Punjab Revenue Authority issued show cause notice No.PRA/AM/61/2205/ dated March 12, 2014 to Faysal Asset Management Limited requiring the FAML to obtain registration / enrolment and to pay sales tax amounting to Rs. 6,055,110 from July 2013 to March 2014 under the Punjab Sales Tax on Services Act, 2012 with effect from May 22, 2013 on management fee earned in Punjab.

In respect of this, the FAML, jointly with other Asset Management Companies together with their respective collective investment schemes through their trustees, has filed a petition on July 8, 2014 in the SHC challenging the above notice. The Court has ordered suspension of the show cause notice till the next hearing of appeal in their order dated July 10, 2014. The next date of hearing has not yet been decided. The management of the FAML is confident that the decision in respect of these matters will be decided in the FAML's favour and accordingly no provision for the above has been made in these consolidated financial statements in respect of this liability.

23.3.9 During the year ended December 31, 2020, the audit of the tax year 2013 (financial tax year ended June 30, 2013) was completed by the taxation authorities. The tax authorities have passed an order under section 122(5A) of the Income Tax Ordinance, 2001, whereby they have determined an additional liability of Rs. 4,964,364 for the tax year 2013 on account of apportionment of expenses, salary expenses and hardware and software expense. The management filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on the grounds of disallowances made by the Additional Commissioner Inland Revenue. The CIR(A) remanded back a few expenses while ordered against various other expenses for which the FAML has decided to appeal before the Appellate Tribunal Inland Revenue (ATIR). The management of the FAML is confident that the decision in respect of these matters will be decided in the FAML's favour and accordingly no provision for the above has been made in these consolidated financial statements in respect of this liability.

23.3.10 During the year ended December 31, 2020, the audit of the tax year 2014 (financial tax year ended June 30, 2014) was completed by the taxation authorities. The tax authorities have passed an order under section 122(5A) of the Income Tax Ordinance, 2001, whereby they have determined an additional liability of Rs. 2,672,863 for the tax year 2014 on account of apportionment of expenses, time barred payables, expenses claimed on provisional basis, salary expenses, marketing and advertising expenses, brokerage and commission expenses, legal and professional charges and hardware and software expenses. The management had decided to file an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on the grounds of disallowances made by the Additional Commissioner Inland Revenue. During the year ended December 31, 2021 the CIR(A) issued an order whereby the earlier order passed by the tax authorities under section 122(5A) of the Income Tax Ordinance, 2001, was annulled on the basis of being time barred, and consequentially the demand for additional liability was relinquished. The management decided to file an appeal before the Appellate Tribunal Inland Revenue (ATIR) to contest the order passed by DCIR. The management of the FAML is confident that the decision in respect of these matters will be decided in the FAML's favour and accordingly no provision for the above has been made in these consolidated financial statements in respect of this liability.

23.4 Commitments to extend credits

The Group makes commitments to extend credit (including to related parties) in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facilities are unilaterally withdrawn except for Rs. 5,358 million (2023: Rs. 3,430 million) which are irrevocable in nature.

	2024	2023
	----------Rupees '000----------	
24 DERIVATIVE INSTRUMENTS		
Cross currency swaps (notional principal)	964,082	1,678,515

Derivative instruments, such as forward rate agreements, cross currency swaps and FX options, are forward transactions that provide market making opportunities / hedge against the adverse movement of exchange rates. Derivatives business provides risk solutions for the existing and potential customers of the Holding Company. All derivative transactions are governed by "The Financial Derivatives Business Regulations" (FDBR) issued by the SBP.

24.1 Product analysis

Counterparties	2024	
	Cross currency swaps	
	Notional principal	Mark to market loss
	----------Rupees '000----------	
With banks for		
Hedging	-	-
Market making	140,136	(171,412)
With other entities for		
Hedging	-	-
Market making	823,946	(811,468)
Total		
Hedging	-	-
Market making	964,082	(982,880)

Counterparties	2023	
	Cross currency swaps	
	Notional principal	Mark to market loss
	----------Rupees '000----------	
With banks for		
Hedging	-	-
Market making	101,866	(139,900)
With other entities for		
Hedging	-	-
Market making	1,576,649	(1,517,326)
Total		
Hedging	-	-
Market making	1,678,515	(1,657,226)

24.2 Maturity analysis

Remaining maturity	2024				
	No. of contracts	Notional principal	Mark to market		
			Negative	Positive	Net
		---------- Rupees '000----------			
Upto 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 to 6 months	-	-	-	-	-
6 months to 1 year	6	391,527	(915,782)	529,376	(386,406)
1 to 2 years	4	572,555	(2,480,077)	1,883,603	(596,474)
2 to 3 years	-	-	-	-	-
3 to 5 years	-	-	-	-	-
5 to 10 years	-	-	-	-	-
Above 10 years	-	-	-	-	-
Total		964,082	(3,395,859)	2,412,979	(982,880)

Remaining maturity	2023				
	No. of contracts	Notional principal	Mark to market		
			Negative	Positive	Net
		Rupees '000			
Upto 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 to 6 months	-	-	-	-	-
6 months to 1 year	-	-	-	-	-
1 to 2 years	6	798,467	(1,897,025)	1,120,085	(776,940)
2 to 3 years	4	880,048	(3,975,920)	3,095,634	(880,286)
3 to 5 years	-	-	-	-	-
5 to 10 years	-	-	-	-	-
Above 10 years	-	-	-	-	-
Total		1,678,515	(5,872,945)	4,215,719	(1,657,226)

24.3 Risk management policies related to derivatives are discussed in note 47.6 to these consolidated financial statements.

	Note	2024	2023
		Rupees '000	
25 PROFIT / RETURN EARNED			
On:			
Financing	25.1	102,495,460	92,894,379
Investments		122,097,081	95,617,084
Due from financial institutions		561,004	936,557
Balances with banks		2,870	7,534
Securities purchased under resale agreements		-	6,865
		225,156,415	189,462,419

25.1 This includes Rs. 1,864.174 million and Rs. 628.644 million related to unwinding of Temporary Economic Refinance Facility and staff financing, respectively.

	2024
25.2 Profit / return recognised on:	Rupees '000
Financial assets measured at amortised cost;	6,517,922
Financial assets measured at FVOCI.	120,062,212
Financial assets measured at Cost	98,201,152
Financial assets measured at FVPL	375,129
	225,156,415

	Note	2024	2023
		Rupees '000	
26 PROFIT / RETURN EXPENSED			
On:			
Deposits		110,353,052	87,594,003
Due to financial institutions	26.1	26,298,901	23,530,948
Lease liability against right-of-use assets		1,862,095	1,525,500
Cost of foreign currency swaps against foreign currency deposits / dues		6,083,077	5,741,225
		144,597,125	118,391,676

26.1 This includes Rs. 1,884.106 million related to unwinding of Temporary Economic Refinance Facility.

	Note	2024	2023
		----------Rupees '000----------	
27 FEE AND COMMISSION INCOME			
Branch banking customer fees		1,316,347	1,099,862
Consumer finance related fees		600,820	610,434
Card related fees		4,512,976	4,143,876
Credit related fees		62,636	38,206
Investment banking fees		185,988	199,745
Commission on trade		1,135,035	688,918
Commission on guarantees		160,538	180,385
Commission on cash management		159,288	156,281
Commission on remittances including home remittances		1,565,107	902,831
Commission on bancatakaful		109,302	123,196
Management fee on fund under management		2,506,313	956,881
Sales load on sales fund under management		405,225	226,897
Others		98,720	107,151
		12,818,295	9,434,663
28 GAIN / (LOSS) ON SECURITIES			
Realised:			
Federal Government securities		427,828	(207,182)
Shares		546,897	(1,642,585)
Others		66,979	36,186
		1,041,704	(1,813,581)
28.1 Net gain / (loss) on financial assets / liabilities			
Net gain / (loss) on financial assets / liabilities measured at FVPL:			
Designated upon initial recognition		-	
Mandatorily measured at FVPL		583,353	
		583,353	
Net gain / (loss) on financial assets / liabilities measured at amortised cost		-	
Net gain / (loss) on financial assets measured at FVOCI		391,372	
Net gain / (loss) on investments in equity instruments designated at FVOCI		-	
		391,372	
Net gain on investments in others		66,979	
		1,041,704	
29 NET GAIN / LOSS ON FINANCIAL ASSETS / LIABILITIES MEASURED AT AMORTISED COST			
Loss on derecognition of financial assets measured at amortised cost	14.4	(165,256)	-

		Note	2024	2023
			----------Rupees '000----------	
30	**OTHER INCOME**			
	Rent on property		210,624	234,027
	Gain on disposal of property and equipment- net		40,632	22,406
	Gain on termination of leases (IFRS 16)		65,819	13,404
	Notice pay		8,868	6,330
	Scrap income		8,914	19
	Amortization of Government grant		19,932	-
	Others		3,487	902
			358,276	277,088
31	**OPERATING EXPENSES**			
	Total compensation expense	31.2	19,906,893	16,207,824
	Property expense			
	Rent and taxes		410,105	299,774
	Takaful		52,709	51,433
	Utilities cost		2,058,616	1,850,433
	Security (including guards)		1,386,432	1,031,674
	Repair and maintenance (including janitorial charges)		1,066,773	788,859
	Depreciation on owned property and equipment	11.2	1,074,337	848,555
	Depreciation on non-banking assets	14.1.1	2,562	4,643
	Depreciation on right-of-use assets	12.1	2,115,753	1,936,731
	Others		384,196	271,540
			8,551,483	7,083,642
	Information technology expenses			
	Software maintenance		2,309,821	1,810,633
	Hardware maintenance		417,803	583,415
	Depreciation	11.2	1,025,206	615,731
	Amortisation	13.2	449,963	326,172
	Network charges		367,647	312,967
	Others		-	-
			4,570,440	3,648,918
	Other operating expenses			
	Directors' fees and allowances	41.2	139,680	184,480
	Legal and professional charges		815,982	704,333
	Outsourced services costs - staff	37.2	1,046,532	835,985
	Travelling and conveyance		503,453	327,538
	NIFT clearing charges		106,441	74,841
	Depreciation	11.2	1,214,756	689,347
	Training and development		283,666	118,979
	Postage and courier charges		234,789	269,446
	Communication		1,624,217	1,202,076
	Marketing, advertisement and publicity		2,726,853	2,055,466
	Donations	31.3	148,930	113,215
	Auditors' remuneration	31.4	50,080	41,020
	Takaful		881,666	841,352
	Stationery and printing		1,086,227	592,102
	Bank fees and charges		3,295,400	2,238,519
	Brokerage and commission		286,710	32,881
	Deposit protection premium		835,758	705,017
	Repair and maintenance		482,501	407,755
	Subscriptions and publications		201,872	134,112
	Cash handling charges		634,208	552,496
	Others		586,059	1,200,374
			17,185,780	13,321,334
			50,214,596	40,261,718

31.1 Total cost for the year included in other operating expenses relating to outsourced activities other than ancillary services cost is Rs. 678.790 million (2023: Rs. 556.103 million). Out of this cost, Rs. 293.782 million (2023: Rs. 228.219 million) pertains to the payment to companies incorporated in Pakistan and Rs. 385.008 million (2023: Rs 327.884 million) pertains to payment to companies incorporated outside Pakistan. This includes payments other than outsourced services costs, which are disclosed above. Total cost of outsourced activities for the year given to related parties is Rs. Nil (2023: Rs. Nil). Outsourcing shall have the same meaning as specified in Annexure-I of BPRD Circular No. 06 of 2017.

S. No.	Name of outsourced agency	Nature of service	Estimated cost (Rupees '000)
1	Euronet Pakistan Private Limited	Credit cards, debit cards, prepaid cards and ATMs switch system host	385,008

	Note	2024	2023
31.2 Total compensation expense		----------Rupees '000----------	
Managerial Remuneration			
i) Fixed		7,713,197	5,886,568
ii) Variable			
of which :			
a) Cash bonus / awards, etc.		2,864,329	3,259,976
b) Commission incentives		1,714,309	1,309,773
Charge for defined benefit plan		369,112	279,417
Contribution to defined contribution plan		503,929	401,401
Rent and house maintenance		2,378,016	1,867,229
Utilities		474,131	460,540
Medical		566,378	365,154
Takaful		571,737	571,737
Conveyance		1,815,935	1,759,162
Amortization of staff financing		628,644	-
Others		307,176	46,867
Sub-total		19,906,893	16,207,824
Sign-on bonus		-	-
Grand Total		19,906,893	16,207,824
31.3 Donations made during the year were as follows:			
Donees			
Waqf Faisal (Trust)	31.3.1	130,430	113,215
Sharmeen Khan Memorial Foundation		7,000	-
Kutiyana Memon Association		5,000	-
Patient's Aids Foundation		4,000	-
The Hunar Foundation		1,500	-
Karachi Down Sydrome Program-KDSP		1,000	-
Total		148,930	113,215

31.3.1 The President and Chief Executive Officer of the Holding Company is acting as trustee of Waqf Faisal (Trust). No other interest of any of the directors or their spouses exists.

	2024	2023
31.4 Auditors' remuneration	----------Rupees '000----------	
Statutory audit fee	11,314	8,790
Fee for the consolidated financial statements	2,883	2,622
Fee for other statutory certifications	15,113	6,498
Fee for the quarterly and the annual group reportings	13,883	15,333
Fee for the review of the half yearly financial statements	2,465	1,653
Fee for the audit of employee funds	152	285
Out-of-pocket expenses	4,270	5,839
	50,080	41,020

		Note	2024	2023
			----------Rupees '000----------	
32	**OTHER CHARGES**			
	Penalties imposed by the State Bank of Pakistan		97,238	119,148
33	**CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET**			
	Credit loss allowance against cash and balances with treasury banks		(3,553)	-
	Credit loss allowance against balances with other banks		3	-
	Credit loss allowance against investments	9.4.1	(187,005)	549,892
	Credit loss allowance against Islamic financing and related assets	10.5	(2,017,476)	728,239
	Credit loss allowance against other assets	14.3.1	(3,002)	2,326
	Credit loss allowance against off-balance sheet obligations	20.1	15,360	38,597
	Bad debts written off directly	10.9	21,918	45,511
	Recoveries of written off / charged off bad debts		(288,917)	(457,163)
	Impairment of non-banking assets	14.1.1	-	41,525
	Impairment of Goodwill		-	238,485
			(2,462,672)	1,187,412
34	**TAXATION**			
	Current		26,176,243	21,526,602
	Prior years		15,076	746,856
	Deferred	19.1	1,668,221	(673,834)
			27,859,540	21,599,624
34.1	**Relationship between tax expense and accounting profit**			
	Profit before tax		51,751,272	41,846,298
	Tax calculated at the rate of 54% (2023: 49%)		27,952,494	20,504,686
	Effect of:			
	- Tax effect of Permanent differences		195,021	188,525
	- Tax effect due to prior year tax adjustment		15,076	746,856
	- Tax effect of income taxed under lower tax rates		(35,148)	-
	- Adjustment in respect of income subject to final tax		(10,552)	-
	- Others		(257,351)	159,557
	Tax charge for the year		27,859,540	21,599,624

34.2 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.

		2024	2023
		----------Rupees '000----------	
35	**BASIC / DILUTED EARNINGS PER SHARE**		
	Profit for the year attributable to the equity holders of the Holding Company	23,891,649	20,246,473
		Number of shares in thousands	
	Weighted average number of ordinary shares	1,517,697	1,517,697
		---------- Rupees ----------	
	Basic earnings per share	15.74	13.34

35.2 Diluted earnings per share has not been presented as the Group does not have any convertible instruments in issue at December 31, 2024 and December 31, 2023 which would have any effect on the earnings per share if the option to convert is exercised.

	Note	2024	2023
		----------Rupees '000----------	
36 CASH AND CASH EQUIVALENTS			
Cash and balance with treasury banks	7	102,600,657	84,036,564
Balance with other banks	8	5,539,562	1,812,507
Overdrawn nostros	16	(839,944)	(2,128,409)
		107,300,275	83,720,662

	2024	2023
	Number of employees	
37 STAFF STRENGTH		
Permanent	9,980	8,918
On Group's contract	43	38
Group's own staff strength at the end of the year	10,023	8,956

37.2 In addition to the above, 1,466 (2023: 1,297) employees of outsourcing services companies were assigned to the Group as at the end of the year to perform services other than guarding and janitorial services.

38 DEFINED BENEFIT PLAN

38.1 The Holding Company

38.1.1 General description

The Bank operates an approved funded gratuity scheme for all its permanent employees and employees who are on contractual service in non-management cadre. The benefits under the gratuity schemes are payable on retirement at the age of 60 years or earlier cessation of service in lumpsum. The benefits are equal to one month's last drawn basic salary for each year of eligible service or part thereof. The minimum qualifying eligible service for gratuity is 1 year for employees who became members of the Funds before November 12, 2002. In the case of other members of the Funds the minimum qualifying eligible service is 5 years. The minimum qualifying eligible service for contractual employees not employed under the management cadre is 6 months. The latest actuarial valuation of the Bank's defined benefit plan, based on the Projected Unit Credit Actuarial Cost Method, was carried out as at December 31, 2024.

The balance of conventional sub-funds has been transferred to islamic sub-fund.

38.1.2 Number of employees under the scheme

	2024	2023
	Number of employees	
The number of employees covered under the following defined benefit scheme are:		
- Gratuity fund	9,824	8,787

38.1.3 Principal actuarial assumptions

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

	2024	2023
	----------% per annum----------	
Discount rate	12.25	16.00
Expected rate of salary increase	13.25	16.00

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the adjusted SLIC 2001 - 2005 mortality tables.

	Note	2024	2023
		----------Rupees '000----------	
38.1.4 Reconciliation of payable to defined benefit plan			
Present value of obligations	38.1.5	2,550,507	1,869,596
Fair value of plan assets	38.1.6	(2,455,980)	(1,960,402)
		94,527	(90,806)
38.1.5 Movement in defined benefit obligations			
Obligations at the beginning of the year		1,869,596	1,418,129
Current service cost		366,877	287,777
Return expense		314,782	217,980
Benefits paid by the Bank		(174,058)	(90,692)
Re-measurement loss / (gain)		173,310	36,402
Obligations at the end of the year		2,550,507	1,869,596
38.1.6 Movement in fair value of plan assets			
Fair value at the beginning of the year		(1,960,402)	(1,586,954)
Return income on plan assets		(328,272)	(240,857)
Contribution by the Bank - net		(264,793)	(98,287)
Benefits paid by the Bank		174,058	90,692
Re-measurement loss / (gain) :			
Net return on plan assets excluding amounts included in return income	38.1.8.2	(76,571)	(124,996)
Fair value at the end of the year		(2,455,980)	(1,960,402)
38.1.7 Movement in payable / (receivable) under defined benefit scheme			
Opening balance		(90,806)	(168,825)
Charge for the year		353,387	264,900
Contribution by the Bank - net		(264,793)	(98,287)
Re-measurement (gain) / loss recognised in OCI during the year	38.1.8.2	96,739	(88,594)
Closing balance		94,527	(90,806)
38.1.8 Charge for defined benefit plans			
38.1.8.1 Cost recognised in profit and loss			
Current service cost		366,877	287,777
Net return expensed on defined benefit asset / liability		(13,490)	(22,877)
		353,387	264,900
38.1.8.2 Re-measurements recognised in OCI during the year			
(Gain) / loss on obligation			
- demographic assumptions		-	-
- financial assumptions		179,264	6,073
- experience adjustment		(5,954)	30,329
Return on plan assets over profit income		(76,571)	(124,996)
Total re-measurements recognised in OCI		96,739	(88,594)

	2024	2023
	Rupees '000	

38.1.9 Components of plan assets

Cash and cash equivalents - net	125,095	33,530
Ijarah sukuks	2,330,885	1,598,473
Shares	-	824
Mutual funds	-	327,575
	2,455,980	1,960,402

The funds are invested in GOP Ijara Sukuks and accordingly do not carry any credit risk. These are subject to profit rate risk. Cash and cash equivalents includes balances maintained with the Bank which are subject to credit risk.

38.1.10 Historical information

	2024	2023	2022	2021	2020
	Rupees '000				
Present value of defined benefit obligation	(2,550,507)	(1,869,596)	(1,418,129)	(1,189,884)	(1,042,493)
Fair value of plan assets	2,455,980	1,960,402	1,586,954	1,317,669	1,106,698
Surplus / (deficit)	(94,527)	90,806	168,825	127,785	64,205
Remeasurement of plan liabilities	173,310	36,402	(49,967)	105,490	78,713
Remeasurement of plan assets	76,571	124,996	685	(41,910)	(15,343)

38.1.11 Sensitivity analysis

The analysis based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position. The increase / (decrease) in the present value of defined benefit obligations as a result of change in each assumption should be summarised as illustrated below:

	2024	2023
	Rupees '000	
1% increase in discount rate	(193,444)	(131,397)
1% decrease in discount rate	222,389	149,748
1% increase in expected rate of salary increase	224,308	152,716
1% decrease in expected rate of salary increase	(198,665)	(136,223)
1 year increase in expected life / withdrawal rate	(59,824)	(43,853)
1 year decrease in expected life / withdrawal rate	53,475	39,198

	2024	2023
	----------Rupees '000----------	
38.1.12 Expected maturity analysis of undiscounted obligation		
Less than a year	211,093	163,763
Between 1-2 years	614,498	509,153
Between 2-5 years	1,695,662	1,454,162
Over 5 years	65,934,673	91,220,959
Total	68,455,926	93,348,037

	2025 - Rupees '000 -
38.1.13 Expected contributions to be paid to the scheme in the next financial year	522,769
38.1.14 Expected charge for the next financial year	522,769

38.1.15 Maturity profile

The weighted average duration of the defined benefit obligation is 8.11 years.

38.1.16 Funding policy

The policy followed by the Bank in respect of the staff retirement benefit schemes is disclosed in note 6.14 of these consolidated financial statements.

38.1.17 The gratuity scheme exposes the Bank to the following risks:

Asset volatility

The Defined Benefit Gratuity Islamic Fund is invested in Ijarah Sukuk. The investment is almost 94.91% (Rs. 2,331 million) for Ijarah Sukuk. Islamic Fund has not such investment in any Government Bonds and Corporate Bonds hence the asset volatility risk is lower.

Changes in bond yields

There are two dimensions to the changes in Bond yields: first, as described above; second, the valuation of the gratuity Liability is discounted with reference to these bond yields. So any increase in Bond yields will lower the gratuity Liability and vice versa, but, it will also lower the asset values.

Inflation risk

The salary inflation is the major risk that the gratuity fund liability carries. In a general economic sense and in a longer view, there is a case that if bond yields increase, the change in salary inflation generally offsets the gains from the decrease in discounted gratuity liability. But viewed with the fact that asset values will also decrease, the salary inflation does, as an overall affect, increases the net liability of the Bank.

Life expectancy / withdrawal rate

The Gratuity is paid off at the maximum of age 60. The Life expectancy is in almost minimal range and is quite predictable in the ages when the employee is in the accredited employment of the Bank for the purpose of the Gratuity. Thus, the risk of life expectancy is almost negligible. However, had a post- retirement benefit been given by the Bank like monthly pension, post-retirement medical etc., this would have been a significant risk which would have been quite difficult to value even by using advance mortality improvement models.

The withdrawal risk is dependent upon the: benefit structure; age and retention profile of the staff; the valuation methodology; and long-term valuation assumptions. In this case, it is not a significant risk.

Other risks

Though, not imminent and observable, over long term there are some risks that may crystallize. This includes:

- Retention risk – The risk that employee will not be motivated to continue the service or start working with the Bank if no market comparable retirement benefit is provided.
- Final Salary Risk – The risk, for defined benefit gratuity, that any disproportionate salary merit increases in later service years will give rise to multiplicative increase in the gratuity liability as such increase is applicable to all the past years of service.
- Model Risk – The defined benefit gratuity liability is usually actuarially valued each year. Further, the assets in the Gratuity Fund are also marked to market. This two-tier valuation gives rise to the model risk.
- Operational Risk related to a separate entity - Retirement benefits are funded through a separate trust fund which is a different legal entity than the Bank. Generally, the protocols, processes and conventions used throughout the Bank are not applicable or are not actively applied to the retirement benefit Funds. This gives rise to some specific operational risks.
- Compliance Risk – The risk that retirement benefits offered by the Bank does not comply with minimum statutory requirements.
- Legal/Political Risk – The risk that the legal/political environment changes and the Bank is required to offer additional or different retirement benefits than what the Bank projected.

39 DEFINED BENEFIT PLANS AND DEFINED CONTRIBUTION PLANS OF SUBSIDIARY

39.1 Faysal Asset Management Limited

39.1.1 DEFINED BENEFIT PLAN

The Company operates an approved funded defined benefit gratuity scheme for all its permanent employees. The gratuity fund is governed under the Trusts Act, 1882, Trust Deed and Rules of Fund, Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. Responsibility for governance of plan, including investment decisions and contribution schedule lie with Board of Trustees of the Fund. The latest actuarial valuation of the fund was carried out at December 31, 2024.

The gratuity scheme exposes the entity to the following risks:

Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age, distribution and the benefit.

Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities. This is managed by formulating proper investment plan in consultation with investment advisors of the Fund.

Risk of insufficiency of assets

This is managed by making regular contribution to the Fund as advised by the actuary.

Final salary risks

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risks

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

	2024	2023
39.1.2 Principal actuarial assumptions		
(a) Discount factor used (% per annum)	12.25%	15.50%
(b) Expected rate of salary increase (% per annum)	12.25%	15.50%
(c) Normal retirement age (years)	60	60

39.1.3 The amount recognised in the statement of financial position are determined as follows:

	Note	2024	2023
		Rupees '000	
Present value of defined benefit obligation		75,046	48,265
Fair value of plan assets		(63,651)	(47,003)
	39.1.5	11,395	1,262

39.1.4 Plan assets consist of the following:

Investments in mutual funds	13,984	36,406
Balances with banks	49,667	10,598
	63,651	47,004

39.1.5 The movement in the net defined benefit obligation over the year / period is as follows:

	2024		
	Defined benefit obligation	Fair value of plan assets	Total
	Rupees '000		
At January 1	48,265	(47,003)	1,262
Current service cost	15,529	-	15,529
Profit expense / (income)	8,281	(8,085)	196
	72,075	(55,088)	16,987
Remeasurements:			
- Return on plan assets, excluding amounts included in profit income	-	-	-
- Actuarial loss	6,882	4,643	11,525
	6,882	4,643	11,525
Contribution	-	(17,117)	(17,117)
Benefit payments	(3,911)	3,911	-
At December 31	75,046	(63,651)	11,395

	2023		
	Defined benefit obligation	Fair value of plan assets	Total
	Rupees '000		
At January 1	41,215	(39,070)	2,145
Current service cost	14,206	-	14,206
Profit expense / (income)	6,675	(6,364)	311
	62,096	(45,434)	16,662
Remeasurements:			
- Return on plan assets, excluding amounts included in profit income	-	(215)	(215)
- Actuarial loss	5,992	-	5,992
	5,992	(215)	5,777
Contribution	-	(21,177)	(21,177)
Benefit payments	(19,823)	19,823	0
At December 31	48,265	(47,003)	1,262

	2024	2023
	Rupees '000	
39.1.6 Analysis of present value of defined benefit obligation		
Split by type of members		
(i) Active employees	75,046	48,265
Split by vested / non-vested		
(i) Vested benefits	71,212	46,284
(ii) Non-vested benefits	3,834	1,981
	75,046	48,265
Split by cadre of members		
(i) Management	75,046	48,265
Split by benefits earned to date		
(i) Present value of guaranteed benefits	35,210	19,358
(ii) Present value of benefits attributable to future increase in salary	39,836	28,907
	75,046	48,265
39.1.7 Cost recognised in profit and loss		
Current service cost	15,529	14,206
Net profit cost	196	311
	15,725	14,517
Re-measurements recognised in OCI during the year		
Loss on obligation - experience adjustment	6,882	5,992
Return on plan assets over profit income	4,643	(215)
	11,525	5,777

39.1.8 The plan assets and defined benefit obligation are based in Pakistan.

39.1.9 Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the adjusted SLIC 2001 - 2005 mortality tables with one year age set back for male members and SLIC 2001 - 2005 mortality tables with four year age set back for female members.

39.1.10 The sensitivities of the defined benefit obligation to changes in the weighted principal assumptions are as under:

	Impact on defined benefit obligation - increase / (decrease)		
	Change in assumption	Increase in assumption	Decrease in assumption
		Rupees '000	
Discount rate	1%	(6)	7
Salary increase rate	1%	6	(6)

The above sensitivities analysis are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the gratuity liability recognised in the statement of financial position.

39.1.11 The weighted average duration of the defined benefit obligation is 8.10 years (2023: 8.13 years).

39.1.12 Expected maturity analysis of undiscounted defined benefit obligation for the gratuity scheme is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years
	Rupees '000			
At December 31, 2024	7,996	10,165	34,048	121,527
At December 31, 2023	4,829	11,780	34,048	81,558

Historical information	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
	Rupees '000				
Defined benefit obligation	75,046	48,265	41,215	26,540	14,760
Fair value of plan assets	(63,651)	(47,003)	(39,070)	(16,736)	(16,898)
Deficit / (surplus)	11,395	1,262	2,145	9,804	(2,138)
Remeasurements of plan liabilities	(6,882)	(5,992)	(3,090)	(3,585)	(1,054)
Remeasurements of plan assets	(4,643)	215	697	(1,085)	(355)

40 DEFINED CONTRIBUTION PLAN

The Group operates an approved funded contributory provident fund for all its permanent employees to which equal monthly contributions are made both by the Group and the employees at the rate of 10% of the basic salary. The financial statements of the fund are separately prepared and are not included as part of these consolidated financial statements.

	2024	2023
	Rupees '000	
Contribution from the Group	498,789	385,131
Contribution from the employees	498,789	385,131
	997,578	770,262

41 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL - HOLDING COMPANY

Particulars	2024					
	Directors		Members Shari'ah Board	President & CEO	Key executives	Other material risk takers / Controllers
	Chairman	Non Executives				
	Rupees '000					
Fees and allowances etc.	12,480	127,200	-	-	-	-
Managerial remuneration						
i) Fixed	-	-	29,604	95,972	231,006	442,753
ii) Total variable	-	-	14,400	209,380	393,000	479,618
of which :						
a) Cash bonus / awards - paid	-	-	11,080	157,035	294,750	385,394
b) Cash bonus / awards - deferred	-	-	3,320	52,345	98,250	94,224
c) Bonus and awards in shares	-	-	-	-	-	-
Charge for defined benefit plan	-	-	1,850	7,998	12,826	25,378
Contribution to defined contribution plan	-	-	-	9,597	11,378	29,910
Rent & house maintenance	-	-	-	5,000	69,262	136,528
Utilities	-	-	-	1,769	1,281	5,911
Medical	-	-	-	807	15,391	30,453
Conveyance	-	-	4,497	-	42,042	110,814
Sign on bonus	-	-	-	-	-	-
Others	-	-	512	8,156	12,579	23,865
Total	12,480	127,200	50,863	338,679	788,765	1,285,230
Number of persons	1	9	6	1	15	75

Particulars	2023					
	Directors		Members Shari'ah Board	President & CEO	Key executives	Other material risk takers / Controllers
	Chairman	Non Executives				
	Rupees '000					
Fees and allowances etc.	17,440	167,040	-	-	-	-
Managerial remuneration						
i) Fixed	-	-	19,220	84,081	210,796	380,437
ii) Total variable	-	-	11,448	107,898	204,378	245,781
of which						
a) Cash bonus / awards - paid	-	-	9,268	82,898	157,578	207,156
b) Cash bonus / awards - deferred	-	-	2,180	25,000	46,800	38,625
c) Bonus and awards in shares	-	-	-	-	-	-
Charge for defined benefit plan	-	-	1,397	7,006	11,693	21,235
Contribution to defined contribution plan	-	-	-	8,408	10,354	24,512
Rent & house maintenance	-	-	269	4,875	63,144	114,234
Utilities	-	-	67	2,437	17,439	25,482
Medical	-	-	56	1,780	1,344	5,922
Conveyance	-	-	6,274	-	52,611	130,574
Sign on bonus	-	-	-	-	-	-
Others	-	-	-	4,857	2,462	32,560
Total	17,440	167,040	38,731	221,342	574,221	980,737
Number of persons	1	10	5	1	16	74

41.1 The President & CEO and Key Executives are entitled to Holding Company's cars in accordance with the terms of the employment.

41.2 Remuneration paid to directors for participation in board and committee meetings - Holding Company

S.No.	Name of director	2024								
		Board meetings	Meeting fees and allowances paid							
			Recruitment, Nomination & Remuneration Committee	Board Strategy Committee	Board Audit & Corporate Governance Committee	Board IT Committee	Board Risk Management Committee	Board Sustainability and Development Committee	Additional Fee to Chairman Committee	Total
		Rupees '000								
1	Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	6,400	4,800	3,200	4,800	-	-	-	960	20,160
2	Mr. Mian Muhammad Younis	5,600	-	3,200	-	-	-	1,600	2,080	12,480
3	Mr. Imtiaz Ahmad Pervez	5,600	-	3,200	-	-	3,200	-	640	12,640
4	Mr. Juma Hasan Ali Abul	6,400	4,800	3,200	4,800	-	-	-	-	19,200
5	Mr. Abdulelah Ebrahim Mohamed AlQasimi	5,600	-	-	-	4,800	3,200	1,600	-	15,200
6	Mr. Abdulla Abdulaziz Ali Taleb *	2,400	-	-	-	1,600	800	-	-	4,800
7	Mr. Ali Munir	4,800	-	-	4,000	-	3,200	-	800	12,800
8	Ms. Fatima Asad	5,600	4,000	2,400	-	-	-	1,600	-	13,600
9	Mr. Mohsin Tariq	4,800	4,000	-	4,000	800	-	-	-	13,600
10	Ms. Sadia Khan	4,800	4,000	-	-	4,000	-	1,600	800	15,200
	Total amount paid	52,000	21,600	15,200	17,600	11,200	10,400	6,400	5,280	139,680

* Mr. Abdulla Abdulaziz Ali Taleb ceased to be director with effect from April 2, 2024.

S.No.	Name of director	2023								
		Board meetings	Meeting fees and allowances paid							
			Recruitment, Nomination & Remuneration Committee	Board Strategy Committee	Board Audit & Corporate Governance Committee	Board IT Committee	Board Risk Management Committee	Board Sustainability and Development Committee	Additional Fee to Chairman Committee	Total
		Rupees '000								
1	Mr. Farooq Rahmatullah Khan	3,200	-	2,400	-	-	-	-	1,120	6,720
2	Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	8,000	6,400	4,800	4,800	-	-	-	1,280	25,280
3	Mr. Mian Muhammad Younis	8,000	3,200	1,600	1,600	-	1,600	-	1,440	17,440
4	Mr. Imtiaz Ahmad Pervez	7,200	-	1,600	-	-	3,200	-	640	12,640
5	Mr. Juma Hasan Ali Abul	8,000	6,400	4,800	4,800	-	-	-	-	24,000
6	Mr. Abdulelah Ebrahim Mohamed AlQasimi	8,000	-	-	-	4,800	4,000	-	-	16,800
7	Mr. Abdulla Abdulaziz Ali Taleb	8,000	-	-	-	4,800	4,000	-	-	16,800
8	Mr. Ali Munir	8,000	3,200	-	4,800	2,400	1,600	-	1,120	21,120
9	Ms. Fatima Asad	8,000	5,600	3,200	-	-	-	-	-	16,800
10	Mr. Mohsin Tariq	7,200	2,400	2,400	3,200	2,400	-	-	-	17,600
11	Ms. Sadia Khan	4,000	2,400	-	-	2,400	-	-	480	9,280
	Total amount paid	77,600	29,600	20,800	19,200	16,800	14,400	-	6,080	184,480

41.3 Remuneration paid to Shari'ah board members - Holding Company

Description	2024				2023			
	Chairman	Resident member	Non-resident member	Shari'ah board Member	Chairman	Resident member	Non-resident member	Shari'ah board Member
	Rupees '000							
Fees and allowances etc.	-	-	-	-	-	-	-	-
Managerial remuneration								
i) Fixed	8,341	5,067	15,746	450	8,022	3,980	4,427	2,791
ii) Total variable	12,000	2,400	-	-	8,736	1,204	263	1,245
of which								
a) Cash bonus / awards - paid	9,000	2,080	-	-	6,736	1,024	263	1,245
b) Cash bonus / awards - deferred	3,000	320	-	-	2,000	180	-	-
Charge for defined benefit plan	695	334	799	22	668	332	230	167
Rent & house maintenance	-	-	-	-	-	-	-	269
Utilities	-	-	-	-	-	-	-	67
Medical	-	-	-	-	-	-	-	56
Conveyance	3,484	1,013	-	-	3,600	1,685	-	989
Others	512							
Total	25,032	8,814	16,545	472	21,026	7,201	4,920	5,584
Number of persons	1	1	3	1	1	1	1	2

42 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified under held to collect model, is based on quoted market price. Quoted securities classified under held to collect model are carried at amortized 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 consolidated financial statements.

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

42.1 Fair value of financial assets

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the 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 analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2024			
On-balance sheet financial instruments	**Level 1**	**Level 2**	**Level 3**	**Total**
	---------- Rupees '000----------			
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	610,499,249	-	610,499,249
Shares / Units of mutual funds	12,847,653	67,686	-	12,915,339
Non-Government debt securities	-	47,881,091	-	47,881,091
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government securities	-	154,335	-	154,335
Non-Government debt securities (note 10.7.1)	-	6,818,118	-	6,818,118
Non-financial assets - measured at fair value				
Property and equipment (land and buildings) (note 11.2)	-	21,457,524	-	21,457,524
Non-banking assets acquired in satisfaction of claims (note 14.1)	-	3,116,825	-	3,116,825
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	53,913,508	-	53,913,508
Forward sale of foreign exchange	-	25,677,767	-	25,677,767
Derivatives sales	-	982,880	-	982,880

On-balance sheet financial instruments	2023			
	Level 1	Level 2	Level 3	Total
	---------- Rupees '000----------			
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	524,145,204	-	524,145,204
Shares / Units of mutual funds	9,166,261	107,539	-	9,273,800
Non-Government debt securities (note 10.7.1)	-	49,770,265	-	49,770,265
Financial assets - disclosed but not measured at fair value				
Investments				
Non-Government debt securities (note 10.7.1)	-	6,779,489	-	6,779,489
Non-financial assets - measured at fair value				
Property and equipment (land and buildings)	-	17,871,529	-	17,871,529
Non-banking assets acquired in satisfaction of claims	-	2,667,420	-	2,667,420
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	55,514,935	-	55,514,935
Forward sale of foreign exchange	-	6,264,654	-	6,264,654
Derivatives sales	-	1,678,515	-	1,678,515

The Group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date when the event or change in circumstances require the Group to exercise such transfers.

Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
Ijarah Sukuk	Fair values of GoP Ijara Sukuk are derived using the PKISRV rates announced by the Financial Markets Association of Pakistan (FMAP) through Reuters and GIS revaluation rates issued by PSX. These rates denote an average of quotes received from different pre-defined / approved dealers / brokers.
Unlisted ordinary shares	Break-up value is determined on the basis of the Net Asset Value (NAV) of the company using the latest available financial statements.
Sukuk Certificates	Fair values of Sukuk certificates are determined using the MUFAP or PSX rates.
Forward foreign exchange contracts	The valuation has been determined by interpolating the mark-to-market currency rates announced by the State Bank of Pakistan.
Derivative instruments	The Holding Company enters into derivative contracts with various counterparties. Derivatives that are valued using valuation techniques with market observable inputs are mainly cross currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations.
Mutual funds	Units of mutual funds are valued using the Net Asset Value (NAV) announced by the Mutual Funds Association of Pakistan (MUFAP).
Property and equipment (land and buildings)	Land and buildings and NBA are revalued by professionally qualified valuers of the Holding Company. The valuations, mentioned above, are conducted by the valuation experts appointed by the Holding Company which are also on the panel of the Pakistan Banks' Association (PBA). The valuation experts use a market based approach to arrive at the fair value of the Holding Company's properties. The market approach uses 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
Non-banking assets acquired in satisfaction of claims (NBAs)	

43 SEGMENT INFORMATION

43.1 Segment details with respect to business activities

	2024					
	Retail	CIBG	Treasury	SAM	Others	Total
	Rupees '000					
Consolidated Profit and loss account						
Net return / profit	(81,651,028)	67,500,477	96,449,787	217,758	(1,957,704)	80,559,290
Inter segment revenue - net	158,537,506	(60,430,902)	(91,407,208)	102,163	(6,801,559)	-
Other income	9,585,705	3,917,484	6,614,788	19,627	(515,296)	19,622,308
Total income	86,472,183	10,987,059	11,657,367	339,548	(9,274,559)	100,181,598
Segment direct expenses	30,393,241	1,833,555	637,316	314,297	18,162,153	51,340,562
Inter segment expense allocation	14,341,858	1,655,066	337,948	288,476	(16,623,348)	-
Total expenses	44,735,099	3,488,621	975,264	602,773	1,538,805	51,340,562
Share of profit of associates	-	-	-	-	447,564	447,564
Credit loss allowance	211,563	2,183,002	-	(1,278,638)	(3,578,599)	(2,462,672)
Profit before tax	41,525,521	5,315,436	10,682,103	1,015,413	(6,787,201)	51,751,272
Consolidated Statement of financial position						
Cash and bank balances	34,229,666	-	73,847,375	-	63,178	108,140,219
Due from financial institutions	-	-	-	-	-	-
Investments	150,000	8,854,179	666,675,032	1,924,405	3,377,613	680,981,229
Investment - credit loss allowance	-	(800,904)	(956)	(1,924,405)	-	(2,726,265)
Net inter segment lending	766,579,757	-	-	-	(766,579,757)	-
Financing - performing	164,573,602	461,547,691	-	(1,832,270)	9,994,291	634,283,314
Financing- non-performing	4,890,511	6,350,382	-	12,824,289	269,900	24,335,082
Financing- credit loss allowance	(4,375,818)	(7,291,863)	-	(12,748,614)	(211,885)	(24,628,180)
Others	106,076,705	13,502,169	(49,573,384)	196,963	76,642,360	146,844,813
Total assets	1,072,124,423	482,161,654	690,948,067	(1,559,632)	(676,444,300)	1,567,230,212
Due to financial institutions	11,360,310	59,456,649	209,625,581	-	-	280,442,540
Subordinated Sukuk	-	-	-	-	-	-
Deposits and other accounts	984,636,217	68,594,518	-	394,284	(9,609,271)	1,044,015,748
Net inter segment borrowing	-	347,306,553	468,974,869	(1,954,873)	(814,326,549)	-
Others	76,127,896	6,803,934	1,307,507	957	48,606,596	132,846,890
Total liabilities	1,072,124,423	482,161,654	679,907,957	(1,559,632)	(775,329,224)	1,457,305,178
Equity	-	-	11,040,110	-	98,884,924	109,925,034
Total Equity and liabilities	1,072,124,423	482,161,654	690,948,067	(1,559,632)	(676,444,300)	1,567,230,212
Contingencies and commitments	70,610,584	83,427,173	209,959,737	1,608,047	3,195,532	368,801,073

	2023					
	Retail	CIBG	Treasury	SAM	Others	Total
	Rupees '000					
Consolidated Profit and loss account						
Net return / profit	(63,316,526)	63,800,840	70,805,067	174,783	(393,421)	71,070,743
Inter segment revenue - net	116,464,591	(58,890,617)	(68,229,751)	(172,641)	10,828,418	-
Other income	7,842,522	1,749,588	4,360,875	6,741	(903,966)	13,055,760
Total income	60,990,587	6,659,811	6,936,191	8,883	9,531,031	84,126,503
Segment direct expenses	23,684,924	1,295,404	467,218	176,896	15,629,637	41,254,079
Inter segment expense allocation	13,536,254	1,175,879	247,859	222,130	(15,182,122)	-
Total expenses	37,221,178	2,471,283	715,077	399,026	447,515	41,254,079
Share of profit of associates	-	-	-	-	161,286	161,286
Provisions	519,660	364,216	607,884	(604,800)	300,452	1,187,412
Profit before tax	23,249,749	3,824,312	5,613,230	214,657	8,944,350	41,846,298
Consolidated Statement of financial position						
Cash and bank balances	30,486,904	-	55,362,053	-	114	85,849,071
Due from financial institutions	-	-	-	-	-	-
Investments	150,000	9,166,074	580,117,122	2,805,744	1,550,141	593,789,081
- Investment provision	-	-	(1,028,498)	(2,805,744)	-	(3,834,242)
Net inter segment lending	846,815,880	-	-	-	(846,815,880)	-
Financing- performing	126,927,551	442,189,965	-	-	8,705,566	577,823,082
Financing- non-performing	5,137,297	6,013,184	-	11,721,277	187,883	23,059,641
- Financing- provisions	(3,554,912)	(4,720,383)	-	(11,644,505)	(130,462)	(20,050,262)
Others	21,892,608	12,862,528	35,499,058	216,609	44,177,740	114,648,543
Total assets	1,027,855,328	465,511,368	669,949,735	293,381	(792,324,898)	1,371,284,914
Due to financial institutions	11,110,677	75,277,296	80,498,830	-	-	166,886,803
Subordinated sukuk	-	-	-	-	-	-
Deposits and other accounts	947,772,275	70,100,426	-	392,278	-	1,018,264,979
Net inter segment borrowing	-	319,258,252	584,231,018	(99,779)	(903,389,491)	-
Others	68,972,376	875,394	1,870,858	882	23,488,359	95,207,869
Total liabilities	1,027,855,328	465,511,368	666,600,706	293,381	(879,901,132)	1,280,359,651
Equity	-	-	3,349,029	-	87,576,234	90,925,263
Total Equity and liabilities	1,027,855,328	465,511,368	669,949,735	293,381	(792,324,898)	1,371,284,914
Contingencies and commitments	45,666,205	78,801,025	140,581,461	1,797,031	2,087,267	268,932,989

44 TRUST ACTIVITIES

The Group acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These are not assets of the Group and, therefore, are not included in the consolidated statement of financial position. The following is the list of assets held under trust:

Under IPS accounts:

Category	2024				
	No. of IPS accounts	Securities held (face value)			
		Pakistan Investment Bonds	Government Ijara Sukuks	Islamic Naya Pakistan Certificate	Total
		---------- Rupees '000 ----------			
Corporate	62	-	1,488,100	-	1,488,100
Insurance companies	2	-	-	-	-
Asset management companies	64	-	4,098,000	-	4,098,000
Employees funds	171	2,000	162,900	-	164,900
Charitable institution / NGOs	23	-	14,600	-	14,600
Individuals	19,846	-	1,228,100	8,161,547	9,389,647
Related parties	118	-	7,874,900	161,510	8,036,410
Others	6	-	-	-	-
	20,292	2,000	14,866,600	8,323,057	23,191,657

Category	2023				
	No. of IPS accounts	Securities held (face value)			
		Pakistan Investment Bonds	Government Ijara Sukuks	Islamic Naya Pakistan Certificate	Total
		---------- Rupees '000 ----------			
Corporate	59	58,100	839,800	-	897,900
Insurance companies	2	-	-	-	-
Asset management companies	62	-	7,685,000	-	7,685,000
Employees funds	173	26,100	143,100	-	169,200
Charitable institution / NGOs	22	-	291,700	-	291,700
Individuals	15,324	119,200	1,219,900	2,191,988	3,531,088
Related parties	36	68,400	5,120,600	-	5,189,000
Others	6	-	-	-	-
	15,684	271,800	15,300,100	2,191,988	17,763,888

45 RELATED PARTY TRANSACTIONS

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

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

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

	2024					2023				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	Rupees '000									
Investments										
Opening balance	-	-	-	3,419,532	2,009,039	-	-	-	2,429,472	3,268,466
Investment made during the year	-	-	-	12,685,872	138,306	-	-	-	38,504,537	-
Investment redeemed / sold during the year	-	-	-	(13,684,532)	(37,546)	-	-	-	(37,644,184)	(1,259,427)
Other movements	-	-	-	-	282,486	-	-	-	-	-
Transfer in / (out) - net					(2,234,998)	-	-	-	-	-
Equity mathod adjustment	-	-	-	334,856	-	-	-	-	129,707	-
Closing balance	-	-	-	2,755,728	157,287	-	-	-	3,419,532	2,009,039
Credit loss allowance for diminution in value of investments	-	-	-	-	-	-	-	-	-	1,951,094
Islamic financing and related assets										
Opening balance	-	54	652,579	-	6,684,998	-	7	541,082	-	1,392,371
Addition during the year	-	2,494	204,548	-	4,113,676	-	49	658,705	-	16,958,966
Repaid during the year	-	(2,270)	(324,588)	-	(5,510,760)	-	(2)	(547,208)	-	(11,666,339)
Written off during the year	-	-	-	-	(245,372)	-	-	-	-	-
Closing balance	-	278	532,539	-	5,042,542	-	54	652,579	-	6,684,998
Credit loss allowance held against Islamic financing and related assets / Provision held	-	20	2,720	-	165,057	-	-	-	-	407,688
Other assets										
Profit / return accrued	-	-	26,283	-	55,970	-	-	9,829	-	152,624
Commission income receivable	-	-	-	346,279	-	-	-	-	121,232	-
Defined benefit plan asset	-	-	-	-	-	-	-	-	-	90,806
Remuneration receivable	-	-	-	-	-	-	-	-	-	-
Receivable against reimbursement of expenses	-	-	-	73,026	-	-	-	-	203,865	-
Receivable from defined contribution plan	-	-	-	-	610	-	-	-	-	2,181
Preliminary expenses and floatation costs receivable	-	-	-	15,687	-	-	-	-	5,687	-
Receivable from 1link (Private) Limited	-	-	-	-	1,177,791	-	-	-	-	2,320,075
	-	-	26,283	434,992	1,234,371	-	-	9,829	330,784	2,565,686
Deposits and other accounts										
Opening balance	182	99,238	78,073	45,920,675	2,895,486	182	58,656	105,177	57,393	26,038,101
Received during the year	-	545,472	2,506,651	1,914,650,050	333,651,929	-	232,893	1,623,827	991,268,019	49,964,512
Withdrawn during the year	-	(585,253)	(2,481,718)	(1,915,015,288)	(332,946,011)	-	(192,311)	(1,650,931)	(945,404,737)	(73,107,127)
Transfer in / (out) during the year	-	-	-	-	(79,726)	-	-	-	-	-
Closing balance	182	59,457	103,006	45,555,437	3,521,678	182	99,238	78,073	45,920,675	2,895,486
Other liabilities										
Profit / return payable	-	474	134	501,225	21,953	-	931	326	684,274	24,669
Dividend Payable	-	-	-	-	-	4,923,232	-	-	-	1,811,176
Payable to defined benefit plan asset	-	-	-	-	105,922	-	-	-	-	4,964
Payable to 1link (Private) Limited	-	-	-	-	296,305	-	-	-	-	595,002
	-	474	134	501,225	424,180	4,923,232	931	326	684,274	2,435,811
Contingencies and commitments										
Trade related commitments	-	-	-	-	129,689	-	-	-	-	330,829
	-	-	-	-	129,689	-	-	-	-	330,829

45.2 Balances pertaining to parties that were related at the beginning of the year but ceased to be related during any part of the current period are not reflected as part of the closing balance. The same are accounted for through the movement presented above.

45.3 Details of outstanding investments and donations made during the year relating to related parties are given in notes 9 and 31.3 to these consolidated financial statements. Contributions to and accruals in respect of retirement benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan (refer notes 41 to these consolidated financial statements for the details of the plans). Remuneration of the President and Chief Executive Officer, directors' fee, and certain related information are disclosed in note 38 to these consolidated financial statements. Such remuneration is determined in accordance with the terms of their employment. Details of shares held by the parent company are disclosed in note 21.3.1 to these consolidated financial statements. Details of assets held under trust arrangement on behalf of the related parties are given in note 44 to these consolidated financial statements.

RELATED PARTY TRANSACTIONS

	2024					2023				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	Rupees '000									
Income										
Profit / return earned	-	8	81,914	-	718,720	-	-	52,416	-	131,996
Fee and commission income	-	125	240	2,377,207	2,231	-	83	125	953,466	4,508
Dividend income	-	-	-	112,708	101,690	-	-	-	43,701	49,661
Net gain on sale of securities	-	-	1,655	152,414	94,597	-	-	188	136,572	37,040
Net gain on disposal of property and equipment	-	-	-	-	-	-	-	23	-	-
Expense										
Profit / return expensed	-	9,372	3,447	6,969,444	352,250	-	8,777	4,804	3,296,944	194,052
Exchange Loss	-	-	-	-	1,852	-	-	-	-	-
Reimbursement of expenses	-	-	-	170,552	-	-	-	-	512,289	-
Director's fee and other expenses	-	139,680	-	-	-	-	184,480	-	-	-
Remuneration	-	-	995,571	-	285,117	-	-	735,778	-	197,733
Subscription Fees	-	-	-	-	4,841	-	-	-	-	8,391
Charge for defined benefit plan	-	-	-	-	369,112	-	-	-	-	283,039
Contribution to defined contribution plan	-	-	-	-	503,929	-	-	-	-	401,401
Donations made during the year	-	-	-	-	130,430	-	-	-	-	113,215
(Reversal) / Provision against investment	-	-	-	-	-	-	-	-	-	(50,299)
Others										
No. of Shares / units purchased during the year	-	-	-	146,534	2,702	-	-	-	679,942	-
No. of Shares / units sold during the year	-	-	-	122,562	550	-	-	-	692,524	103,890
Government securities purchased during the year	-	-	296,735	-	194,868	-	-	43,300	-	222,900
Government securities sold during the year	-	-	315,525	-	2,699,895	-	-	75,249	-	3,617,594
Contribution to defined benefit plan	-	-	-	-	281,910	-	-	-	-	119,426
Sale proceeds from disposal of property and equipment	-	-	-	-	-	-	-	37,171	-	-

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

46 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum capital requirement (MCR):		
Paid-up capital (net of losses)	15,176,965	15,176,965
Capital adequacy ratio (CAR):		
Eligible common equity tier 1 (CET 1) capital	85,475,286	73,370,440
Eligible additional tier 1 (ADT 1) capital	-	-
Total eligible tier 1 capital	85,475,286	73,370,440
Eligible tier 2 capital	21,353,240	14,329,529
Total eligible capital (tier 1 + tier 2)	106,828,526	87,699,969
Risk weighted assets (RWAs):		
Credit risk	415,882,351	336,510,451
Market risk	74,199,776	56,432,669
Operational risk	148,121,128	106,918,760
Total	638,203,255	499,861,880
Common equity tier 1 capital adequacy ratio (in %)	13.39%	14.68%
Tier 1 Capital adequacy ratio (in %)	13.39%	14.68%
Total Capital adequacy ratio (in %)	16.74%	17.54%

Capital adequacy is regularly monitored by the Group's management, employing techniques based on the guidelines developed by the Basel Committee and as per the requirements of the SBP. The required information is submitted to the SBP on a quarterly basis.

Since December 31, 2023, the SBP requires each bank or banking group to: (a) hold the minimum level of the paid-up capital of Rs 10 billion; (b) maintain a ratio of total regulatory capital to the risk-weighted assets at or above the required minimum level of 10% and (c) maintain common equity tier I (CET1) ratio and tier 1 ratio of 6% and 7.5% respectively.

An additional capital conservation buffer (CCB) of 1.5% (to be met from CET1) has to be maintained over and above the minimum required level.

The paid-up capital of the Group for the year ended December 31, 2024, stood at Rs 15.177 billion (2023: Rs 15.177 billion). As at December 31, 2024, the Bank's CAR stood at 16.74% (December 31, 2023: 17.54%) whereas CET1 and Tier 1 ratios both stood at 13.39% (December 31, 2023: 14.68%).

The Group is also in compliance with the conservation buffer requirements.

The Group calculates capital requirement as per Basel III regulatory framework, using the following approaches:

Credit Risk	Standardised Approach
Market Risk	Standardised Approach
Operational Risk	Basic Indicator Approach

	2024	2023
	----------Rupees '000----------	
Leverage ratio (LR):		
Eligible tier-1 capital	85,475,286	73,370,440
Total exposures	1,886,632,252	1,594,121,150
Leverage ratio (%)	4.53%	4.60%
Liquidity coverage ratio (LCR):		
Total high quality liquid assets	693,948,071	517,942,201
Total net cash outflow	437,310,512	339,319,140
Liquidity coverage ratio (Ratio)	1.587	1.526
Net stable funding ratio (NSFR):		
Total available stable funding	903,707,027	838,043,710
Total required stable funding	545,226,206	482,990,880
Net stable funding ratio (%)	165.75%	173.51%

46.1 The link to the full disclosure is available at https://www.faysalbank.com/financials

47 RISK MANAGEMENT

Risk management group (RMG) has been organised under the Chief Risk Officer (CRO). It has been authorised by the Board of Directors (BoD) to monitor the implementation of an integrated risk management framework across the Holding Company. As an ongoing exercise to integrate risk related functions, RMG has been expanded, strengthened and entrusted to monitor the risk areas across the organisation, including adoption and convergence towards regulatory and Basel guidelines on risk management.

The primary objective of this architecture is to inculcate risk management into the organisation flows to ensure that risks are timely and accurately identified and assessed, properly documented, approved and adequately monitored and managed in order to ensure that risk taking activities are in line with the guidelines approved by the BoD and to protect the interests of the Bank's depositors and shareholders.

The 'risk management framework' at the Group encompasses:

- scope of risks to be managed;
- process, systems and procedures to manage risk; and
- roles and responsibilities of individuals involved in risk management.

The Group has adopted an approach that gives an integrated view of the risks faced by the organisation. This calls for aligning strategic vision, policy objectives and business processes / procedures within the risk management framework. The management of risk is integrated with the Group's management of capital and strategy. This ensures that risks taken in pursuit of the Group's strategic objectives are consistent with the policies, translating into targeted shareholder return as well as the Group's desired credit rating and risk appetite.

With this in view, the risk management framework endeavours to be a comprehensive and evolving set of guidelines to cater to changing business dynamics. The risk management framework includes:

- clearly defined risk management policies;
- well constituted organisational structure; and
- mechanism for ongoing review of all policies and procedures and risk exposures.

The 'risk management framework' is built on the following elements:

- comprehensive risk governance; and
- effective risk processes.

The Group has developed and implemented a governance and management structure, processes surrounding each risk area, including credit risk, market risk, liquidity risk, capital management, operational risk, environmental, social risk, shari'ah non-compliance and information security risk.

The essential components which contribute in effective management of all these risks are as follows:

- active board / senior management strategic direction and centralised RMG oversight;
- sufficient policies, procedures and limits;
- adequate risk measurement, monitoring and management information systems; and
- comprehensive internal controls.

The Board of Directors (BoD) monitoring and oversight is facilitated through the Board Risk Management Committee (BRMC), comprising of directors including the President & CEO. It is appointed and authorised by the BoD to assist in the design, regular evaluation and timely updation of the risk management framework. The BRMC has further authorised management committees such as Country Credit Committee (CCC), Agriculture Credit Committee (ACC), Enterprise Risk Management Committee (ERMC) and Assets and Liabilities Committee (ALCO) to supervise risk management activities within their respective areas.

In order to have an effective and efficient risk assessment, and to closely align its functions with business, RMG has separate risk management functions for credit risk management, based on the specialised skill sets and required specific experience in various business segments. These functions comprise of corporate risk, CBSME, agri and retail risk management.

The common responsibilities of all credit risk management functions include:

- conduct a thorough and an independent due diligence of the proposed / existing exposures in the respective risk portfolios.
- work with compliance department of the Holding Company to ensure conformity to the relevant Government regulations, the SBP PRs as well as internal policies.
- work with relationship teams to structure exposures such that they mitigate key risks, cater to customer requirements, remain economical in terms of risk weighted assets / capital allocation to ensure adequate risk coverage.

The risk management architecture is further fostered by enterprise risk management, Risk Policy, Analytics & ESG, information security function and an independent credit administration department.

The enterprise risk management function is responsible for managing and controlling market, operational and liquidity risks at an enterprise level and monitoring regulatory capital requirements of the Group.

Credit administration department - independent from the Risk Management function - looks after the security, financing documentation, disbursement and post disbursement monitoring aspects of the credit portfolio.

Risk Policy, analytics & ESG department serves as an independent check in the risk management function. It performs periodic review of all credit related portfolios (corporate, CBSME, retail, agri, SAM) and analyses portfolio compositions, risk rating distributions, emerging trends of NPLs, renewal status of Risk Approvals (RAs) as per policy and other policy related matters. It also formulates / updates credit policies (along with various limits prescribed therein) in line with regulatory environment, business strategy, the BoD approvals and the best practices.

Moreover, the Green Banking Office (GBO) has been consolidated under the Risk Policy, Analytics & ESG umbrella at Group. Established in accordance with the State Bank of Pakistan's Green Banking Guidelines (Circular #08 of IH&SMEFD, dated October 09, 2017), the GBO operates within the Risk function to oversee the entity-wide implementation of Green Banking and ESG initiatives. This office is responsible for the day-to-day management of green banking activities at Group and supports the integration of ESG considerations into business decision-making. The GBO ensures the Group's compliance with SBP's Green Banking Guidelines, Group's Green Banking Policy, and any other relevant regulatory directives.

The information security risk function is responsible for information security risk identification, monitoring and reporting.

47.1 Credit risk

Credit risk is the identification of probability that a counterparty will cause a financial loss to the Group due to its inability or unwillingness to meet its contractual obligation. This credit risk arises mainly from both direct financing activities as well as contingent liabilities.

The Group's credit risk philosophy is based on the Group's overall business strategy / direction as established by the Board. The Group is committed to the appropriate level of due diligence to ensure that credit risks have been properly analysed, fully disclosed to the approving authorities, appropriately rated, appropriately structured, appropriately priced and documented.

The Group deals with many different types of obligors/borrowers and financing structures across the corporate, commercial, SME, agriculture and retail segments. The Group manages customer credit risk exposures within appropriate limits to ensure that it does not provide a disproportionate level of credit to a single borrower or group of connected clients. The Group follows aggregation principles – summing of credit risk limits to the same borrower, or group of connected clients – to identify and manage effectively all significant credit risk exposures to a single borrower within an individual business and, where appropriate, across other business segments.

The Group has well-defined credit approval and review processes under which senior officers with the requisite credit background, critically scrutinise, advise and discuss associated risks and recommend / review / approve credit facilities and financing, through respective credit committees. Besides financial, industry and transaction analysis, in order to quantify risks of counterparty, the credit evaluation also includes risk rating system to evaluate risk rating of the customers which is then monitored on a portfolio basis to gauge the Group's credit portfolio quality. To avoid risk concentration, counterparty limits, counterparty group limits and industry concentration limits are also established, monitored and assessed in the light of changing counterparty and market conditions.

With a view to develop and effectively manage a diversified credit portfolio within each business segment (as an integral part of the credit risk management process), the Group has adopted the concept of an industry / sector-wise exposure concentration grid which dictates target market exposures.

As part of the Group's portfolio strategy and planning activity, these industry concentration limits are continually overseen by the management against the Group's approved exposures in these sectors and reviewed by the Board Risk Management Committee (BRMC) in its meetings with an aim to monitor the overall risk and to avoid high exposure to a single group or industry.

The Group is regularly conducting credit portfolio reviews to assess early warning signs, with robust post disbursement credit review mechanism to identify obligors/customers most likely to be affected in the challenging business and economic environment. The Group is confident that it has adequate capacity to withstand Challenges.

The Group uses the Standardised Approach to calculate capital charge for credit risk as per Basel regulatory framework, with comprehensive approach for credit risk mitigation.

Stress testing for credit risk is carried out regularly to estimate the impact of increase in non performing financing and downward shift in these categories.

47.1.1 Segment by class of business

Credit Risk Management (CRM) Framework (non-individual portfolio) covers three business segments: corporate risk management, commercial Grouping and SME (including agri) risk management. Based on overall guidance provided by a recognised and established external consultant, in line with the global best practices while ensuring regulatory compliance and alleviation of any (perceived) conflict of interest, credit management process has been segregated into two distinct categories:

- independent risk advice by risk management function.
- credit approvals by credit committee(s), while taking into consideration the business unit recommendations / approvals and independent risk advice.

With this segregation, the role of risk management function in credit approval process is focused to provide risk advice only, based on key risk parameters; whereas relevant credit committees are responsible for providing credit related approvals.

The common responsibilities of corporate risk management and commercial banking and SME (including agri) risk management include:

- conduct a thorough and an independent due diligence of the proposed / existing exposures in the respective risk portfolios.
- work with relationship teams to advise on structure of exposures such that they mitigate key risks, cater to borrower requirements, remain economical in terms of risk weighted assets / capital allocation to ensure risk coverage.
- work with the independent credit risk review team (under internal audit) for effective and periodic review of the credit portfolio.

Retail risk management is responsible for managing the credit risk of consumer finance credit products, with credit facilities extended to individual (non-corporate) borrower. The consumer finance function operates on a program approach, which are approved by the Country Credit Committee and subsequently by the BoD. The retail risk management provides its input on risk parameters in term of 'risk advice', at the time of approval / changes in product programs. The retail risk management also ensures that all the ongoing individual credit approvals are within pre-defined risk parameters as per the approved product programs.

47.1.2 Credit risk: general disclosures Basel specific

The Group has adopted the standardised approach under Basel. According to the regulatory statement submitted under the standardised approach, the portfolio has been divided into claims on public sector entities in Pakistan (PSEs), claims on corporate (excluding equity exposure) and claims categorised as retail portfolio. Claims on corporate constitute 62.04% (2023: 59.83%) of the total credit risk weighted assets, 2.33% (2023: 1.27%) represents claims on PSEs and 15.04% (2023: 13.99%) exposure pertains to claims categorised as retail portfolio.

47.1.3 Credit risk: disclosures for portfolio subject to standardised approach

For domestic claims, external credit assessment institutions (ECAIs) recommended by the SBP, namely Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited are used. For claims on foreign entities, ratings assigned by Standard and Poor, Fitch and Moody's are used. Exposures not rated by any of the aforementioned rating agencies are categorised as unrated.

Exposures	PACRA	VIS	Standard and Poor's	Moody's	Fitch
Corporate	✓	✓	-	-	-
Banks	✓	✓	✓	✓	✓
Sovereigns	-	-	✓	✓	✓
PSEs	✓	✓	-	-	-

The SBP's indicative mapping process as instructed in the SBP's circular "Minimum capital requirements for banks and DFIs" (indicated in table below) was used to map alpha numeric ratings of PACRA, VIS, S&P's. Moody's, Fitch ratings, and numeric scores of ECAs, to the SBP's rating grades.

Long term rating grades mapping

SBP rating	ECA scores	PACRA	VIS	S & P	Moody's	Fitch
1	0,1	AA- and above	AA- and above	AA- and above	Aa3 and above	AA- and above
2	2	A+ to A-	A+ to A-	A+ to A-	A1 to A3	A+ to A-
3	3	BBB+ to BBB-	BBB+ to BBB-	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-
4	4	BB+ to BB-	BB+ to BB-	BB+ to BB-	Ba1 to Ba3	BB+ to BB-
5	5,6	B+ to B-	B+ to B-	B+ to B-	B1 to B3	B+ to B-
6	7	CCC+ & Below	CCC+ & Below	CCC+ & Below	Caa1 & Below	CCC+ & Below

Short term rating grades mapping

SBP rating	PACRA	VIS	S & P	Moody's	Fitch
S1	A-1 & above	A-1 & above	A-1 & above	P-1	F1
S2	A-2	A-2	A-2	P-2	F2
S3	A-3	A-3	A-3	P-3	F3
S4	Others	Others	Others	Others	Others

Particulars of the Group's significant on-balance sheet and off-balance sheet credit risk in various sectors are analysed as follows:

47.1.4 Investment in debt securities

Credit risk by industry sector

	Gross investments		Non-performing investments		Credit loss allowance Stage 1		Credit loss allowance Stage 2		Credit loss allowance Stage 3	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees '000									
Textile	10,981	10,981	10,981	10,981	-	-	-	-	10,981	10,981
Chemical and pharmaceuticals	1,405,073	1,409,393	1,405,072	1,409,393	-	-	-	-	1,405,072	1,409,393
Cement	500,000	500,000	500,000	500,000	-	-	-	-	500,000	500,000
Sugar	8,311	8,311	8,311	8,311	-	-	-	-	8,311	8,311
Power (electricity), gas, water, sanitary	51,807,783	51,765,570	-	-	945	-	-	-	-	-
Financial	839,000	839,000	-	-	51	-	-	-	800,905	-
Services	1,214,135	1,559,536	1,214,135	-	-	-	-	-	-	-
	55,785,283	56,092,791	3,138,499	1,928,685	996	-	-	-	2,725,269	1,928,685

Credit risk by public / private sector

	Gross investments		Non-performing investments		Credit loss allowance Stage 1		Credit loss allowance Stage 2		Credit loss allowance Stage 3	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees '000									
Public / Government	51,807,783	51,765,570	-	-	945	-	-	-	-	-
Private	3,977,500	4,327,221	3,138,499	1,928,685	51	-	-	-	2,725,269	1,928,685
	55,785,283	56,092,791	3,138,499	1,928,685	996	-	-	-	2,725,269	1,928,685

47.1.5 Islamic financing and related assets

Credit risk by industry sector

	Gross investments		Non-performing investments		Credit loss allowance Stage 1		Credit loss allowance Stage 2		Credit loss allowance Stage 3	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees '000									
Agriculture, forestry, hunting and fishing	66,662,227	125,042,619	834,176	824,736	68,395	-	17,947	-	751,064	731,580
Mining and quarrying	5,978,762	5,907,246	3,451	3,451	2,054	-	22,991	-	3,451	3,451
Textile	108,857,008	83,560,348	5,932,654	5,993,318	78,306	-	29,218	-	5,710,332	5,700,126
Chemical and pharmaceuticals	37,703,439	24,382,400	494,595	510,236	19,070	-	108,071	-	493,316	508,957
Cement	19,527,558	17,689,081	41,608	41,608	17,389	-	165,113	-	39,108	39,108
Sugar	26,512,510	14,723,291	441,575	545,736	25,473	-	288,412	-	441,575	545,736
Footwear and leather garments	1,261,353	1,748,453	329,162	347,956	2,664	-	-	-	274,692	258,680
Automobile and transportation equipment	15,879,292	8,994,187	415,285	439,663	18,352	-	6,690	-	324,780	205,271
Electronics and electrical appliances	9,185,906	7,958,823	540,201	550,432	7,415	-	1,324	-	427,316	437,547
Construction	4,239,562	5,718,270	703,417	1,254,945	1,263	-	281,577	-	856,421	339,492
Power (electricity), gas, water, sanitary	86,357,627	84,832,610	1,804,497	1,827,534	42,936	-	158,566	-	1,804,497	1,827,534
Wholesale and retail trade	40,949,777	19,166,009	2,261,255	2,358,603	172,445	-	296,505	-	1,984,332	1,740,960
Transport, storage and communication	27,477,488	27,811,454	91,085	96,895	2,323	-	33,388	-	70,285	73,021
Financial	2,584,287	1,550,389	50,853	50,853	1,710	-	-	-	50,309	50,309
Insurance	6,317	8,477	-	-	21	-	-	-	-	-
Services	23,310,784	20,239,876	1,020,748	369,212	35,964	-	106,479	-	979,038	323,784
Individuals	63,751,509	56,094,627	1,708,897	1,752,820	226,435	877,670	153,262	-	942,528	1,149,659
Iron & Steel	15,005,445	14,003,671	2,552,654	448,362	78,816	-	2,710	-	1,799,497	195,675
Food Products	29,200,581	30,977,183	-	721,818	23,449	-	87,068	-	-	383,765
Telecommunication	27,968,474	8,521,768	-	-	38,238	-	188,104	-	-	-
Manufacture of Refined Petroleum Products	13,838,122	7,516,675	1,837,450	1,881,088	4,011	-	12,890	-	1,808,092	1,818,588
Manufacture of rubber and plastic products	10,834,307	5,593,341	287,236	-	9,290	-	23,834	-	287,236	-
Others	37,946,646	28,841,925	2,984,283	3,040,375	30,438	-	50,526	-	2,639,179	2,839,349
	675,038,981	600,882,723	24,335,082	23,059,641	906,457	877,670	2,034,675	-	21,687,048	19,172,592

Credit risk by public / private sector

	Gross investments		Non-performing investments		Credit loss allowance Stage 1		Credit loss allowance Stage 2		Credit loss allowance Stage 3	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees '000									
Public / Government	147,383,067	208,587,989	-	-	15,686	-	41,230	-	-	-
Private	527,655,914	392,294,734	24,335,082	23,059,641	890,771	877,670	1,993,445	-	21,687,048	19,172,592
	675,038,981	600,882,723	24,335,082	23,059,641	906,457	877,670	2,034,675	-	21,687,048	19,172,592

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

47.1.6 Contingencies and Commitments

Credit risk by industry sector

Agriculture, forestry, hunting and fishing	-	-
Mining and quarrying	1,945,504	3,420,801
Textile	18,908,090	12,682,742
Chemical and pharmaceuticals	10,554,381	13,747,425
Cement	1,443,658	1,184,104
Sugar	86,539	287,663
Footwear and leather garments	198,479	712,450
Automobile and transportation equipment	2,752,781	4,376,658
Electronics and electrical appliances	2,071,649	2,664,880
Construction	2,590,572	3,108,004
Power (electricity), gas, water, sanitary	6,053,932	7,554,600
Wholesale and retail trade	57,273,821	30,667,811
Exports / imports	-	-
Transport, storage and communication	1,328,958	1,458,548
Financial	3,934,091	4,379,717
Services	3,316,857	4,416,605
Individuals	-	-
Others	35,956,545	29,105,438
	148,415,857	119,767,446

Credit risk by public / private sector

Public / Government	511,085	2,872,826
Private	147,904,772	116,894,620
	148,415,857	119,767,446

47.1.7 Concentration of Islamic financing and related assets - exposures

The Group's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 212,284 million (2023: Rs. 266,946 million) are as following:

	2024	2023
	----------Rupees '000----------	
Funded	179,748,973	261,026,933
Non-funded	32,534,820	5,919,270
Total exposure	212,283,793	266,946,203

The sanctioned limits against these top 10 exposures aggregated to Rs. 205,823 million (2023: Rs. 280,123 million).

There are no classified exposures under this category of financing.

47.1.8 Islamic financing and related assets - province / region-wise disbursement and utilisation

Province / region	2024						
	Disbursements	Utilisation					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
	Rupees '000						
Punjab	403,020,803	380,664,370	21,281,113	320,137	275	714,867	40,041
Sindh	772,799,170	17,321,130	754,835,416	42,329	110,401	88,188	401,706
KPK including FATA	2,318,496	-	125,000	2,185,496	-	8,000	-
Balochistan	158,444	-	158,444	-	-	-	-
Islamabad	38,117,735	2,878,350	330,896	2,906,827	5,122	31,892,745	103,795
AJK including Gilgit-Baltistan	10,000	-	-	-	-	-	10,000
Total	1,216,424,648	400,863,850	776,730,869	5,454,789	115,798	32,703,800	555,542

Province / region	2023						
	Disbursements	Utilisation					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
	Rupees '000						
Punjab	329,814,512	319,006,126	8,847,371	540,980	5,322	1,409,713	5,000
Sindh	505,689,386	15,647,839	489,196,382	25,202	67,439	162,100	590,424
KPK including FATA	4,646,542	-	-	4,646,542	-	-	-
Balochistan	27,444	-	27,444	-	-	-	-
Islamabad	31,020,108	1,222,368	306,794	2,236,524	6,042	27,192,450	55,930
AJK including Gilgit-Baltistan	15,000	-	-	-	-	-	15,000
Total	871,212,992	335,876,333	498,377,991	7,449,248	78,803	28,764,263	666,354

47.1.9 Forward-looking information contained in ECL

The Holding Company's Expected Credit Loss (ECL) calculation incorporates forward-looking information by integrating macroeconomic variables to enhance the accuracy and reliability of credit risk estimates. The use of forward-looking data helps in better predicting potential credit losses under different economic conditions.

To estimate Probability of Default (PD) and Loss Given Default (LGD), the Holding Company utilizes historical and forecasted macroeconomic data. For ECL calculations, the Holding Company considers Gross Domestic Product (GDP) and Consumer Price Index (CPI) as the primary macroeconomic variables, with forecasted data sourced from the International Monetary Fund (IMF). The selection of these variables is based on their relevance and sensitivity to specific portfolios.

The Holding Company has developed three macroeconomic scenarios—Base, Best, and Worst—to reflect potential economic conditions. These scenarios have been assigned probability weightings of 60% for the Base scenario, 10% for the Best scenario, and 30% for the Worst scenario to ensure a comprehensive assessment of credit risk exposure.

As part of its forward-looking assessment, the Holding Company conducted a sensitivity analysis on macroeconomic indicators used in Expected Credit Loss (ECL) calculations. As of December 31, 2024, the Holding Company developed three scenarios—Base, Best, and Worst—based on a five-year forecast. A 10% change in macroeconomic variables (GDP and CPI) in the Base scenario was applied to assess the upside and downside impact on PD / ECL. The resulting variations across different segments are as follows:

Segment	Upwards	Downwards
Corporate/Commercial	-9.080%	10.293%
SME	-9.404%	10.344%
AGRI	-7.223%	7.699%
Consumer	-3.697%	3.838%

47.1.10 Sensitivity of ECL to Future Economic Conditions

The ECL are sensitive to judgements and assumption made regarding formulation of forward-looking scenarios and how much such scenarios are incorporated into calculations. The Group performs sensitivity analysis on the ECL recognized on each of its segments.

The table below shows the loss allowance on each segment assuming each forward-looking scenario (e.g. Base, Best and Worst) were weighted 100% instead of applying scenario probability across the three scenarios.

	Total ECL as per FS	Base		Best		Worst	
		Total ECL after sensitivity analysis	Increase / decrease in %	Total ECL after sensitivity analysis	Increase / decrease in %	Total ECL after sensitivity analysis	Increase / decrease in %
Corporate / Commercial	2,270,705	1,593,831	-29.809%	580,320	-74.443%	4,187,915	84.432%
SME	77,959	59,789	-23.307%	24,454	-68.632%	132,136	69.494%
AGRI	82,331	66,440	-19.302%	30,433	-63.036%	131,413	59.615%
Consumer	510,137	431,526	-15.410%	246,050	-51.768%	755,386	48.075%

47.2 Market Risk

It is the risk that the value of on-balance sheet and off-balance sheet positions of the Group will be adversely affected by movements in market rates or prices such as benchmark rates, deposit rates, foreign exchange rates, equity prices and / or commodity prices resulting in a loss to earnings and capital. Market risks arise generally from trading activities, open foreign currency positions, holding common equity and other products. All such instruments and transactions are exposed to general and specific market movements.

The Group seeks to mitigate market risk by employing strategies that correlate price, rate and spread movements of its earning assets, liabilities and trading activities. Treasury front office, market risk management and treasury middle office perform market risk management activities within the Group. The Group has Enterprise Risk Management Committee which is responsible for recommending market risk policies and strategies for the Board approval and its subsequent implementation and review.

47.2.1 Consolidated statement of financial position split by trading and banking books

	2024			2023		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	Rupees '000					
Cash and balances with treasury banks	102,600,657	-	102,600,657	84,036,564	-	84,036,564
Balances with other banks	5,539,562	-	5,539,562	1,812,507	-	1,812,507
Due from financial institutions	-	-	-	-	-	-
Investments	8,536,557	669,718,407	678,254,964	16,708,616	573,246,223	589,954,839
Islamic financing and related assets	633,990,216	-	633,990,216	580,711,316	-	580,711,316
Property and equipment	45,009,778	-	45,009,778	40,396,895	-	40,396,895
Right-of-use assets	13,297,784	-	13,297,784	-		-
Intangible assets	2,739,091	-	2,739,091	2,452,387	-	2,452,387
Other assets	85,798,160	-	85,798,160	71,920,406	-	71,920,406
	897,511,805	669,718,407	1,567,230,212	798,038,691	573,246,223	1,371,284,914

47.2.2 Foreign Exchange Risk

Foreign exchange risk / currency risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. It refers to the impact of adverse movements in currency exchange rates on the value of open foreign currency positions. Changes in currency rates affect the value of assets and liabilities denominated in foreign currencies and may affect revenues from foreign exchange dealing.

The Group undertakes currency risk mostly to support its trade services and maintains overall foreign exchange risk position to the extent of statutory Foreign Exchange Exposure Limit (FEEL) prescribed by the SBP.

Exposure limits such as counterparty, gap, net open position, dealer and bucket-wise currency delta limits are in place in accordance with the Bank's approved policies in order to manage associated risk and concentration at the acceptable tolerance levels.

	2024				2023			
	Assets	Liabilities	Off-balance sheet items	Net currency exposure	Assets	Liabilities	Off-balance sheet items	Net currency exposure
	Rupees '000							
United States Dollar	24,867,483	45,055,392	18,973,173	(1,214,736)	14,260,891	52,058,694	36,636,382	(1,161,421)
Great Britain Pound Sterling	2,315,004	6,579,388	4,266,408	2,024	1,399,874	6,746,248	5,343,098	(3,276)
Euro	729,021	5,635,262	4,908,187	1,946	698,175	3,788,752	3,107,196	16,619
Japanese Yen	4,080	26	-	4,054	313	10,059	9,948	202
Other currencies	208,056	237,717	38,756	9,095	336,923	286,669	(10,862)	39,392
	28,123,644	57,507,785	28,186,524	(1,197,617)	16,696,176	62,890,422	45,085,762	(1,108,484)

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	Rupees '000			
Impact of 1% change in foreign exchange rates on				
- profit and loss account	-	(30,507)	(52,253)	(10,690)
- other comprehensive income	-	-	-	-

47.2.3 Equity Position Risk

Equity position risk is the risk arising from unfavourable fluctuations in prices of shares in which the Group carries positions. It is a risk to earnings or capital that results from adverse changes in the value of equity related portfolios of the Group. Price risk associated with equities could be systematic or unsystematic. Systematic risk is due to sensitivity of portfolio's value to changes in overall level of equity prices, while unsystematic risk is associated with price volatility that is determined by the specific characteristics of the investee company.

The Group's equity position is governed by position limits imposed by the SBP for overall investment and per scrip exposure. Additionally, there are internal limits set to manage overall earnings in the form of stop loss limits and maintain a diverse portfolio through sector concentration limits.

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	Rupees '000			
Impact of 5% change in equity prices on				
- profit and loss account	-	-	-	-
- other comprehensive income	13,720	628,663	9,752	448,547

47.2.4 Yield / profit rate risk in the banking book (IRRBB)-Basel II specific

Impact of 1% change in discount rates on				
- profit and loss account	1,259,233	3,518,181	(288,043)	3,623,102
- other comprehensive income	-	(4,956,563)	(41,658)	(3,824,231)

47.2.5 Mismatch of yield rate sensitive assets and liabilities

	2024											
	Exposed to yield risk											
	Effective yield rate	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	Non-yield bearing financial instruments
	(%)	Rupees '000										
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		102,600,657	-	-	-	-	-	-	-	-	-	102,600,657
Balances with other banks		5,539,562	-	-	-	-	-	-	-	-	-	5,539,562
Due from financial institutions		-	-	-	-	-	-	-	-	-	-	-
Investments	19.9	678,254,964	88,948,887	41,678,306	420,039,597	6,813,805	43,319,718	14,026,122	44,460,078	6,296,182	-	12,672,269
Islamic financing and related assets	18.7	633,990,216	431,748,036	91,794,324	24,727,781	30,381,008	15,386,895	6,842,595	1,080,279	25,530,043	4,096,611	2,402,644
Other assets		68,666,564	-	-	-	-	-	-	-	-	-	68,666,564
		1,489,051,963	520,696,923	133,472,630	444,767,378	37,194,813	58,706,613	20,868,717	45,540,357	31,826,225	4,096,611	191,881,696
Liabilities												
Bills payable		39,169,649	-	-	-	-	-	-	-	-	-	39,169,649
Due to financial institutions	15.4	280,442,540	215,002,314	3,150,058	23,533,344	648,663	1,407,450	1,943,439	2,141,132	31,741,065	35,130	839,945
Deposits and other accounts	10.4	1,044,015,748	126,188,101	25,840,595	25,405,211	42,327,833	37,466,116	145,800,937	75,578,268	103,327,400	86,214	461,995,073
Liabilities against assets subject to finance lease		-	-	-	-	-	-	-	-	-	-	-
Other liabilities		62,401,091	-	-	-	-	-	-	-	-	-	62,401,091
		1,426,029,028	341,190,415	28,990,653	48,938,555	42,976,496	38,873,566	147,744,376	77,719,400	135,068,465	121,344	564,405,758
On-balance sheet gap		63,022,935	179,506,508	104,481,977	395,828,823	(5,781,683)	19,833,047	(126,875,659)	(32,179,043)	(103,242,240)	3,975,267	(372,524,062)
Net non-financial assets		46,902,099										
Total net assets		109,925,034										
Off-balance sheet financial instruments												
Commitments in respect of:												
- forward foreign exchange contracts - purchase		54,802,453	28,910,306	20,821,146	4,174,641	896,360	-	-	-	-	-	-
- forward foreign exchange contracts - sale		(25,817,802)	(8,557,232)	(8,205,470)	(9,055,100)	-	-	-	-	-	-	-
- forward government securities transactions - purchase		128,375,400	-	-	-	-	-	-	-	-	-	128,375,400
- forward government securities transactions - sale		-	-	-	-	-	-	-	-	-	-	-
- cross currency and swaps		(964,082)	-	-	-	-	-	-	-	-	-	(964,082)
- forward lending		-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		156,395,969	20,353,074	12,615,676	(4,880,459)	896,360	-	-	-	-	-	127,411,318
Total yield risk rate sensitivity gap			199,859,582	117,097,653	390,948,364	(4,885,323)	19,833,047	(126,875,659)	(32,179,043)	(103,242,240)	3,975,267	
Cumulative yield risk rate sensitivity gap			199,859,582	316,957,235	707,905,599	703,020,276	722,853,323	595,977,664	563,798,621	460,556,381	464,531,648	

	2023											
	Exposed to yield risk											
On-balance sheet financial instruments	Effective yield rate	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	Non-yield bearing financial instruments
	(%)	Rupees '000										
Assets												
Cash and balances with treasury banks		84,036,564	-	-	-	-	-	-	-	-	-	84,036,564
Balances with other banks		1,812,507	-	-	-	-	-	-	-	-	-	1,812,507
Due from financial institutions		-	-	-	-	-	-	-	-	-	-	-
Investments - net	18.9	589,954,839	17,432,676	66,422,211	421,732,529	3,005,409	5,509,801	39,524,983	27,457,230	-	-	8,870,000
Islamic financing and related assets - net	18.0	580,832,461	211,913,824	74,474,164	75,391,148	34,454,803	50,154,589	40,708,879	47,190,918	39,010,266	3,646,821	3,887,049
Other assets		66,044,402	-	-	-	-	-	-	-	-	-	66,044,402
		1,322,680,773	229,346,500	140,896,375	497,123,677	37,460,212	55,664,390	80,233,862	74,648,148	39,010,266	3,646,821	164,650,522
Liabilities												
Bills payable		16,550,469	-	-	-	-	-	-	-	-	-	16,550,469
Due to financial institutions	16.6	166,886,803	81,781,500	25,785,129	4,380,308	530,236	2,424,102	1,734,466	4,537,715	43,403,752	181,185	2,128,410
Deposits and other accounts	10.3	1,018,264,979	119,011,904	116,354,701	48,855,484	60,910,570	66,587,526	88,318,759	54,181,121	106,453,644	284,635	357,306,635
Other liabilities		68,340,189	-	-	-	-	-	-	-	-	-	68,340,189
		1,270,042,440	200,793,404	142,139,830	53,235,792	61,440,806	69,011,628	90,053,225	58,718,836	149,857,396	465,820	444,325,703
On-balance sheet gap		52,638,333	28,553,096	(1,243,455)	443,887,885	(23,980,594)	(13,347,238)	(9,819,363)	15,929,312	(110,847,130)	3,181,001	(279,675,181)
Net non-financial assets		38,286,930										
Total net assets		90,925,263										
Off-balance sheet financial instruments												
Commitments in respect of:												
- forward foreign exchange contracts - purchase		55,514,935	20,546,022	22,293,654	12,675,259	-	-	-	-	-	-	-
- forward foreign exchange contracts - sale		(9,610,511)	(7,992,914)	(1,579,350)	(38,247)	-	-	-	-	-	-	-
- forward government securities transactions - purchase		73,777,500	-	-	-	-	-	-	-	-	-	73,777,500
- forward government securities transactions - sale		-	-	-	-	-	-	-	-	-	-	-
- cross currency and swaps		(1,678,515)	-	-	-	-	-	-	-	-	-	(1,678,515)
Off-balance sheet gap		118,003,409	12,553,108	20,714,304	12,637,012	-	-	-	-	-	-	72,098,985
Total yield risk rate sensitivity gap			41,106,204	19,470,849	456,524,897	(23,980,594)	(13,347,238)	(9,819,363)	15,929,312	(110,847,130)	3,181,001	
Cumulative yield risk rate sensitivity gap			41,106,204	60,577,053	517,101,950	493,121,356	479,774,118	469,954,755	485,884,067	375,036,937	378,217,938	

Yield curve risk is the risk that a financial instrument will suffer either a decline in income or capital because future changes in prevailing profit rates impact assets more or less than they impact liabilities.

The profit rate risk of the Group arises when there is a mismatch between contractual maturities, which are subject to profit rate adjustment within a specified period or re-pricing of on and off-balance sheet assets and liabilities. Risk is addressed by Asset and Liability Management Committee that reviews the profit rate dynamics at regular intervals and decides re-pricing of assets and liabilities to ensure that the spread of the Group remains at an acceptable level.

Major sources of profit rate risk are;

i) differences between the timing of rate changes and the timing of cash flows (re-pricing risk);

ii) changing rate relationships among different yield curves affecting the Group's activities (basis risk);

iii) changing rate relationships across the range of maturities (yield curve risk);

iv) profit-related options embedded in the Group's products (options risk); and

v) changes in marked-to-market value of financial instruments which occur when profit changes (price risk).

47.3 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes or systems, human factors or from external events. The Group businesses are dependent on the ability to process a large number of transactions efficiently and accurately. Operational risks and losses originate from business / operational process failure, IT security failure, natural disasters, dependence on key suppliers, fraud, service quality compromises, regulatory non-compliance, loss of key staff and social and environmental impacts.

The operational risk management function is primarily responsible for the oversight of operational risk management across the Group. The operational risk management framework of the Group is governed by the operational risk management policy and procedures, while the implementation is supported by an operational risk management system and designated operational risk coordinators within different units across the Group. The framework is in line with international best practices, flexible enough to implement in stages and permits the overall approach to evolve in response to organizational learning and future requirements.

The Group has implemented an effective operational risk management framework for managing operational risk. Each department has processes and system controls in place to address operational risks within their area. Operational loss data is collected through a well defined program implemented across the Group. Periodic workshops are conducted for risk and control self assessment and key risk exposures are identified and assessed against existing controls to evaluate improvement opportunities. Key risk indicators are also defined for monitoring of risk exposures. New products, systems, activities and processes are subject to comprehensive operational risk assessments, before implementation. Regular updates on operational risk status is presented to Enterprise Risk Management Committee (ERMC) and the Board of Directors through the Board Risk Management Committee (BRMC). Further, as part of Group’s ongoing commitment to enhance Group’s services and to ensure Group-wide risk awareness culture, Operational Risk Management Department has also orgainzed special workshops / class room trainings tailored for Pan Pakistan Branch Operations Team.

Operational risk-disclosures Basel II specific

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

The Group is currently using basic indicator approach for calculating operational risk capital charge.

Under basic indicator approach the capital charge for operational risk is a fixed percentage (denoted alpha) of average positive annual gross income of the Group over the past three years. Figures for any year in which annual gross income is negative or zero, should be excluded from both the numerator and denominator when calculating the average.

47.4 Shari'ah Non-Compliance Risk (SNCR)

Shari'ah Non-Compliance Risk (SNCR) is the financial and reputaional risk that arises from a Group’s failure to comply with the Shari'ah rules and principles prescribed by the State Bank of Pakistan and Shari'ah Board of the Group. Managing Shari'ah non-compliance risk is vital for the establishment of an effective Shari'ah governance system. Shari'ah compliance is critical to an Islamic Group's operations and such compliance requirements must permeate

throughout the organization and its products and activities.

Group is fully aware of the importance and implication of Shari'ah non-compliance risk on its business and strategy and therefore, ensures Shari'ah compliance in its business activities & operations. Group has also developed a comprehensive framework for Shari'ah Non-Compliance Risk management, which entails identification, assessment, monitoring / controlling and reporting of SNCR residing in the Group.

47.5 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations associated with its financial liabilities when they fall due and to replenish funds when they are withdrawn.

Liquidity risk management framework is governed by the liquidity risk management policy. The policy provides specific directives for measuring and managing liquidity risk identifies responsible personnel; and defines their respective roles and responsibilities relating to liquidity risk management.

The management of liquidity risk is accomplished through a formal structure which includes:

- Board of Directors (BoD)
- Board Risk Management Committee (BRMC)
- Asset and Liability Committee (ALCO)
- Enterprise Risk Management Committee (ERMC)
- Treasury
- Risk management (enterprise risk management)
- Finance

The BoD approves the liquidity risk management policy including risk limits and ensures, through quarterly reviews by the BRMC, that the Group's liquidity risk is being managed prudently. The BRMC plays a strategic role in liquidity risk management by overseeing the liquidity risk profile of the Group. ERMC defines the risk tolerance levels and setting risk limits for effective liquidity risk management. ALCO ensures adherence with policy requirements and risk limits so that the Group remains sufficiently liquid at all times.

The market and liquidity risk under enterprise risk management function overseas liquidity risk. The Group's Asset and Liability Committee manages the liquidity position on a continuous basis.

The Group ensures to maintain a diversified portfolio of liquid assets and funding base. Sources of funding comprise of a good mix of core deposits. Concentration in deposit, especially large volume deposits, is closely monitored to anticipate any potential liquidity issues in case of their withdrawals.

Various tools and techniques are used to measure and monitor the possible liquidity risk. These include monitoring of different liquidity ratios like liquid assets to liquid liabilities, liquid assets to total deposits, large volume deposits to total deposits, financing to deposit, liquid assets to volatile funding; on a regular basis against defined limits. Further, liquidity gaps over different time bands, are also monitored through maturity profiling of assets and liabilities. The Group also ensures that statutory cash and liquidity requirements are maintained at all times. In addition, the Group has also implemented the SBP's Basel III liquidity standards for ensuring compliance with the requirements of LCR, NSFR and other monitoring tools.

The Group performs liquidity stress testing on periodic basis in order to ensure sufficient liquidity is always available to meet financial obligations / commitments. Stress testing aims to quantify the potential impact of extreme yet plausible events or movements on the value of portfolio. Shocks include withdrawal of deposits, withdrawal of wholesale / large deposits, withdrawal of top deposits, etc. The results of liquidity stress testing are shared with relevant authorities / committees, on periodic basis.

Contingency funding plan (CFP) is a part of liquidity risk management policy of the Group. CFP provides a set of several early warning indicators of a possible liquidity shortfall situation; describes the actions to be taken to manage it and identifies the roles and responsibilities of ALCO, CFP team or other relevant authorities.

47.5.1 Maturities of 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 '000													
Assets														
Cash and balances with treasury banks	102,600,657	102,600,657	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	5,539,562	-	5,539,562	-	-	-	-	-	-	-	-	-	-	-
Due from financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	678,254,964	-	-	-	-	1,604,091	1,605,447	10,702,602	24,443,864	16,265,359	171,426,415	204,476,274	204,291,276	43,439,636
Islamic financing and related assets	633,990,216	57,173,213	14,209,332	11,148,966	33,693,228	123,313,150	80,920,619	87,386,631	25,357,821	28,398,693	34,337,097	30,563,984	41,585,378	65,902,104
Property and equipment	45,009,778	989,177	346,053	411,260	919,521	1,677,737	1,682,198	1,683,324	31,831	19,675	635,958	1,030,376	8,854,829	26,727,839
Right-of-use assets	13,297,784	-	-	-	-	658	6,163	9,671	28,003	56,246	311,565	436,160	1,512,954	10,936,364
Intangible assets	2,739,091	7,056	52,141	67,357	124,943	214,107	219,165	216,066	455	105,143	207,252	900,140	625,266	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	85,798,160	17,492,014	3,025,612	3,933,455	8,933,168	7,421,599	6,798,249	25,518,173	2,908,165	2,031,996	6,847,326	40,191	-	848,212
	1,567,230,212	178,262,117	23,172,700	15,561,038	43,670,860	134,231,342	91,231,841	125,516,467	52,770,139	46,877,112	213,765,613	237,447,125	256,869,703	147,854,155
Liabilities														
Bills payable	39,169,649	1,305,655	7,833,930	9,139,585	20,890,479	-	-	-	-	-	-	-	-	-
Due to financial institutions	280,442,540	887,491	214,073,635	246,034	635,098	1,456,296	1,693,762	23,533,344	58,842	589,821	1,407,450	1,943,439	2,141,132	31,776,196
Deposits and other accounts	1,044,015,748	893,238,492	40,386,611	10,089,133	41,735,151	9,302,327	7,801,241	16,589,717	13,160,821	11,638,030	49,287	13,179	11,759	-
Lease liabilities	15,582,671	-	-	-	-	-	-	614	2,350	36,952	308,940	560,677	2,124,953	12,548,185
Subordinated sukuk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	13,101,335	-	-	-	-	-	-	-	-	-	-	13,101,335	-	-
Other liabilities	64,993,235	14,795,946	2,496,540	2,149,485	5,767,721	3,971,833	7,084,854	13,498,018	4,249,122	6,323,973	4,606,289	48,403	1,051	-
	1,457,305,178	910,227,584	264,790,716	21,624,237	69,028,449	14,730,456	16,579,857	53,621,693	17,471,135	18,588,776	6,371,966	15,667,033	4,278,895	44,324,381
Net assets	109,925,034	(731,965,467)	(241,618,016)	(6,063,199)	(25,357,589)	119,500,886	74,651,984	71,894,774	35,299,004	28,288,336	207,393,647	221,780,092	252,590,808	103,529,774
Share capital	15,176,965													
Reserves	17,866,357													
Surplus on revaluation of assets - net	22,771,883													
Unappropriated profit	54,109,488													
Total equity attributable to the equity holders of the Bank	109,924,693													
Non-controlling interest	341													
	109,925,034													

	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 '000													
Assets														
Cash and balances with treasury banks	84,036,564	84,036,564	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	1,812,507	-	1,812,507	-	-	-	-	-	-	-	-	-	-	-
Due from financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments - net	589,954,839	-	-	-	-	1,159,222	1,159,225	16,780,088	28,497,492	2,389,669	38,378,177	173,328,722	274,729,730	53,532,514
Islamic financing and related assets - net	580,832,461	66,387,604	73,190,828	24,999,051	63,739,812	37,064,998	36,519,305	73,771,925	17,400,802	13,072,756	45,526,264	35,302,916	47,190,919	46,665,281
Property and equipment	29,625,380	959,766	206,308	242,344	551,046	1,035,188	1,040,002	1,038,241	51,497	52,942	279,734	1,092,369	2,393,776	20,682,167
Right-of-use assets	10,771,515	-	-	-	-	1,157	3,084	7,926	20,448	63,423	220,811	515,171	1,561,237	8,378,258
Intangible assets	2,452,387	6,650	40,125	46,583	106,433	199,563	199,570	204,861	1,463	23,445	165,277	907,280	551,137	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	71,799,261	3,069,126	3,105,095	4,183,156	8,848,187	12,218,464	8,020,447	26,280,058	1,774,241	1,594,554	1,980,641	45,441	-	679,851
	1,371,284,914	154,459,710	78,354,863	29,471,134	73,245,478	51,678,592	46,941,633	118,083,099	47,745,943	17,196,789	86,550,904	211,191,899	326,426,799	129,938,071
Liabilities														
Bills payable	16,550,469	551,682	3,310,094	3,861,776	8,826,917	-	-	-	-	-	-	-	-	-
Due to financial institutions	166,886,803	302,706	80,929,512	797,112	1,880,579	9,719,434	16,065,695	4,380,308	14,502	515,734	2,424,102	1,734,466	4,537,715	43,584,938
Deposits and other accounts	1,018,264,979	764,258,637	28,635,530	13,542,819	42,719,385	65,473,025	42,909,427	33,524,673	11,260,976	15,816,182	64,153	41,109	19,061	-
Lease liabilities	12,865,125	85,787	514,698	600,348	1,372,468	1,286,722	1,286,707	2,573,335	1,286,364	1,286,485	2,572,211	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	4,940,115	-	-	-	-	-	-	-	-	-	-	4,940,115	-	-
Other liabilities	60,852,160	420,003	3,410,677	2,579,613	6,411,203	8,862,871	12,082,959	11,738,127	4,239,039	5,390,189	5,665,046	50,884	1,549	-
	1,280,359,651	765,618,815	116,800,511	21,381,668	61,210,552	85,342,052	72,344,788	52,216,443	16,800,881	23,008,590	10,725,512	6,766,574	4,558,325	43,584,938
Net assets	90,925,263	(611,159,105)	(38,445,648)	8,089,466	12,034,926	(33,663,460)	(25,403,155)	65,866,655	30,945,062	(5,811,801)	75,825,392	204,425,325	321,868,474	86,353,133

Share capital	15,176,965
Reserves	15,616,188
Surplus on revaluation of assets - net	15,170,817
Unappropriated profit	44,961,035
Total equity attributable to the equity holders of the Bank	90,925,005
Non-controlling interest	258
	90,925,263

47.5.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Group

In line with the SBP BSD Circular Letter No. 02 and 03 of 2011 on "Maturity and Profit rate sensitivity gap reporting", deposit withdrawal pattern analysis on current and saving accounts (CASA) is conducted on at least ten years weekly data. The outliers (seasonal variations) are adjusted from data using fourth spread statistical methodology. The regression methodology is used to estimated deposits withdrawal pattern of both current and saving deposits. This methodology is in line with industry best practices and regulatory guidelines.

	2024									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	Rupees '000									
Assets										
Cash and balances with treasury banks	102,600,657	8,239,613	2,046,282	3,014,910	6,362,530	12,845,074	28,491,479	15,826,861	25,727,678	46,230
Balances with other banks	5,539,562	445,097	110,513	162,860	343,455	693,552	1,538,066	854,478	1,389,046	2,495
Due from financial institutions	-	-	-	-	-	-	-	-	-	-
Investments	678,254,964	78,564,061	42,280,770	424,959,676	13,286,972	43,984,024	24,450,238	44,573,059	6,156,164	-
Islamic financing and related assets	633,990,216	433,563,817	92,193,396	24,750,979	30,522,222	15,392,218	6,845,769	1,080,708	25,539,859	4,101,248
Property and equipment	45,009,778	941,844	1,456	5,901	3,396,762	3,976,742	1,030,847	8,856,054	6,013,583	20,786,589
Right-of-use assets	13,297,784	-	6,823	9,671	84,305	311,712	436,436	1,513,775	9,800,178	1,134,884
Intangible assets	2,739,091	-	-	457	437,140	524,267	213,571	922,583	641,073	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets	85,798,160	33,177,499	14,283,621	25,500,445	5,002,872	6,935,136	40,917	-	857,670	-
	1,567,230,212	554,931,931	150,922,861	478,404,899	59,436,258	84,662,725	63,047,323	73,627,518	76,125,251	26,071,446
Liabilities										
Bills payable	39,169,649	39,169,649	-	-	-	-	-	-	-	-
Due to financial institutions	280,442,540	215,842,258	3,150,056	23,533,344	648,663	1,407,450	1,943,439	2,141,132	31,741,065	35,133
Deposits and other accounts	1,044,015,748	164,564,756	34,866,547	43,063,174	80,729,879	113,009,726	246,061,580	137,076,341	224,243,372	400,373
Lease liabilities	15,582,671	-	-	612	38,959	308,657	560,100	2,123,374	11,149,433	1,401,536
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	13,101,335	-	-	-	-	-	13,101,335	-	-	-
Other liabilities	64,993,235	25,214,462	11,101,101	13,585,758	10,550,182	4,492,781	47,937	1,014	-	-
	1,457,305,178	444,791,125	49,117,704	80,182,888	91,967,683	119,218,614	261,714,391	141,341,861	267,133,870	1,837,042
Net assets	109,925,034	110,140,806	101,805,157	398,222,011	(32,531,425)	(34,555,889)	(198,667,068)	(67,714,343)	(191,008,619)	24,234,404
Share capital	15,176,965									
Reserves	17,866,357									
Surplus on revaluation of assets - net	22,771,883									
Unappropriated profit	54,109,488									
Total equity attributable to the equity holders of the Bank	109,924,693									
Non-controlling interest	341									
	109,925,034									

	2023									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	Rupees '000									
Assets										
Cash and balances with treasury banks	84,036,564	6,752,344	1,676,529	2,470,675	5,210,267	10,521,377	23,332,750	12,962,639	21,072,167	37,816
Balances with other banks	1,812,507	145,733	36,157	53,285	112,369	226,912	503,213	279,563	454,459	816
Due from financial institutions	-	-	-	-	-	-	-	-	-	-
Investments	589,954,839	17,830,810	68,591,940	423,655,354	7,435,099	5,505,972	39,497,517	27,438,147	-	-
Islamic financing and related assets	580,832,461	211,913,824	74,474,164	75,270,003	34,454,803	50,154,589	40,708,879	47,190,918	39,131,411	7,533,870
Property and equipment	29,625,380	924,036	5,654	6,841	2,164,715	2,339,585	1,091,818	2,393,946	3,695,104	17,003,681
Right-of-use assets	10,771,515	254	4,243	7,927	86,749	223,131	515,901	1,504,596	7,265,176	1,163,538
Intangible assets	2,452,387	17	-	7	405,886	422,570	165,277	907,280	551,350	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets	71,799,261	19,757,410	20,238,911	26,280,058	3,368,795	1,980,641	45,441	-	128,005	-
	1,371,284,914	257,324,428	165,027,598	527,744,150	53,238,683	71,374,777	105,860,796	92,677,089	72,297,672	25,739,721
Liabilities										
Bills payable	16,550,469	16,550,469	-	-	-	-	-	-	-	-
Due to financial institutions	166,886,803	83,909,909	25,785,129	4,380,308	530,236	2,424,102	1,734,466	4,537,715	43,403,752	181,186
Deposits and other accounts	1,018,264,979	146,741,008	123,608,578	56,395,227	75,489,789	97,604,100	209,169,052	116,821,737	192,106,556	328,932
Lease liabilities	12,865,125	2,573,357	2,573,221	2,572,716	2,572,847	2,572,985	-	-	-	-
Subordinated sukuk	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	4,940,115	-	-	-	-	-	4,940,115	-	-	-
Other liabilities	60,852,160	12,801,140	20,990,417	11,828,455	9,605,447	5,576,039	49,187	1,475	-	-
	1,280,359,651	262,575,883	172,957,345	75,176,706	88,198,319	108,177,226	215,892,820	121,360,927	235,510,308	510,118
Net assets	90,925,263	(5,251,455)	(7,929,747)	452,567,444	(34,959,636)	(36,802,449)	(110,032,024)	(28,683,838)	(163,212,636)	25,229,603
Share capital	15,176,965									
Reserves	15,616,188									
Surplus on revaluation of assets - net	15,170,817									
Unappropriated profit	44,961,035									
Total equity attributable to the equity holders of the Bank	90,925,005									
Non-controlling interest	258									
	90,925,263									

47.6 Derivative risk management

The Group's derivatives risk management is performed under market risk management which is an independent unit reporting to the Chief Risk Officer. The risk management policies are governed by the regulatory and internal guidelines. The risk management department of the Group reviews credit risk, market risk and other risks associated with the derivative transactions or related area of the activity and assigns limits within which the transactions / area of activity can be carried out. Furthermore, Group's derivative portfolio is on run off basis due to conversion. Adherence to these limits is ensured through independent monitoring and control functions.

There are a number of risks undertaken by the Group, which need to be monitored and assessed. The management of risks includes the following primary components:

- comprehensive risk measurement approach;
- detailed structure of limits, guidelines and other parameters used to govern risk taking; and
- strong management information system for controlling, monitoring and reporting risks.

Major risks associated with the derivative instruments are market risk, credit risk and liquidity risk. The Group uses FIS-System to measure and manage these risks which provides end-to-end capability with respect to transaction life cycle.

Market risk

Market risk is the risk that the value of a derivative contract will be adversely affected by movements in equity prices, profit rates, currency exchange rates and commodity prices. The authority for approving policies, limits and periodic reviews rest with the Board of Directors. The critical measures used to manage market risks are profit rate delta and currency delta basis. These measures involve extreme shifts in a variety of parameters, such as FX rates, profit rates, equity prices, implied volatility levels and combinations of the above. These measures are calculated through the relevant systems.

Credit risk

Credit risk is the risk that a party to a derivative contract will fail to perform its obligation. There is a settlement risk associated with the derivative transactions. Settlement risk is monitored on a daily basis. Risk management department of the Group sets the policies and limits for counterparty risk based on a pre-defined criteria linked with the internal risk rating of the borrower.

Liquidity risk

Liquidity risk is managed as part of the overall liquidity risk of the Group. The risk management policies related to liquidity risk are explained in note 47.5 to these consolidated financial statements.

48 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on February 20, 2025 by the Board of Directors of the Group.

49 GENERAL

Comparative information has been re-classified, re-arranged or additionally incorporated in these consolidated financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current year.

50 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Holding Company in its meeting held on February 20, 2025 has proposed a final cash dividend of Rs. 2.5 per share (25%) for the year ended December 31, 2024. This is in addition to Rs. 4.5 already paid during the year bringing the total dividend for the year to Rs. 7 per share (2023: Rs. 4). These consolidated financial statements for the year ended December 31, 2024 do not include the effect of this appropriation which will be accounted for subsequent to the year end.

President & CEO	Chief Financial Officer	Chairman	Director	Director

Statement showing written-off financing or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2024 as referred in note 10.9.2 to these consolidated financial statements.

S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Outstanding Liabilities at beginning of year				Principal written-off	Profit / Return written-off	Other Financial Reliefs	Total
						Principal	Profit / Return	Others	Total (7+8+9)				(11+12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
						Rupees '000							
1	Hamid Waqas Printers	2453 F Sheranwala Lahore	Hamid Naseer	35202-2733674-9	Wajid Naseer	-	9,819	-	9,819	-	9,819	-	9,819
2	Alfalah International Agro Chemical	106 - C Khayaban-E-Sarwar, - D.G Khan	1. Qudrat Ullah 2. Rehmat Ali 3. Liaqat Ali	32102-1026834-5 32102-7307482-1 42000-9563675-3	1. Rehmat Ali 2. Ghulam Hussain 3. Ghlam Hussain Khan	-	15,060	-	15,060	-	15,060	-	15,060
3	S.E.S Packages	H No. 22, Block 5, Sector A/2 Township Lahore	Muhammad Sarwar Khan	35202-0178761-9	Ch. Mushtaq Ali	-	1,519	-	1,519	-	1,519	-	1,519
4	Hanif Traders	50 B6 Jinnah Townmian Chunnu Khanewal	Muhammad Hanif	36104-0502986-3	Haji Ali Muhammad	3,997	5,345	-	9,342	-	5,376	-	5,376
5	Qamar Construction Co	54 Block 23 Sargodha Sarghoda	Qamar Ul Hassan Usmani	38403-7826540-5	Sadr Ul Hassan	4,999	22,191	-	27,190	-	21,940	-	21,940
6	Sadeer Abbas	Chak No 136 Gb Po Iffatabad Tehsil Sumindari District Faisalabad	Sudheer Abbas	33105-0332484-7	Abbas Ali	-	1,032	-	1,032	-	1,032	-	1,032
7	Shahid Mehmood	Chak # 154-3L P-Haroonabad Pakistan Haroonabad	Shahid Mehmood	31104-3719268-3	Sher Muhammad	-	1,515	-	1,515	-	1,515	-	1,515
8	Muhammad Sharif	Goth Haji Usman Chandio Po Badin Nangro Tehsil And District Badin	Muhammad Sharif	41101-3379826-9	Muhammad Ali	-	679	-	679	-	679	-	679
9	Maqsood Ahmed	H.No 42-O Head Quarter Police Line Tehsil And District Sahiwal	Maqsood Ahmad	36502-8161392-7	Lal Din	-	865	-	865	-	865	-	865
10	Ghulam Rasool	Street No 07 Marzi Pura Burewala vehari	Ghulam Rasool	36601-1628444-7	Muhammad Azeem	-	549	-	549	-	549	-	549
11	Shaniz Razzaq / Ali Areeb	Moza Arianwahantehsil Mailsi Vehari	Shaniz Razzaq Ali Areeb	36602-1075838-7 36602-2915306-7	Abdul Razzaq	-	798	-	798	-	651	-	651
12	Choudhry Food Industry	Dheerkay Bypass G.T. Road - Gujrat	1. Muhammad Javed Iqbal 2. Bilal Javed Iqbal	34201-0562637-9 34201-9445694-1	1. Muhammad Sharif 2. Muhammad Javed Iqbal	11,402	6,000	-	17,402	-	6,179	-	6,179
13	Green Crop Pvt. Ltd.	105 Gcl Center Main Liaqatpur Road Vehari	1. Muhammad Sharif 2. Hafiz Mahmood Ahmad 3. Muhammad Ahmad Shad 4. Abid Masood	35202-2782328-9 36603-4386596-3 36603-4552355-1 36603-8699087-3	1. Muhammad Hayat 2. Muhammad Ahmed Shad 3. Chaudhry Muhammad 4. Taj Uddin	-	14,098	-	14,098	-	14,063	-	14,063
14	Aqsa Construction Co.	281 Sabza Zaar Scheme C Block Lahore	Chaudhry Riaz Ahmed	35202-3035224-9	Chaudhry Muhammad Tufail	196	2,677	-	2,873	-	2,665	-	2,665
15	M/S Khosa Tractor House	Chah Ali Walakot Chota No 2Dakhana Khasdera Ghazi Khan	Rab Nawaz	32102-4821780-7	Haji Mureed Hussain	-	2,691	-	2,691	-	2,691	-	2,691
16	Imran Usman & Brothers	14Azeem Park Oldpolice Chowki Lahore	Muhammad Usman	35202-5360693-9	Rehmat Ullah	1,277	1,535	-	2,812	-	1,229	-	1,229
17	National Tractor Company	217 Block 17 Dera Ghazi Khan	Mulazim Hussain Mazhar	32102-6773869-1	Haji Muhammad Ramzan	19,934	13,897	-	33,831	-	10,608	-	10,608
18	Engineering Construction Int'L (Pvt)	Union Commercial Area, Block 78, Sultan A. Shah Road, Karachi	1. Muhammad Riaz 2. Syed Arif Zia	122-85-191117 502-46-245684	1. Sualaheen 2. Syed Zia Ul Hasan	68,410	146,140	-	214,550	-	146,915	-	146,915
19	Muhammad Iqbal	Muhammad Iqbalchak # 30/3R Po Same Tehsil Haroonabad And Distt Bahawalnagar	Muhammad Iqbal	31104-1687890-7	Manzoor Ahmed	-	1,470	-	1,470	-	1,470	-	1,470
20	Ittehad Cold Storage	Chak No. 40/3-R Teshil Okara	1. Sardar Liaquat 2. Muhammad Kashif Warraich 3. Chaudhary Waseem Warraich	35103-1336432-5 35302-1939093-1 35302-8466273-1	1. Sardar Shaukat Ali 2. Sana Ullah Warraich 3. Chaudhary Muhammad Hussain Warraich	-	2,001	-	2,001	-	2,001	-	2,001

S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Outstanding Liabilities at beginning of year				Principal written-off	Profit / Return written-off	Other Financial Reliefs	Total
						Principal	Profit / Return	Others	Total (7+8+9)				(11+12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
						---------- Rupees '000 ----------							
21	Syed Bachal Shah	Village Dargah Sajan Sawai, Tehsil Talhar, District Badin	Syed Bachal Shah	41105-9018850-1	Syed Gul Hassan Shah	-	3,344	-	3,344	-	3,344	-	3,344
22	Saif Ullah	Chak No 5 Bc Po Dera Bakha District Bahawalpur	Saif Ullah	31202-0231532-7	Bashir Ahmad	-	1,103	-	1,103	-	1,103	-	1,103
23	Abdul Wahid	Chak 156-Hb Po Faqir Wali Po Faqir Wali Tehsil Haroonabad	Abdul Wahid	31104-6660408-9	Muhammad Ismail	-	2,001	-	2,001	-	2,001	-	2,001
24	Ch.Muhammad Ashraf Sons Filling Station	Gts Chowk Total Petrol Pump - Gujrat	1. Ch Muhammad Usman Ashraf 2. Ch Muhammad Yasir Arafat 3. Ch Muhammad Safdar	34201-5634240-5 34201-5885718-9 34201-7216350-3	1. Ch Muhammad Ashraf 2. Ch Muhammad Ashraf 3. Ch Muhammad Ashraf	-	24,031	-	24,031	-	19,526	-	19,526
25	M/S Kabir Sports (Pvt) Ltd.	2/742, Mohallah Water Works Katchery Railway Terrace Sialkot	1. Mst Zakia Khanum 2. Zameer Ahmed Soofi 3. Iftikhar Ahmed Soofi 4. Tanveer Ahmed Soofi	34603-2073829-0 34603-2255527-9 34603-3628187-7 34603-4621043-5	1. Kabir Ahmed 2. Kabir Ahmed Soofi 3. Kabir Ahmed Soofi 4. Kabir Ahmed Soofi	9,938	65,900	2,032	77,870	-	54,173	-	54,173
26	LC Traders	Shan Manzil, St No 2, Link Jinnah Road Gujrat	Abid Hussain	34201-0499227-5	Muhammad Shan	972	979	-	1,951	-	998	-	998
27	Al Madina Enterprises	Shop 6 Basement Rizwan Plaza Blue Area Islamabad	Abid Nadeem	61101-7747858-3	Moosa Khan	64	1,553	-	1,617	-	1,319	-	1,319
28	L & S International	131 132 A Block Samanabad Near Dr Isharat Faisalabad	Muhammad Farooq	33100-2583173-9	Haji Abdul Latif	3,989	5,496	-	9,485	-	5,578	-	5,578
29	Malik Munawar Ali Noon / Hassan Ali Noon	Ali Pur Nour Noon Teshil Bhalwal District Sargodha	Malik Munawar Ali Noon Hassan Ali Noon	35202-7479405-1 61101-1558525-5	Malik Anwar Ali Noon	1,400	2,378	-	3,778	-	1,970	-	1,970
30	Meat Solution (Aftab Ahmed Bugti)	Po Khas Bekar Tehsil District Phailogh Dera Bugti	Aftab Ahmed Bugti	56303-2342654-1	Mir Ghulam Qadir Bugti	-	861	-	861	-	861	-	861
31	M/S Deans Ribbon & General Mills	10 Km Multan Road near Canal View Society, Lahore	Kazi Fazal Hussain Mazahar	35200-4529077-9	Kazi Muhammad Din	3,464	7,476	-	10,940	-	7,588	-	7,588
32	Muhammad Idrees Timber Store	Ho. No.110 Abu Bakar Road Faisal Town, Vehari	Muhammad Idrees	36603-2602834-9	Ajmal Deen	1,469	729	-	2,198	-	692	-	692
33	Imtiaz Iron Store	235-Railway Road, Ward No.04, Gujar Khan	Imtiaz Ali	37401-1015068-1	Chudhary Sabir Hussain	3,685	13,864	-	17,549	-	13,549	-	13,549
34	Astex (Pvt) Ltd	9 - Km Sheikhupura Road Khaki Stop Lahore	1. Salman Ashraf 2. Shamsa Ashraf	35201-4637386-5 35201-7996440-8	1. Ch. Muhammad Ashraf 2. Ch. Muhammad Ashraf	39,000	125,089	-	164,089	-	124,891	-	124,891
35	Umar & Company	H No.P-4063, Mohallah Hajabad Faisalabad	Nusrat Habib	33100-0866510-4	Habib Ullah Sajid	4,995	3,340	-	8,335	-	3,376	-	3,376
36	Tabish Cycle Industries	H No. 24, Street 3 1, Mohallah Malik Park, Rajgarh Lahore	Muhammad Asghar	35202-3994503-3	Lal Din	1,499	4,409	-	5,908	-	4,458	-	4,458
37	Muhammad Imran	Mauza Shameer Tehsil Kamoki, Dist. Gujranwala	Muhammad Imran	34102-0455329-3	Mahmood Khan	-	1,108	-	1,108	-	1,108	-	1,108
38	Muhammad Zafar Abbas	Mouzam Ahaballi Tehsil & District Jhang	Muhammad Zafar Abbas	33202-1428508-1	Allah Ditta	-	1,214	-	1,214	-	1,214	-	1,214
39	Rana Nazir Hussain	Chah Jhanda Muhammad Sai Porind Jadah Lodhran	Rana Nazeer Hussain	36202-0961963-7	Rana Ghulam Fareed	342	1,931	42	2,315	-	1,650	-	1,650

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						Principal	Profit / Return	Others	Total (7+8+9)				(11+12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
						Rupees '000							
40	Muhammad Irshad Abbas Ghalloo	House No.196 B Bag Ali Area, Bahawalpur	Muhammad Irshad Abbas Ghalloo	31202-4580061-1	Nazar Abbas Khan Ghalloo	-	3,760	61	3,821	-	3,821	-	3,821
41	Muhammad Arshad	Village Sidhawalipo Muridke Sheikhupura	Muhammad Arshad	35401-3454474-1	Ch. Muhammad Younis	1	1,511	-	1,512	-	1,347	-	1,347
42	Zubair Iqbal Sandal	Sandhal House 1053 Al Mustafa Colony District Multan	Zubair Iqbal Sandal	36302-5654830-9	Iqbal Hussain	2,342	6,839	-	9,181	-	6,582	-	6,582
43	Muhammad Nawaz Tiwana	House No.33, Street No.1, Block V,Phase II, Dha, Lahore Cantt	Muhammad Nawaz Tiwana	35201-0645594-9	Nawabzada Malik Haq Nawaz	4,575	9,342	60	13,977	-	8,476	-	8,476
44	Combine Trading Company	Suit No. 216, Regal Trade Square, Saddar Karachi	1. Mohammad Uzaid 2. Irfan Hashim	42101-3174667-3 42101-1920496-3	1. Zia Ul Islam 2. M Hashim	1,910	13,984	-	15,894	-	14,089	-	14,089
45	Usman Enterprises	Dagia House Begum Kot Shahdara Lahore	Malik Muhammad Iqbal Dagia	35201-1246540-3	Malik Faqeer Muhammad	20,000	18,131	-	38,131	-	18,572	-	18,572
46	Agri Farm Services	53-C Near Chungi No. 1 - Multan	1. Amna Mustafa 2. Malik Aamir Aziz	35301-1894332-0 36302-9139512-3	1. Malik Aamir Aziz 2. Malik Aziz-Ur-Rehman	4,788	51,564	-	56,352	-	51,229	-	51,229
47	Agri International	53-C Near Chungi No. 1 - Multan	1. Amna Mustafa 2. Malik Aamir Aziz	35301-1894332-0 36302-9139512-3	1. Malik Aamir Aziz 2. Malik Aziz-Ur-Rehman	-	3,364	-	3,364	-	3,364	-	3,364
48	Sheikh Zia Ud Din & Company	Shop # 90-91 Ghallah Mandi Okara	1. Sh. Zia Ud Din 2. Muhammad Attique Omer	35302-8000658-9 35302-9882328-7	1. Sh. Zahoor Ud Din 2. Sheikh Zia-Ud-Din	4,998	4,213	-	9,211	-	4,053	-	4,053
49	Haji Baoo Iftekhar Cold Store	House No.61 M Phase 8 Dha Cantt Lahore	Sheikh Iftikhar Ahmad	35202-8041591-9	Muhamamd Hussain	4,000	657	20	4,677	-	520	-	520
50	Divine Poultry Farms	3rd Floor - Divine Centre Lahore	1. Amjad Aziz 2. Majid Aziz	35201-7413466-7 35201-8112729-9	1. Abdul Aziz 2. Abdul Aziz	1,755	3,756	214	5,725	-	3,398	-	3,398
51	Royal T.V & Fridge Center	D-24 Wapda Officer Colony Sector C-20 Mirpur, A.K.	Muhammad Nawaz Ratyal	81302-7791909-3	Muhammad Hussain Ratyal	15,000	34,023	-	49,023	-	31,260	-	31,260
52	M/S Kamran Traders	21-Askari Homes Gujranwala	Tariq Mehmood Chattha	34101-7435396-7	Ch.Muhammad Ashraf Ali Khan	3,996	1,727	-	5,723	-	1,599	-	1,599
53	Muhammad Arshad	Dola Pukhta Po Khas Tehsil Depalpur District Okara	Muhammad Arshad	35301-9153207-5	Mian Safdar Ali	-	2,760	-	2,760	-	2,260	-	2,260
54	M.H.Challenge Inds. Pvt Ltd	Daska Road, Duburji Mallan, Sialkot	1. Sheikh Ahmed Hussain 2. Sheikh Masood Hussain 3. Sheikh Sahir Hussain 4. Sheikh Mehmood Hussain 5. Sheikh Shahid Hussain	300-45-023046 34603-3715199-3 34603-4329201-3 34603-2332498-5 34603-0474529-5	1. Sheikh Muhammad Hussain 2. Sheikh Muhammad Hussain 3. Sheikh Muhammad Hussain 4. Sheikh Muhammad Hussain 5. Sheikh Muhammad Hussain	8,065	14,398	-	22,463	-	14,398	-	14,398

S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Outstanding Liabilities at beginning of year				Principal written-off	Profit / Return written-off	Other Financial Reliefs	Total
						Principal	Profit / Return	Others	Total (7+8+9)				(11+12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
						---------- Rupees '000 ----------							
55	M/S Challenge Sports Works.	Duburji Mallian, Daska Road, - Sialkot	1. Sh. Ahmed Hussain 2. Sh. Mehmood Hussain 3. Sheikh Sajid Hussain 4. Sheikh Shahid Hussain	300-45-023046 34603-2332498-5 300-85-021053 34603-0474529-5	1. Sheikh Muhammad Hussain 2. Sheikh Muhammad Hussain 3. Sheikh Muhammad Hussain 4. Sheikh Muhammad Hussain	41,660	77,207	-	118,867	-	77,535	-	77,535
56	Rai Shoaib Ahmed	Rai Shoaib Ahmebasti Perhperhar Perhar Gharbi Kot Addu	Rai Shoaib Ahmed	32303-9277255-5	Ali Muhammad	-	721	-	721	-	671	-	671
57	Malik Allah Wasaya	Railway Road Rahim Yar Khan	Malik Allah Wasaya	36301-6933481-7	Malik Hazoor Baksh	-	1,133	65	1,198	-	1,198	-	1,198
58	Kasana Agro Farms	Thakur Plaza Kutchery Road Sialkot	1. Ch Muhammad Qadoos 2. Shakeel Akhtar Thakur 3. Shabana Qadoos 4. Rafia Tariq	34603-0374577-5 34603-2297723-3 34603-3258858-8 34603-9276545-8	1. Ch Muhammad Haziq 2. Muhammad Ibrahim 3. Ch Muhammd Qadoos 4. Ch Tariq Mehmood	3,475	16,215	9	19,699	-	16,098	-	16,098
59	Dilbar Hasan Khan	Chak-363,Jb Nawa Bombay Dist & Tehsil,Gojra	Dilbar Hasan Khan	33301-2129918-9	Hasan Muhammad Khan	-	643	-	643	-	643	-	643
60	Habibullah	Village Haji Hameer Dars Ppo 12 Mail Mirpur Khas Distt Mirpur Khas	Habibullah	44103-4357940-7	Ali Muhammad	-	1,122	20	1,142	-	943	-	943
61	Mian Riaz Livestock Farms & Feeds	Po Khas Chak No 4 Gb Tehsil And District Nankana Sahib	Mian Riaz Ahmed	35201-5187103-3	Abdul Sattar	-	1,360	-	1,360	-	1,070	-	1,070
62	Muhammad Baqar	Abadi Shahbaz Kjageer G P O Baseer Depalpur Distt Okara	Muhammad Baqar	35301-1900488-5	Bakhshaya	855	1,248	32	2,135	-	1,035	-	1,035
63	Fahad & Brothers	Falak Naz Plaza, Shahrah e Faisal, House # 803, Karachi	Farah Naz	42201-2341215-8	W/O Khalid Mehmood	1,642	2,998	-	4,640	-	2,739	-	2,739
64	Syed Ghulam Abbas Shah Rizvi	Goth Fazalabad Po Rohri Taluka Rohri District Sukkur	Syed Ghulam Abbas Shah Rizvi	45502-5446641-7	Syed Ghulam Mehdi Shah Rizvi	1,197	2,331	-	3,528	-	1,281	-	1,281
65	Nazir Ahmad	Po Mannawal Pate Chakar Khan Tehsil Kot Addu Distirct Muzafargarh	Nazir Ahmad	32303-2490332-3	Ghulam Fareed	6,987	1,014	-	8,001	-	1,259	-	1,259
66	United Enterprises	732 Z Phase III Dha Lahore	Zahoor Ul Haq Siddiqui	35202-2909814-7	Zia Ul Haq Siddiqui	607	3,487	-	4,094	-	2,554	-	2,554
67	Aman Rice Mills	Retta Khana Road Dep Alpur Distt - Okara	1. Asadullah Khan 2. Abdul Rehman Khan 3. Dr.Amanur Rehman Khan	35301-2004657-7 35301-2779057-5 35301-7227429-1	1. Aman Ullah Khan 2. Aman Ullah Khan 3. Aman Ullah Khan	-	18,771	-	18,771	-	15,771	-	15,771
68	Kahloon Filling Station (Muhammad Akhtar)	Pul Bazar House No 237/B-5 Muhallah Farid Gunj Sahiwal	Muhammad Akhtar	36502-4370683-5	Muhammad Asghar	4,598	9,274	-	13,872	-	7,722	-	7,722
69	M & Z Rice Processing Mill	Plot No.F-34, Sector 50/C, Korangi Township, Korangi Karachi	1. Mazhar Sultan 2. Zafar Sultan 3. Salahuddin	42201-5624107-7 42201-5849514-1 42201-7627295-9	1. Salahuddin 2. Salahuddin 3. Siraj Uddin	61,248	96,665	-	157,913	-	99,328	-	99,328
70	Hino Islamabad Ali Automobile	282 St 58, I-8/3, Islamabad	Muhammad Ali Malik	37405-8661039-9	Malik Muhammad Nawaz	4,298	40,536	-	44,834	-	39,389	-	39,389
71	Aasim Enterprises	H-78-B, Mohalla rechs College Road Lahore	Muhammad Iqbal	35202-9921570-1	Ch Ali Muhammad	5,484	12,926	-	18,410	-	11,381	-	11,381

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						Principal	Profit / Return	Others	Total (7+8+9)				
1	2	3	4	5	6	7	8	9	10	11	12	13	14
						Rupees '000							
72	Ilyas General Store	74-75 Green City Hassan Block Okara	Ghaffar Hussain	35302-1979782-1	Abdul Salam	2,500	1,206	-	3,706	-	1,206	-	1,206
73	Attir And Co	House No. 214, Goal Ground, Phase V, Cant, H Sector, Shadbagh, Lahore	Attir Razzaq	35200-1519673-1	Abdul Razzaq	-	1,383	-	1,383	-	682	-	682
74	Zafar & Company	Liaquat Road Vehari	Zafar Iqbal Bhatti	36603-3728196-9	Kushi Muhammad	13,000	6,472	-	19,472	-	4,972	-	4,972
75	National Silk Mills	147 Multan Road Lahore	1. Muhammad Riaz Khalid 2. Muhammad Mumtaz Khalid 3. Muhammad Fayyaz Khalid	35202-4490566-1 35202-4868593-5 35202-6743199-3	1. Mohammad Tufail 2. Mohammad Tufail 3. Mohammad Tufail	32,000	93,788	-	125,788	-	97,321	-	97,321
76	Shan e Mustafa Cold Storage	Plot No.16 Phase-II Industrial Estate Multan	1. Mrs. Qudsia Urooj 2. Mushtaq Ahmed	32102-0353436-4 32102-7729315-7	1. Dr. Asif Nawaz Kamran 2. Imam Bux	5,999	9,245	110	15,354	-	9,272	-	9,272
77	Ahmed Hasan Zafar Malik	House # 123/1, 27 Street Khayaban e Rahat, Phase VI, D.H.A, Karachi	Ahmed Hasan Zafar Malik	37405-6599824-7	Malik Zafar	2,969	583	-	3,552	-	1,037	-	1,037
78	Rana Muhammad Awais	House # 430/24-A Street # 03 Muhallah Walayat Abad Multan Cantt Tehsil & District Multan	Rana Muhammad Awais	36302-7519021-1	Rana Muhammad Naeem	1,177	320	-	1,497	-	752	-	752
79	Zahid Rasheed	H # 3 Block-E, Campus View Town Scheme Lahore /as per LDA (238-F johar Town Lahore)	Zahid Rasheed	37405-9424311-5	Muhammad Rashhed	9,408	14,833	-	24,241	-	10,154	-	10,154
80	Syed Munir Hussain	H # R-778 Blk 20 F B Area Ancholi Society Near Sabir School Karachi	Syed Munir Hussain	42101-8997131-9	Syed Zahir Hussain	547	19	-	566	-	636	-	636
81	Asim Khan	House # D-29 Block 7 Gulshan-E-Iqbal Karachi ,Karachi	Asim Khan	42201-3269711-7	Abdul Rehman Khan	974	208	-	1,182	-	809	-	809
82	Muhammad Azeem Siddiqui	H#A-111 Blk # 9 F.B Area Near State Bank & Mukka Chowk Karachi	Muhammad Azeem Siddiqui	42101-7585640-5	Muhammad Abdul Aziz	509	6	-	515	-	630	-	630
83	Athar Nawaz Durrani	Flat 401 4Th Flr Abdullah Heights Plot E 31/4 Chandio Village Clifton Blk Karachi	Athar Nawaz Durrani	42301-6574012-1	Mazhar Nawaz Khan	740	401	-	1,141	-	567	-	567
84	Muhammad Ayaz	H-No R-109 Blk-A Shamshad Housng Society Shah Faisal Colony Nr Mefooz Cng Pu Karachi	Muhammad Ayaz	42201-5907713-5	Din Muhammad	486	292	-	778	-	544	-	544
85	Nadia Liaqat	C/O Imc World Wide (Humdard) Dept Hr Admin 11Th Floor Ufone Tower Blue Area Islamabad	Nadia Liaqat	37404-1124398-0	Muhammad Liaqat	802	367	-	1,169	179	750	-	929
86	Muhammad Akhlaq Khan	C/O Blue Links Off#1-2-3 Raza Plaza Opp Quetta Cafe Asghar Mall Chowk Rawalpindi	Muhammad Akhlaq Khan	37405-6112498-3	Muhammad Ishaq Khan	941	324	-	1,265	164	912	-	1,076
87	Abid Riaz	Ssgc Sales Dept 2Nd Flr Medical Bldg Ssgc House St#4/B Blk 14 Gul E Iqba Karachi	Abid Riaz	42301-1081251-1	Barkat Ali	899	367	-	1,266	-	936	-	936

S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Outstanding Liabilities at beginning of year				Principal written-off	Profit / Return written-off	Other Financial Reliefs	Total
						Principal	Profit / Return	Others	Total (7+8+9)				(11+12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
						Rupees '000							
88	Akram Tabassum	C/O Metro Cash & Carry , Dept Dairy Bakery & Frozen Model Town Link Rd Lahore	Akram Tabassum	35201-4687340-9	Choudhary Hakim	354	186	-	540	-	539	-	539
89	Haider Ali Baig	Flt # 14 3rd Flr Havely Appart Clifton Blk # 5 Near Park Tower Karachi Pakistan	Haider Ali Baig	42301-1127383-5	Mirza Hafeez Ali Baig	610	38	-	648	-	538	-	538
90	Zia Ullah	Kalapul, Azeem Plaza, Mansehra Rd, Abbotabad	Zia Ullah	37405-6407023-5	Sikandar	2,682	589	-	3,271	-	944	16	960
91	Usman Umar	H # 284, Block 1, C-2 Township Lahore.	Usman Umar	35202-6879908-1	Umar Hussain	1,369	219	-	1,588	-	494	64	558
92	Abdul Nasir Buriro	Flat No. D-2, Ground Floor, "Shukail Gardens" Block No.19, Scheme No.36, Drigh Road , Gulistan-e-Jouhar, karachi	Abdul Nasir Buriro	42201-7137905-1	M. Sadiq Buriro	810	803	-	1,613	-	471	100	571
93	Muhammad Arif	H # 153, Chenab Block Allama Iqbal Town Lahore.	Muhammad Arif	35202-2626334-9	Muhammad Shafi	4,009	6,337	-	10,346	-	5,832	100	5,932
94	Ghulam Murtaza Siddique	H # 622- C Faisal Town Lahore.	Ghulam Murtaza Siddique	35202-2965073-5	Muhammad Siddique	8,478	13,955	-	22,433	-	14,129	100	14,229
95	Nadeem Ali	H # 401, Block # 2 Sector A-2 Township Near AL Kareem Chowk Lahore	Nadeem Ali	35200-5545053-5	Nazir Hussain	1,131	404	-	1,535	-	459	106	565
96	Muhammad Mudasir	4th Floor, Madina Square II, Okhai Memon Masjid, Karachi	Muhammad Mudasir	42301-0985057-3	Muhammad Javaid Abdul Sattar Panjwani	2,463	613	-	3,076	-	822	106	928
97	Mohammad Shar Afghan	Plot No. 14-E, area measuring 10M-93Sq-Ft, Situated in Millat Town, Faisalabad.	Mohammad Shar Afghan	33100-0880636-1	Maqbool Ahmad	2,790	16,786	-	19,576	-	15,603	116	15,719
98	Muhammad Awais	Measuring 10M-3S deatl as Measuring 7M-6S, having Killa No. 13/, Having Killa No. 13/9, Measuring 2M-S (Being Share out of 24/69 masuring 7M-6S), Khewat No. 3348, Khatooni no. 3845, SQ No. 70, Situated in Chak No. 213 R.B Tehsil City District Faisalabad.	Muhammad Awais	33100-8174477-3	Muhammad Younas	5,916	9,986	-	15,902	-	10,021	116	10,137

S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Outstanding Liabilities at beginning of year				Principal written-off	Profit / Return written-off	Other Financial Reliefs	Total
						Principal	Profit / Return	Others	Total (7+8+9)				(11+12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
						Rupees '000							
99	Muhammad Akram Khan Kanjoo	House Constructed on Land falling in Khewat No. 26 with Black ink, 26 with Red Ink, Khatooni No. 39, Total Land of Khata 12K-01M, Share Transferred 315/7230, Land Transferred 10M-15Y, Khewat No. 27 with balk ink, 27 with Red ink, khatooni No. 40, total area of khata 26K-03M, share trasnferred 615/15690 land transferred 1K-0M-15Y, Khewat No. 36 with back ink, 36 with red ink, khatooni No. 55, Total Land of khata 4-Kanals 14-Marlas, share transferred 1410/2820 land transfereed 2K-7M, Total area 3-Kanals18-Marlas situated in Mauza Jameelabad, Tehsil Multan City District Multan.House # 262/CB, Jameelabad Colony, Nishter Road Multan	Muhammad Akram Khan Kanjoo	36302-5317069-5	Haji Ahmad Yar Khan Kanjoo	9,412	10,373	-	19,785	-	9,158	116	9,274
100	Muhammad Qasim/Nighat Qasim	House # P-1010, Muhallah Angat Pura, Rawalpindi	Muhammad Qasim/Nighat Qasim	37405-5456932-5	Rajab Ali	4,840	7,223	-	12,063	-	7,751	116	7,867
101	Mazhar Hameed	Residential Property House Bearing khewat No. 30, khatooni No 30, Khasra/ihata no. 36, 37, Qitta 2, Salam khata 2K-3M-6S, Transferred share 98/393, Measuring 10M-8S, As per record of rights for the year 2011-12, situated at chak no. 58/4-R, Tehsil Haroonabad District Bahawalnagar.	Mazhar Hameed	31104-0495468-3	Muhammad Hameed	1,660	383	-	2,043	-	1,041	116	1,157
102	Shahid Mahmood Chaudhry	Orchard Scheme, Club Road, House # 23-A, Islamabad	Shahid Mahmood Chaudhry	61101-3565140-9	Ch Din Mohammad	12,733	9,272	-	22,005	-	10,602	116	10,718
103	Muhammad Shafique Shahid	House Measuring 01-kanal, situated gulshan mehr colony, Mouza Tarf Mubark Dowaim, O/s Municipal limits, Tehsil Multan City, District Multan.	Muhammad Shafique Shahid	36302-2096851-9	Nazir Ahmad	3,847	6,133	-	9,980	-	6,545	116	6,661

S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Outstanding Liabilities at beginning of year				Principal written-off	Profit / Return written-off	Other Financial Reliefs	Total
						Principal	Profit / Return	Others	Total (7+8+9)				(11+12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
						Rupees '000							
104	Adeel Rasheed	Land/Property Bearing Khewat No. 37/37, Khatooni No. 148 to 150, Salam Khata 113K-4M, Transferred Share 8/2264 Measuring8-Marla,Situated at Mouza Sheikh Roshan,Qader Town,Tehsil Ahmed Pur East, District Bahawalpur, with all present and future construction thereon and all fittings, Fixtures and Appurtenances thereto.	Adeel Rasheed	31201-0339069-3	Rasheed Ahmad Javed	1,378	642	-	2,020	-	1,080	116	1,196
105	Sadia Nasir	Villa # 30, College Road, Safari Villas 1, Bahria Town, Rawalpindi	Sadia Nasir	61101-6843042-0	Shahid Pervaiz	1,273	356	-	1,629	-	457	116	573
106	Saeed Ahmad Siddiqui	Plot No. 209/D, Khewat No. 103/103, Khatooni NO. 248, Qitta 7, Salim khata 42K-14M, Transferred share 3875/232288, measuring 14M-67Ft, as per record of rights for the year 2010-11, situate at Mouza dera izzat, hashmi gardens, estate housing scheme, tehsil bahawalpur city district bahawalpur.	Saeed Ahmad Siddiqui	31202-0269038-7	Abdul Majeed Siddiqui	2,434	234	-	2,668	-	1,001	116	1,117
107	Muhammad Amir Jamil	H # 31/3, Sector 6/B, North Karachi, Karachi	Muhammad Amir Jamil	42101-7026069-7	Jamil Ahmed	1,413	327	-	1,740	-	568	247	815
108	Zahid Masood	House # A-318, Mohallah, Sarwar Colony, Karachi	Zahid Masood	42401-2634970-7	Nouroz Khan	3,463	666	-	4,129	-	1,880	485	2,365
109	Salahuddin	73/4 Street # 23 Khy E Bukhari DHA Phase 06 Karachi	Salahuddin	35201-0113076-5	Farrukh	482	32	5	519	482	32	5	519
						531,011	**1,189,738**	**2,670**	**1,723,419**	**825**	**1,162,957**	**2,489**	**1,166,271**



Other Information

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Management Committees

Senior Management Committee

Yousaf Hussain	Chairman
Raheel Ijaz	Member
Syed Majid Ali	Member & Secretary
Shuja Haider	Member
Jaudat Hussain	Member
Abadullah	Member
Ali Waqar	Member
Mian Salman Ali	Member
Bashir Ahmed Sheikh	Member
Syed Muhammad Fraz Zaidi	Member
Monis Mirza	Member
Aneeq Malik	Member
Syed Hasan Jafri	Member
Muhammad Faisal Shaikh	Member
Syed Amin Ur Rehman	Member
Asim Jilani	Member

IT Steering Committee

Yousaf Hussain	Chairman
Raheel Ijaz	Member
Syed Majid Ali	Member
Mian Salman Ali	Member
Muhammad Maad	Member
Muhammad Abadullah	Member
Imran Saeed Chaudhry	Member & Secretary
Syed Muhammad Fraz Zaidi	Member
Syed Amin Ur Rehman	Member
Jaudat Hussain	Member

Asset & Liability Committee

Yousaf Hussain	Chairman
Shuja Haider	Member & Secretary
Jaudat Hussain	Member
Mian Salman Ali	Member
Ali Waqar	Member
Syed Majid Ali	Member
Aneeq Malik	Member
Sheraz Nasir	Member
Syed Tahir Rizavi	Member

Investment Committee

Yousaf Hussain	Chairman
Shuja Haider	Secretary & Member
Ali Waqar	Member
Syed Majid Ali	Member
Syed Tahir Rizavi	Member
Sheraz Nasir	Member
Mian Salman Ali	Member

Country Credit Committee

Yousaf Hussain	Chairman
Mian Salman Ali	Member & Secretary
Ali Waqar	Member
Jaudat Hussain	Member

Compliance & Fraud Risk Committee

Yousaf Hussain	Chairman
Raheel Ijaz	Member
Abadullah	Member & Secretary
Syed Majid Ali	Member
Mian Salman Ali	Member
Syed Muhammad Fraz Zaidi	Member
Jaudat Hussain	Member
Monis Mirza	Member

Enterprise Risk Management Committee

Yousaf Hussain	Chairman
Raheel Ijaz	Member
Shuja Haider	Member
Syed Majid Ali	Member
Mian Salman Ali	Member
Syed Muhammad Fraz Zaidi	Member
Abadullah	Member
Muhammad Maad	Member
Muhammad Faisal Shaikh	Member
Sheraz Nasir	Member & Secretary

Management Strategy Committee

Yousaf Hussain	Chairman
Raheel Ijaz	Member
Syed Majid Ali	Member
Jaudat Hussain	Member
Syed Muhammad Fraz Zaidi	Member
Syed Tahir Rizavi	Secretary

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Consumer Grievances Handling Mechanism

With the vision to 'Be the leading Islamic Bank in Pakistan', Faysal Bank believes in making continuous efforts towards enhancing Customer Experience across all touchpoints, such as but not limited to; branch banking, contact center, and digital channels. It is our differentiating edge to proactively anticipate our customers' needs and wants, and modify our model accordingly, to provide service going way above-and-beyond the customary

Faysal Bank believes in providing an impeccable experience to customers throughout the lifecycle: As part of our service excellence mandate, we have established pillars of visibility, accountability, customer feedback and grievance handling, which enable us to better empathize with the raw customer experience and put our efforts towards continuously enhancing it.

It is our priority to ensure that the Bank's conduct with its customers is fair and transparent, imparting awareness for informed decisions, in conformity with the excellence of committed standards. We have been consistently investing in state-of-art technology to further improve the Service Delivery & Digital Experience, and enable provisions to gauge key internal performance, where critical processes are measured, via a thorough optimization cycle.

To meet our pledge of rendering the best-in-class service, we have implemented the following initiatives resulting in optimal customer experience:

Consumer Protection Policy:

To increasingly consolidate customer centricity in the culture and dynamics of Fayal Bank, we have framed an extensive consumer protection policy, which outlines comprehensive guidelines for customer management throughout the customer journey and product lifecycle.

Voice of Customer Program:

The in-house Voice of Customer (VoC) programme enables us to capture customers' feedback, requirements and expectations via surveys and other strategic initiatives. The programme gathers customer feedback on all available customer touchpoints to capture customers' satisfaction level on the Bank's services/products/processes/digital offerings/brand equity/lifestyle, through telephonic interviews of our valued customers.

Service Standards Monitoring Spectrum:

The Bank has a robust process monitoring platform that spans across various products, channels including but not limited to Digital Channels, Branch Banking, Consumer Finance, Centralized Operations and support segments with an aim to identify gaps resulting in high turnaround times while driving efforts to meet our committed service standards.

Knowledge Initiatives:

Our knowledge enhancement programme is focused on increasing our staff awareness levels on products, processes, and customer handling techniques. To strengthen the best service mind-set, not only do we take the contemporary approach, but we also utilise mediums such as Service Snippets, Infograms, Online Portal, etc.

Process Optimization:

Process Optimization at Customer Experience, keeps in lens, all the facts and figures emanating from Complaint Management Unit, and the platforms mentioned above. Process optimization also yields strategies and plans to continuously evolve and improve the experience for our customers.

Complaint Management Unit:

The automated Complaint Resolution mechanism at Faysal Bank ensures due diligent complaint closures, while maintaining high FTC (Fair Treatment of Customers) standards.

In 2024, the Bank directly received a total of 106,647 complaints which were resolved in an average time of 4 working days. In addition, we at Faysal Bank conduct thorough root cause analysis to facilitate / drive continuous improvement in tandem with the business, and product management teams, via various avenues as elaborated above.

Customer Satisfaction Surveys:

At Faysal Bank, we conduct Customer Satisfaction Surveys from renowned vendors in order to get a validated external view on the customer experience aspect of various product suites.

Market Competition Scan:

With the resolve to understand the key drivers behind industry's best practices, both locally and internationally, Faysal Bank continuously carries out competitive scans on various service standards and process journeys.

Video Mystery Shopping Program:

We have a robust and unique Video Mystery Shopping Program (VMSP) which is conducted by an external, independent agency through concealed recording devices and objectively captures the realities of a customer's experience. Especially designed to capture a range of aesthetics and customer interactive elements, with the objective of identifying weak areas and to validate strengths.

This programme is a testament to our customer commitment where the Bank continuously seeks ways to improve the customer experience with a 360-degree view.



Combined Pattern of CDC and Physical Shareholding

as on December 31, 2024

S.#.	Categories of Shareholders	Number of Shareholders	Shares held	Percentage %
1	**Associated Companies, Undertakings and Related Parties**			72.07
	Ithmaar Bank B.S.C	6	729,367,723	
	Faisal Finance (Luxembourg) S.A.		129,830,225	
	MFAI (Jersey) Limited		38,995,485	
	MFAI (Jersey) Limited		50,365,166	
	DMI (Jersey) Limited		64,915,110	
	State Life Insurance Corporation of Pakistan		80,368,941	
2	**Directors, Chief Executive Officer, and their Spouse(s) and Minor Children**			1.70
	Mian Muhammad Younis	11	726	
	Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery		723	
	Mr. Juma Hasan Ali Abul		723	
	Mr. Imtiaz Ahmad Pervez		133,344	
	Mr. Abdulelah Ebrahim Mohamed AlQasimi		575	
	Mr. Ali Munir		755	
	Ms. Fatima Asad Khan		500	
	Mr. Mohsin Tariq		25,672,975	
	Ms. Sadia Khan		1,000	
	Mr. Yousaf Hussain- President & CEO		-	-
3	Executives/Employees	3	6,344	0.00
4	NIT and ICP	4	17,914	0.00
5	Banks, Development Financial Institutions, Non-Banking Financial Institutions	14	19,616,747	1.29
6	Insurance Companies	11	33,627,874	2.22
7	Modarabas and Mutual Funds	50	30,810,368	2.03
8	General Public			
	a. Local	20,691	239,698,538	15.79
	b. Foreign	586	24,358,594	1.60
9	Others			
	a. Foreign Companies	14	1,895,040	0.12
	b. Joint Stock Companies	118	30,685,213	2.02
	c. Provident Funds, Pension Funds, Gratuity Funds and other entities	75	17,325,922	1.14
	Total	**21,583**	**1,517,696,525**	**100.00**
	Total Paid-up Capital 1,517,696,525 Shares			
	10% of the Paid-up Capital 151,769,652 Shares			
S.No.	Shareholders holding 10% or more Shares			
1	Ithmaar Bank B.S.C		729,367,723	48.06

Combined Pattern of CDC and Physical Shareholding

as on December 31, 2024

S.#.	Categories of Shareholders	Number of Shareholders	Shares held	Percentage %
1	Associated Companies, Undertakings and Related Parties	6	1,093,842,650	72.07
2	Directors, Chief Executive Officer and their Spouse(s) and Minor Children	11	25,811,321	1.70
3	Executives/ Employees	3	6,344	0.00
4	NIT and ICP	4	17,914	0.00
5	Banks, Development Financial Institutions, Non-Banking Financial Institutions	14	19,616,747	1.29
6	Insurance Companies	11	33,627,874	2.22
7	Modarabas and Mutual Funds	50	30,810,368	2.03
8	General Public a. Local b. Foreign	 20,691 586	 239,698,538 24,358,594	 15.79 1.60
9	Others a. Foreign Companies b. Joint Stock Companies c. Provident Funds, Pension Funds, Gratuity Funds and other entities	 14 118 75	 1,895,040 30,685,213 17,325,922	 0.12 2.02 1.14
	Total	21,583	1,517,696,525	100

Pattern of Shareholding

as on December 31, 2024

Number of Shareholders	Shareholding Slab			Total Shares Held	Number of Shareholders	Shareholding Slab			Total Shares Held
5357	1	to	100	180,503	1	235001	to	240000	236,000
7005	101	to	500	2,109,161	4	240001	to	245000	966,611
2188	501	to	1000	1,696,060	11	245001	to	250000	2,742,342
4490	1001	to	5000	11,761,406	2	250001	to	255000	506,338
981	5001	to	10000	7,271,843	1	255001	to	260000	258,870
387	10001	to	15000	4,799,372	2	260001	to	265000	526,064
199	15001	to	20000	3,583,090	1	280001	to	285000	280,947
150	20001	to	25000	3,486,163	1	290001	to	295000	290,391
99	25001	to	30000	2,756,402	10	295001	to	300000	2,997,000
64	30001	to	35000	2,098,860	2	300001	to	305000	600,556
54	35001	to	40000	2,043,803	2	305001	to	310000	618,283
40	40001	to	45000	1,723,041	2	310001	to	315000	628,124
79	45001	to	50000	3,893,065	3	315001	to	320000	956,725
25	50001	to	55000	1,309,188	1	325001	to	330000	330,000
27	55001	to	60000	1,569,709	1	330001	to	335000	333,553
19	60001	to	65000	1,200,119	1	340001	to	345000	341,000
28	65001	to	70000	1,897,455	2	345001	to	350000	697,500
20	70001	to	75000	1,472,380	1	355001	to	360000	355,214
12	75001	to	80000	926,686	1	370001	to	375000	375,000
12	80001	to	85000	1,000,526	3	375001	to	380000	1,128,795
14	85001	to	90000	1,229,226	4	380001	to	385000	1,534,152
11	90001	to	95000	1,024,490	1	385001	to	390000	387,000
28	95001	to	100000	2,789,624	3	390001	to	395000	1,177,244
6	100001	to	105000	611,950	8	395001	to	400000	3,200,000
4	105001	to	110000	437,112	2	405001	to	410000	813,513
6	110001	to	115000	678,665	2	410001	to	415000	825,954
6	115001	to	120000	707,321a	1	420001	to	425000	421,257
8	120001	to	125000	991,804	1	425001	to	430000	425,458
3	125001	to	130000	381,163	1	430001	to	435000	434,052
8	130001	to	135000	1,059,142	2	465001	to	470000	938,645
3	135001	to	140000	413,866	2	490001	to	495000	983,850
6	140001	to	145000	862,555	6	495001	to	500000	3,000,000
8	145001	to	150000	1,185,190	1	500001	to	505000	504,625
1	150001	to	155000	151,000	1	505001	to	510000	510,000
1	155001	to	160000	158,392	1	515001	to	520000	520,000
4	160001	to	165000	648,963	1	525001	to	530000	527,995
3	165001	to	170000	503,437	1	530001	to	535000	532,714
4	170001	to	175000	692,144	3	545001	to	550000	1,642,721
8	175001	to	180000	1,426,354	1	575001	to	580000	577,500
3	180001	to	185000	549,555	1	590001	to	595000	590,541
3	185001	to	190000	565,135	1	600001	to	605000	605,000
3	190001	to	195000	574,556	1	605001	to	610000	610,000
12	195001	to	200000	2,395,086	2	610001	to	615000	1,224,502
5	200001	to	205000	1,009,919	1	615001	to	620000	616,000
2	205001	to	210000	411,951	1	645001	to	650000	646,818
3	210001	to	215000	638,290	1	655001	to	660000	660,000
2	215001	to	220000	437,000	2	660001	to	665000	1,325,500
3	225001	to	230000	688,500	1	665001	to	670000	669,000
1	230001	to	235000	235,000	1	685001	to	690000	685,300

Number of Shareholders	Shareholding Slab			Total Shares Held	Number of Shareholders	Shareholding Slab			Total Shares Held
2	690001	to	695000	1,387,291	1	1620001	to	1625000	1,625,000
1	695001	to	700000	700,000	1	1700001	to	1705000	1,701,311
1	700001	to	705000	702,500	1	1995001	to	2000000	2,000,000
1	745001	to	750000	750,000	1	2065001	to	2070000	2,069,211
2	750001	to	755000	1,503,016	1	2290001	to	2295000	2,293,500
1	770001	to	775000	774,812	1	2495001	to	2500000	2,500,000
1	775001	to	780000	779,506	1	2505001	to	2510000	2,508,337
2	785001	to	790000	1,575,013	1	2890001	to	2895000	2,890,047
1	830001	to	835000	832,380	1	3030001	to	3035000	3,032,188
1	880001	to	885000	884,206	1	3095001	to	3100000	3,097,800
1	900001	to	905000	901,622	1	3145001	to	3150000	3,150,000
1	915001	to	920000	917,292	1	3200001	to	3205000	3,204,539
1	935001	to	940000	935,039	1	3530001	to	3535000	3,532,751
1	945001	to	950000	950,000	1	3540001	to	3545000	3,543,320
1	950001	to	955000	950,346	1	4515001	to	4520000	4,517,207
2	995001	to	1000000	2,000,000	1	4720001	to	4725000	4,724,429
1	1000001	to	1005000	1,002,910	1	4960001	to	4965000	4,962,715
1	1015001	to	1020000	1,017,413	1	6090001	to	6095000	6,090,780
1	1025001	to	1030000	1,025,855	1	6665001	to	6670000	6,670,000
1	1065001	to	1070000	1,065,130	1	7085001	to	7090000	7,086,648
1	1070001	to	1075000	1,071,014	1	13020001	to	13025000	13,024,919
1	1095001	to	1100000	1,100,000	1	13715001	to	13720000	13,716,122
1	1150001	to	1155000	1,150,006	1	15435001	to	15440000	15,437,766
1	1195001	to	1200000	1,200,000	1	16660001	to	16665000	16,663,304
1	1245001	to	1250000	1,250,000	1	25670001	to	25675000	25,672,975
1	1275001	to	1280000	1,278,000	1	38995001	to	39000000	38,995,485
2	1390001	to	1395000	2,781,420	1	45935001	to	45940000	45,938,825
1	1400001	to	1405000	1,402,093	1	50365001	to	50370000	50,365,166
1	1425001	to	1430000	1,428,000	1	59215001	to	59220000	59,215,466
1	1465001	to	1470000	1,466,131	1	64915001	to	64920000	64,915,110
1	1495001	to	1500000	1,500,000	1	80365001	to	80370000	80,368,941
1	1530001	to	1535000	1,535,000	1	129830001	to	129835000	129,830,225
1	1570001	to	1575000	1,574,512	1	729365001	to	729370000	729,367,723
1	1595001	to	1600000	1,599,332		21,583			1,517,696,525

NOTICE OF THE 30th ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting ("AGM") of Faysal Bank Limited ("FBL") will be held on March 25, 2025, at 10:00 a.m. at Ballroom C, Mövenpick Hotel, Club Road, Civil Lines, Karachi, to transact the following businesses:

Ordinary Business:

1. To confirm the Minutes of the 29th Annual General Meeting held on March 6, 2024.

2. To receive and adopt Unconsolidated & Consolidated Financial Statements and Statement of Compliance with Code of Corporate Governance of FBL for the year ended December 31, 2024, together with the Directors' and Auditors' Reports thereon.

In accordance with Section 223 of the Companies Act, 2017 and pursuant to the S.R.O. 389(I)/2023 dated March 21, 2023, the Financial Statements of the Bank for the year ended December 31, 2024, can be accessed through the following weblink and QR enabled code.

https://www.faysalbank.com/financials

3. To consider and approve as recommended by the Board of Directors 25% Final Cash Dividend for the year ended December 31, 2024, in addition to 10% Interim Cash Dividend for the first quarter ended March 31, 2024, 20% Interim Cash Dividend for second quarter ended June 30, 2024, and 15% Interim Cash Dividend for third quarter ended September 30, 2024, already paid to the Shareholders.

4. To appoint External Auditors KPMG Taseer Hadi & CO, Chartered Accountants for the ensuing financial year 2025 at PKR 22,020,000/- (excluding sales tax and out of pocket expenses) of statutory audit, reviews, and certification fees.

5. Any other business with the permission of the Chair.

By the order of the Board

Aurangzeb Amin
Company Secretary & Head of Legal

Karachi dated: March 3, 2025

Notes:

1. The Share Transfer Books of the Bank shall remain closed from **March 19, 2025, to March 25, 2025** (both days inclusive). Transfer received at the Share Registrar of the Bank, by the close of business on March 18, 2025, will be treated in time.

2. A member entitled to attend and vote at the Meeting may appoint another person as per his/her proxy to attend and vote for him/her provided that a corporation may appoint as its proxy a person who is not a member but is duly authorized by the corporation. Proxies must be received at the Registered Office of the Bank not later than 10:00 a.m. on March 23, 2025.

3. Participation in the AGM through Video link:
The General Meeting is being conducted as per guidelines circulated by SECP following arrangements have also been made by the Bank to facilitate the maximum participation of the shareholders in the AGM through video link facility, either in-person or through appointed proxies:

The shareholders interested to participate through video link are requested to please provide below information at Email: cdcsr@cdcsrsl.com and WhatsApp No. 0321-8200864 at the earliest but not later than close of business on March 24, 2025.

Full Name of hareholder / Proxy Holder	Company	CNIC Number	Folio / CDC A/c No.	Email ID	Mobile Phone No.
	Faysal Bank Limited				

Please note that video link and login credentials will be shared with only those members / designated proxies whose e-mail and other required information are received in required time as mentioned above.

a) Video-link for the meeting will be sent to members at their email addresses provided enabling them to attend the meeting on the given date and time.

b) Login facility will be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to log in and participate in the meeting proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.

c) Shareholders may send their comments and suggestions relating to the agenda items of the AGM at least two (2) working days before the meeting, at the given email address cdcsr@cdcsrsl.com WhatsApp on 0321-8200864. Shareholders are requested to mention their full name, CNIC # and Folio/CDC Account # for this purpose.

d) Shareholders are encouraged to participate in the meeting to consolidate their attendance and participation through proxies.

4. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan.

A. For attending the Meeting:

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.

ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of Meeting.

B. For appointing proxies:

i) In case of individuals, the account holder or sub-account holder and /or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirement.

ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv) The proxy shall produce his/her original CINC or original passport at the time of the Meeting.

v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

5. Members are required to timely notify any change in their address to their respective Participants (if shares are held electronically) or to the Share Registrar of the Bank (if shares are held in physical form) M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi.

6. Mandatory Requirement for Provision of IBAN and Valid CNIC for payment of Cash Dividend through Electronically:

In compliance with requirements of Companies Act, 2017 and the Companies (Distribution of Dividends) Regulations, 2017, the Company shall withheld dividend of those shareholders who have not yet provided correct and complete bank account details including valid IBAN of their respective bank accounts.

In order to receive cash dividend(s) withheld by the Bank as stated above, shareholders are requested to contact their Share Registrar at the above given address or their respective Participant / Investor Account Services of Central Depository Company of Pakistan (as the case may be) along with legible copy of their respective valid CNIC and provide their complete and correct bank account details including valid IBAN.

The Shareholders holding Pakistan Origin Card and have updated the same in records or Shareholders who have mentioned their passport numbers will receive the dividends subsequent to the initial payment run through Central Depository System.

It is also important to note that system errors or non-response on part of a shareholder's designated bank may also delay the dividend payment and in case of such delays shareholders are requested to contact the Company's Share Registrar.

Completion and correction of record:

Members are required to timely notify any change in their address to their respective Participants (if shares are held electronically) or to the Share Registrar of the Bank (if shares are held in physical form) M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi.

7. Deduction of Withholding Tax:

Please note that the withholding tax will be deducted at the following rate based on "Active Taxpayer List" (ATL) available at FBR website:

1. Persons appearing in Active Taxpayers List: 15%
2. Persons not appearing in Active Taxpayers List: 30%.

Further, in case of joint shareholders, tax will be deducted as per their ratio/share (if any) intimated by the same to the Bank's Share Registrar, otherwise their shareholding treated as equal.

8. Requirement of Valid Tax Exemption Certificate for Claim of Exemption U/S 150 of the Income Tax Ordinance 2001:

If the FBL is available with valid exemption certificate issued u/s 159 of Income Tax Ordinance, 2001 or has filed a petition against the FBR for acquiring exemption certificate, in any relevant court, a copy of valid exemption certificate or certified true copy of the Stay Order of Honorable Court along with latest Court proceedings (if any) would be required latest by March 18, 2025 in lieu of valid exemption certificate for non-deducting of withholding tax. In case of non-availability of the same or Court Order, tax shall be deducted accordingly.

9. Deduction of Zakat on Dividend issue:

The Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the shares (Rs. 10/- each) under Zakat and Ushr Laws and will be deposited within the prescribed period with the relevant authority. Please submit your Zakat Declaration Form (CZ 50) under Zakat and Ushr Ordinance 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 to the Bank's Share Registrar. Shareholders who hold shares with participants / CDC are advised to provide the above Forms through the concerned brokers / CDC.

10. Availability of Audited Financial Statements on Company's Website

The Company has placed the Audited Annual Financial Statements for the year ended December 31, 2024 along with Auditor's and Director's Reports thereon on its website: www.faysalbank.com

11. Transmission of Financial Statements

The Securities and Exchange Commission of Pakistan vide SRO No. 389(1) / 2023 dated March 21, 2023, has allowed listed companies to circulate their Annual Audited Financial Statements, (i.e., annual audited Balance Sheet and Profit & Loss accounts, Auditors Report and Directors' Report) along with the notice of 30th AGM to be held on March 25, 2025, to its shareholders, through QR code and web link (as mentioned above).

However, hard copy of the same will be provided on demand and members desiring to avail this facility may provide the requisite information to the Company Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi. Further, the financial statements along with the notice of AGM may also be circulated through email by the Bank's registrar. Please note that the required documents will be send to the members on their registered email address only.

12. Deposit / Conversion of Physical Shares into Book-Entry Form:

The Securities and Exchange Commission of Pakistan ("SECP") through its letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised listed companies to adhere with the provision of the Section 72 of the Companies Act, 2017 (the "Act") requiring all the existing companies to replace shares issued by them in physical form with shares into Book-Entry form in a manner as may be specified and from the date notified by the SECP but not exceeding four (04) years from the date of the promulgation of the Act. Considering the aforesaid directive, FBL has also published a request on dated May 28, 2021 to ensure compliance with requirement of the Act and advised to open Investor Account directly with the Central Depository Company of Pakistan Limited ("CDC") or CDC-Sub-Account with any of the TREC Holder registered with Pakistan Stock Exchange Limited to place their physical shares into Book-Entry form. It will not only to secure the compliance of relevant rules and regulations but will also speed up the process of disbursement of entitlement to the respective shareholders.

13. Claiming of Unclaimed / Unpaid Dividends and Share Certificates:

In compliance of Section 244 of the companies Act 2017, the Bank has already requested through individual letters to shareholders who have not yet claimed their outstanding cash dividends/ bonus shares, Shareholders are once again requested to lodge their claims for cash dividends, right /bonus shares kept with the Share Registrar and Transfer Agent of the Bank. On the address given above.

14. Registration on CDC's e-Services Web Portal:

Central Depository Company (CDC) has developed Centralized Cash Dividend Register (CCDR), an e-Services web portal which contains details pertinent to cash dividend paid, unpaid or withheld by listed companies. The CCDR will help to maintain history of dividends paid to shareholder by listed companies and access of all such information will be provided to the respective shareholders. The web portal will facilitate shareholders of listed companies in retrieving detail of cash dividends from CCDR and using the same for their record purposes. Shareholders may access CCDR via https://csp.cdcaccess.com.pk in addition, the Dividend / Zakat & Tax Deduction Report can also be obtained directly from Participant (Stock Broker) which has been provided to them on their CDS terminals. Moreover, shareholders may also receive copy of this report on their registered email addresses.



فیصل اسلامی رحمت بزنس اکاؤنٹ

کاروبار میں برکت، رحمت کے ساتھ

تمام برانچز سے حاصل کریں

- مفت لیٹر آف کریڈٹ اور بینک گارنٹی
- مفت کیش پک اَپ
- مفت آن لائن بینکنگ
- مفت چیک بک اور پے آرڈر
- مفت لاکر
- مفت بزنس تکافل

فیصل بینک دے آپ کی جانب سے منتخب کردہ ہسپتال کو صدقات اور عطیات وہ بھی بغیر کسی کٹوتی کے۔

فیصل بینک

*شرائط و ضوابط لاگو ہیں۔

Form of Proxy

I/We_____of

_____

a member (s) of **FAYSAL BANK LIMITED** and holding _____ ordinary shares, as per

Register Folio No. / Participant's ID/CDC sub Account No. _____

hereby appoint _____ Folio No. / Participant's

ID/CDC sub Account No _____ or

failing him/her_____of_____as

my / our proxy to vote and act for me / us on my / our behalf at the **Annual General Meeting** of the Bank will be held on **March 25, 2025** and at any adjournment thereof.

Signed _____ day of _____, 2025

Witness:

1._____

Revenue Stamp
Rs. 5/-

2._____

Signature of Member (s)

NOTES:

1. The Share Transfer Books of the Bank shall remain closed from **March 19, 2025 to March 25, 2025** (both days inclusive). Transfer received at the Shares Registrar of the Bank, by the close of business on March 18, 2025 will be treated in time for attending Annual General Meeting will be held on March 25, 2025 at Karachi.

2. A member entitled to attend and vote at the Meeting may appoint another Member as per his/her proxy to attend and vote for him/her provided that a corporation may appoint as its proxy a person who is not a member, but is duly authorized by the corporation. Proxies must be received at the Registered Office of the Bank not less than 48 hours before the time of the holding of the Meeting.

3. Members are required to timely notify any change in their address to Bank's Shares Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi.

4. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For attending the Meeting:

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shell authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.

ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of Meeting.

B. For appointing proxies:

i) In case of individuals, the account holder or sub-account holder and /or the person whose securities are in group account and their registration details are uploaded as per the regulations, shell submit the proxy form as per the above requirement.

ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv) The proxy shall produce his/her original CINC or original passport at the time of the Meeting.

v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

پراکسی فارم

میں/ہم _____

رہائشی _____

فیصل بینک لمیٹڈ کے ممبر (ز) کی حیثیت سے رجسٹر فولیو نمبر/پارٹی سپنٹ شناختی نمبر/سی ڈی سی سب اکاؤنٹ نمبر کے مطابق _____

عمومی شیئرز کے مالک ہیں اور بذریعہ ہٰذا _____

فولیو نمبر/پارٹی سپنٹ شناختی نمبر/سی ڈی سی سب اکاؤنٹ نمبر _____ یا ان کی غیر موجودگی میں _____

رہائشی _____ کو پراکسی کے طور پر مقرر کرتا ہوں/کرتے ہیں جو کہ میرے/ہمارے پراکسی کے طور میری/ہماری غیر موجودگی میں

بینک کے 25 مارچ، 2025 کو منعقد ہونے والے سالانہ اجلاسِ عام میں میری/ہماری جانب سے شرکت کرنے اور ووٹ دینے کے اہل ہوں گے۔

دستخط _____ دستخط کی تاریخ _____

گواہ

1۔ _____ پانچ روپے کا ریونیو اسٹامپ چسپاں کریں

2۔ _____ ممبر (ز) کے دستخط

نوٹ:

1. بینک کے شئیر ٹرانسفر بکس 19 مارچ، 2025 سے 25 مارچ، 2025 تک (بشمول دونوں دن) بند رہیں گی۔ بینک کے شیئرز رجسٹرار کو 18 مارچ، 2025 کو کاروبار کے اختتام تک موصول ہونے والے ٹرانسفر کو 25 مارچ، 2025 کو کراچی میں منعقد ہونے والے سالانہ اجلاس عام کے لئے بروقت قرار دیا جائے گا۔
2. اجلاس میں شرکت اور ووٹ دینے کا اہل ممبر کسی دوسرے ممبر کو اپنی جگہ شرکت کرنے اور ووٹ دینے کے لئے پراکسی مقرر کر سکتا ہے جبکہ کسی ادارے کی جانب سے مقرر کردہ پراکسی کا ممبر ہونا لازمی نہیں ہے، لیکن اس کے پاس ادارے کی جانب سے تقرری کا ثبوت ہونا چاہیے۔ پراکسیز لازمی طور پر اجلاس سے کم از کم 48 گھنٹے قبل بینک کے رجسٹرڈ آفس میں وصول ہونی چاہیے۔
3. ممبرز اپنے پتے کی تبدیلی سے متعلق اطلاع بینک کے شئیر رجسٹرار میسرز سی ڈی سی ہاؤس لمیٹڈ، سی ڈی سی ہاؤس، 99-B بلاک بی، ایس ایم سی ایچ ایس مین شاہراہِ فیصل، کراچی کو بروقت دیں۔
4. سی ڈی سی اکاؤنٹ ہولڈرز سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے 26 جنوری، 2000 کو جاری شدہ سرکلر 1 میں دی گئی رہنما ہدایات پر عمل کریں۔

A اجلاس میں شرکت کے لیے:

1. انفرادی ممبرز کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ آدمی جس کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اور اس کی رجسٹریشن کی تفصیلات قواعد کے مطابق اپلوڈ ہو چکی ہیں، انہیں اپنی شناخت کے لیے اجلاس میں شرکت کے وقت قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ پیش کرنا پڑے گا۔
2. کارپوریٹ ادارے کی صورت میں اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی (اگر پہلے فراہم نہیں کیا گیا ہے) نامزد کرنے والے کے مجاز دستخط کے ساتھ پیش کرنا ہو گا۔

B پراکسیز کی تقرری کے لئے

1. انفرادی ممبرز کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ آدمی جس کی سیکیورٹیز گروپ میں ہیں اور اس کی رجسٹریشن کی تفصیلات قوائد کے مطابق اپلوڈ ہو گئی ہیں، انہیں درجِ بالا ضروریات کے مطابق پراکسی فارم جمع کرانا ہو گا۔
2. پراکسی فارم پر دو افراد کی گواہی درکار ہو گی جن کے نام، پتہ اور سی این آئی سی نمبر درج ہوں گے۔
3. پراکسی فارم کے ساتھ اصل ممبر اور پراکسی کے سی این آئی سی یا پاسپورٹ کی مصدقہ نقول منسلک ہوں گی۔
4. میٹنگ کے وقت پراکسی کو اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ضروری ہو گا۔
5. کارپوریٹ ادارے کی صورت میں کمپنی کے پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی (اگر پہلے فراہم نہیں کیا گیا ہے) مجاز دستخط شدہ منسلک ہو گا۔

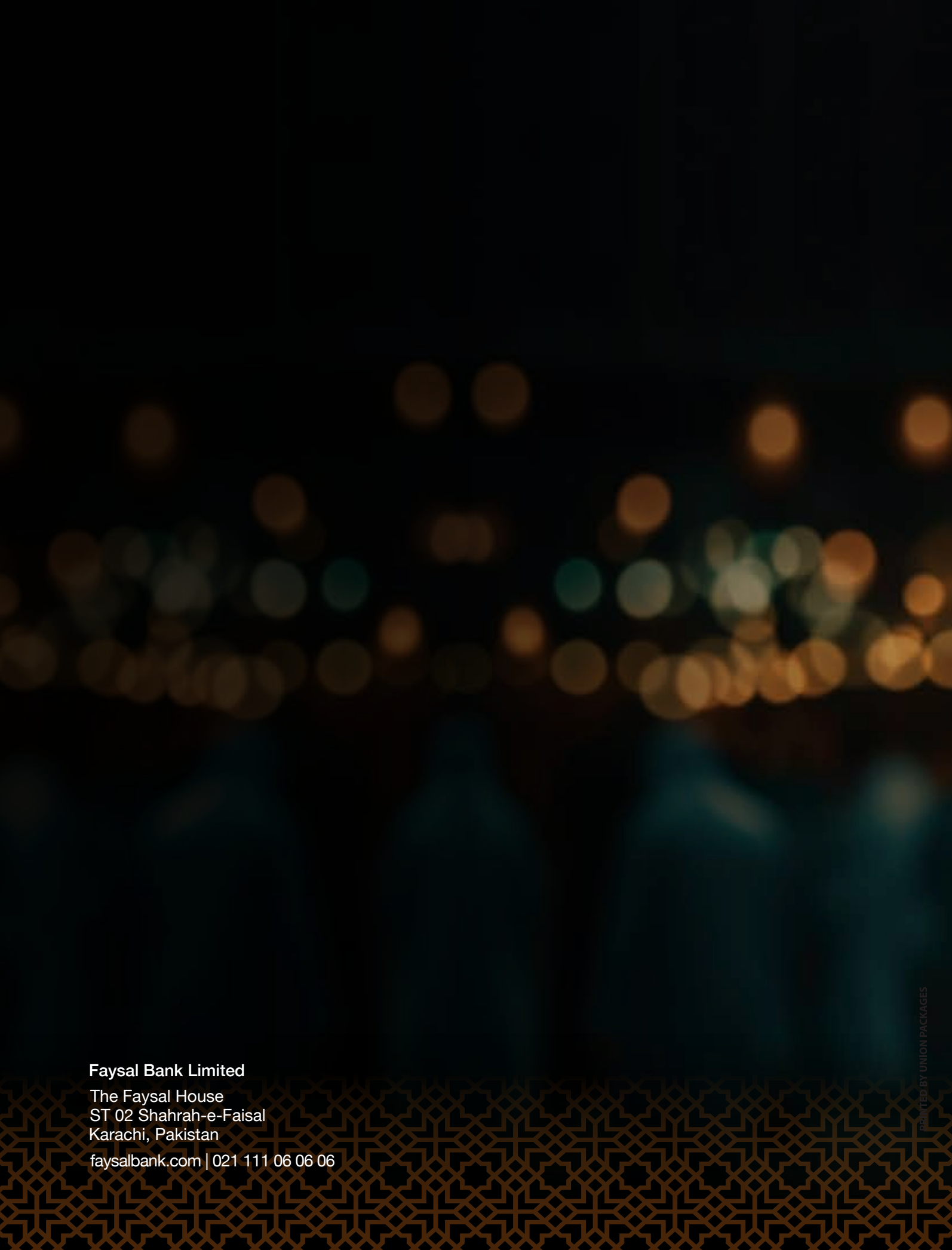
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